CatalystOne

THE NORDIC HR TRENDS AND TECH REPORT

2025/26

A collaboration between Swedish HR-föreningen, DANSK HR, the Finnish association for HR management HENRY, and CatalystOne Solutions.

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HR TRENDS AND TECH REPORT

Introduction

The future of HR in the Nordics is being shaped today. This report aims to help deepen understanding of that journey. The Nordic HR Trends and Tech Survey 2025/26 benchmarks how HR is evolving across Norway, Sweden, Denmark, and Finland by exploring HR's strategic influence, business impact, digital maturity, and readiness for upcoming compliance demands.

The report centres on four key areas:

1. **HR's strategic role and organisational impact** – How HR earns a seat at the table, influences major business decisions, and how digitalisation impacts its role and credibility.
2. **HR trends and priorities** – What's driving HR in the coming year? A look at investment focus, resource allocation, DEI efforts, country differences, and whether digital maturity levels shape strategy.
3. **HR tech and digital maturity** – Confidence, capability, and adoption levels across HCM systems and tools, investment patterns, and the barriers that stand in the way of digital progress.
4. **EU Pay Transparency readiness** – A one-off topical deep dive into awareness, actions taken, preparedness, and the tools supporting fair and transparent pay reporting.

This survey was conducted online among HR leaders and professionals across the Nordic region. By contributing, the Nordic HR community has built a shared knowledge base that helps compare maturity, investment priorities, and strategic alignment across organisations. It offers data-driven evidence on HR's evolving influence, technology adoption, AI readiness, and compliance progress, alongside country and maturity insights to guide future roadmaps. It also offers actionable recommendations to help HR leaders strengthen strategic alignment and drive measurable business impact.

This study is a collaboration between Swedish HR-föreningen, DANSK HR, the Finnish association for HR management HENRY, and CatalystOne Solutions.

About the survey

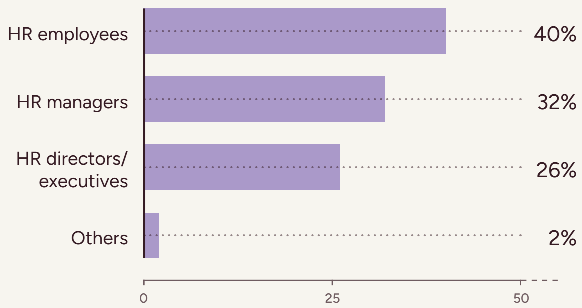
This report is based on data collected from around 500 participants, representing more than 25,000 individual data points. The data is broken down by organisation size, sector, geography, and role.

More than
25K
data points

Circa
500
individuals responded

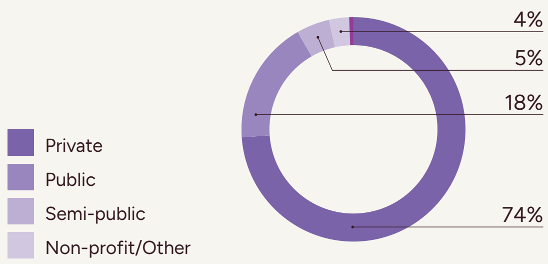
Analysed data

Participants spanned all organisational levels, with a majority in leadership.



Sector distribution

Participation was dominated by the private sector, though public and non-profit organisations were also represented.

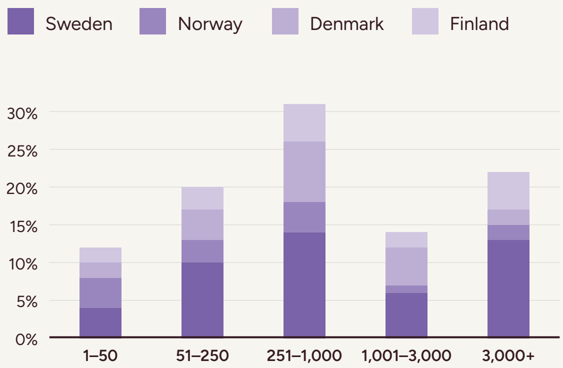


The Nordics

The report includes respondents from Sweden, Denmark, Norway and Finland.

Organisation size

Participants represented a broad mix of organisation sizes across the four countries, with most respondents working in medium to large enterprises.



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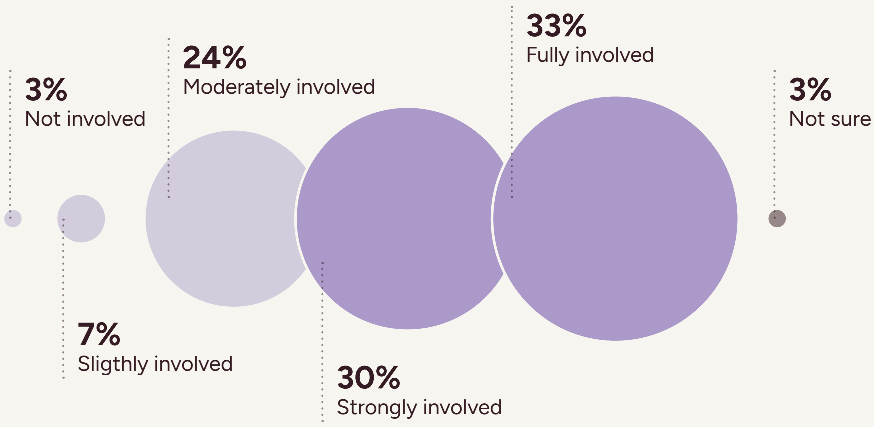
HR'S STRATEGIC ROLE

HR rising as a strategic force

HR has come a long way from its traditional role of being a purely supporting function. Today, its shifting towards becoming a real driver of business strategy in Nordic organisations. This section looks at where HR sits in decision making today, how its influence is developing, what barriers remain, and whether digital maturity impacts its ability to be a strategic partner.

63%
says HR is strongly or fully involved in top-level discussions

HR's involvement in strategic decision-making
(% reporting each option)



HR at the leadership table

HR's presence in top-level discussions is becoming the norm across most organisations, reflecting its evolution from a support function to a true business partner. The data on HR's involvement in strategic decision-making highlights just how far the function has come in securing a seat at the table, and where there is still room to strengthen its representation at the highest level.

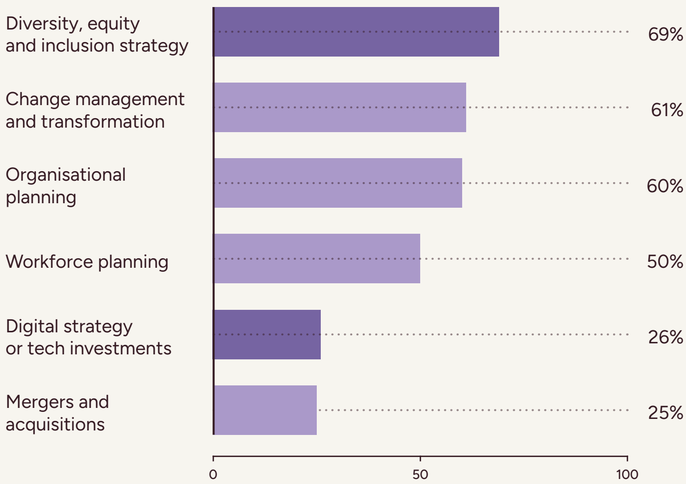
Most organisations now include HR in senior management discussions, signalling clear progress toward a more strategic role. However, a notable share lack consistent HR representation at the leadership table, showing that while the trajectory is positive, there is still ground to gain before achieving full strategic inclusion.

Where HR leads, and where it lags

Across Nordic organisations, HR plays a defining role in shaping decisions that impact people, culture, and change. The data on HR's decision-making influence across key business areas reveals where the function has the strongest strategic voice, and where its impact is still developing.

HR has the greatest influence in diversity, equity and inclusion (DEI), change management and is also active in organisational and workforce planning. This likely reflects its central role in shaping culture and driving organisational transformation. Areas such as digital strategy and mergers and acquisitions remain where HR's role is weakest.

HR's decision-making influence in key areas
(% reporting high influence)



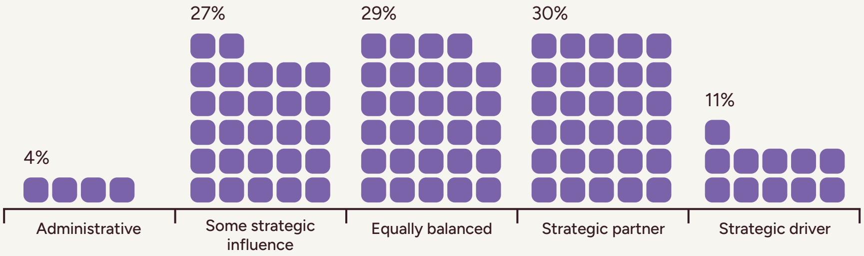
HR steps beyond the administration role

HR's identity within organisations is moving well beyond traditional administration toward a more strategic and consultative role.

The data on how HR professionals believe they are perceived by others in the organisation shows that a majority describe perception of HR as either a strategic contributor or a driver of strategy, signalling a positive self-assessment.

Only a minority believe HR is perceived as purely administrative, indicating that HR's purpose is evolving beyond traditional boundaries. The perception data mirrors the earlier findings of strong involvement in leadership-level discussions.

Perception of HR's role in the organisation
(% reporting each option)



DEEP DIVE

Comparative analysis of HR's influence across the Nordics

While the overall Nordic pattern shows HR having similar approaches each country brings its own unique strengths to the table. Across all four countries, the data reinforces that HR's influence is strongest in people and culture focused areas such as DEI and change, while digital transformation and M&A remain areas where HR's strategic role continues to evolve.

HR's influence in strategic decision-making
(% reporting high influence)

- **Norway stands out in M&A** – with HR taking a comparatively stronger role in this area than in any other Nordic country. This points to a broader integration of people considerations into business transactions, something less visible elsewhere in the region, where HR involvement in M&A appears more limited.
- **Sweden leads in digital strategy** – The data shows that Swedish HR teams play an active role in shaping digital initiatives, maintaining a consistently strong presence across most strategic areas. Finland also performs well here, though with a slightly more modest level of HR influence compared to Sweden.
- **Finland is the frontrunner in both workforce and organisational planning** – showing the strongest HR influence among the Nordic countries. HR teams here appear to play a key role in aligning people priorities with business goals. Denmark and Norway also perform well, maintaining steady and meaningful HR involvement that supports strategic alignment across their organisations.
- **Denmark shows a steady and balanced level of HR influence** – across most strategic domains, despite not leading in any. Danish HR teams appear to play a meaningful role in workforce and organisational planning, helping shape business direction and ensuring alignment between people and strategy. Their involvement in digital strategy and transformation is somewhat more moderate.

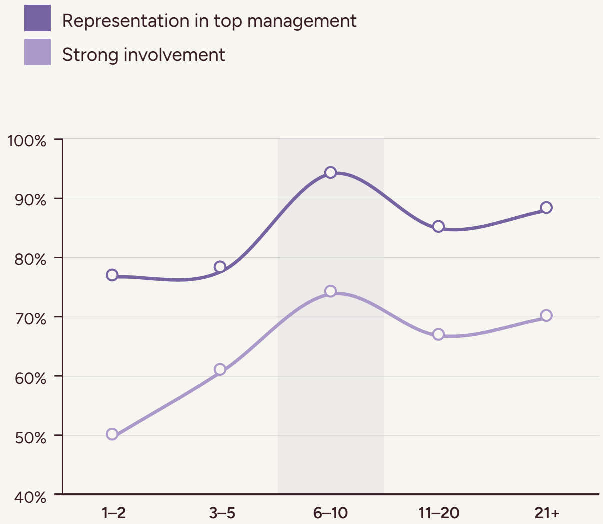
Mid-sized HR teams lead in strategic influence

HR's influence on business strategy tends to rise with team size, up to a certain point. Organisations with 6–10 HR professionals show the highest levels of strategic involvement before the correlation reverses again.

HR in mid-sized teams is most often represented in top management. Smaller HR teams appear more focused on daily operations than long-term strategy.

In larger organisations, HR's strategic influence declines, possibly because increased size brings more specialised roles and less unified representation at leadership level.

HR's strategic impact
(% by size of HR team)



A seat at the table multiplies HR's impact

The link between HR's position in the organisation and its strategic influence is striking. When HR is represented in top management, its ability to shape business strategy rises dramatically - 71% of these teams act as strategic partners, compared to only 19% without leadership representation.

The same pattern applies to decision-making: 47% of HR functions with a leadership seat are involved in strategic decisions, versus just 10% otherwise. This shows that visibility at the top doesn't just elevate HR's voice, it transforms its role from operational to strategic.

Leadership representation also strengthens HR's role in digital transformation. Teams with top-level access are more likely to drive major HR tech investments and demonstrate higher digital maturity. These findings highlight that when HR has a strategic voice, it not only shapes people strategy, it accelerates digital and organisational transformation.

Metric	In top management	Not in top management	Gap
HR seen as strategic (% reporting HR as strategic partner or driver)	71%	19%	+52 pp
HR involvement in org. decision-making (% reporting HR as strongly or fully involved)	47%	10%	+37 pp
Digital investments in HR tech (% reporting significant or major investments)	21%	4%	+17 pp
Digital maturity (% reporting high or very high)	23%	8%	+15 pp

No strategy without tools, no tools without strategy

Cross analysis of the data suggests a strong link between digital maturity, HR's influence in decisions, and how strategic the function is perceived.

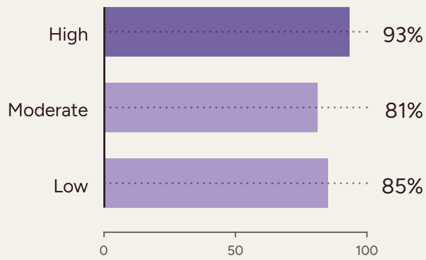
Where HR has a seat at the table and is deeply involved, digital maturity is often higher. And the reverse also seems true where organisations further along in digitalisation tend to give HR more influence and a stronger strategic role. It's not always clear which comes first.

What stands out is that it's rarely about a single factor. The data points to the need for a holistic package; digital tools, a place in strategic discussions, and recognition of HR's strategic value all reinforce one another. Low digitalisation may be a signal of limited influence, while a lack of influence can make it harder to get the tools needed to advance.

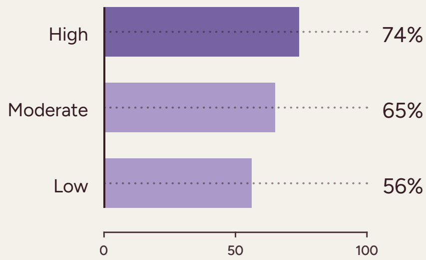
The takeaway is simple. To truly strengthen HR's strategic impact, organisations need both the enablers and the mandate. Without the tools, HR's ability to act strategically is limited. Without the seat at the table, the case for investment in digitalisation weakens. Put together, however, the impact is clear, digital maturity and strategic influence go hand in hand.

Digital maturity level

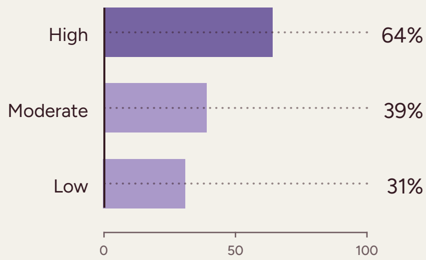
HR representation in top management
(% by digital maturity level)



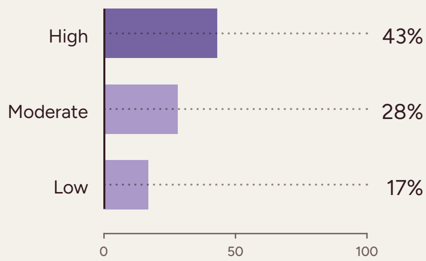
Strategic involvement from HR
(% by digital maturity level)



Strategic perception of HR
(% by digital maturity level)



High time allocation on strategy in HR
(% by digital maturity level)

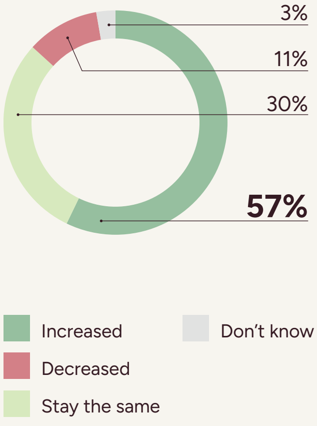


Moving forward with confidence

Looking ahead, HR leaders are optimistic about their future influence. The data captures expectations for how HR's role will evolve over the next three years, showing clear confidence that its strategic presence will continue to expand.

The majority expect HR's influence to increase, with many predicting a stronger seat at the table in the near future. Only a small share anticipates no change or decline in HR's strategic weight. Overall, the results indicate optimism about HR's ongoing transformation into a core strategic function.

HR influence in 3 years
(% reporting expected shift)

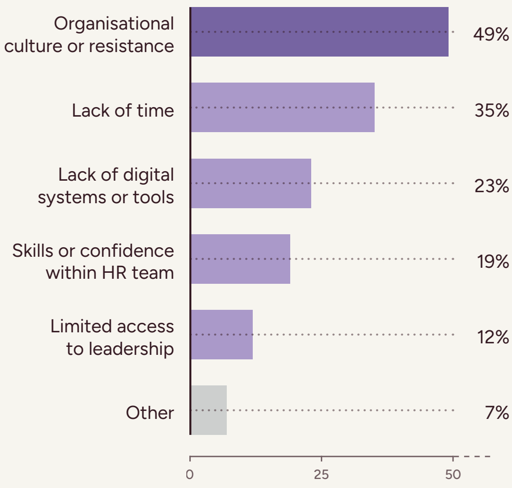


What's holding HR back

Several persistent barriers are reported as preventing HR from achieving its full strategic potential. The data highlights the most common organisational and structural factors that hold HR back from operating as an equal partner in decision-making.

The most frequently mentioned barriers are organisational culture and resistance to change. Other key obstacles include time spent on administrative work, gaps in digital tools, and limited leadership access. These barriers suggest that culture and capacity, not intent, are often what hold HR back.

Main barriers to HR's strategic role
(% reporting topic as barrier)



18%

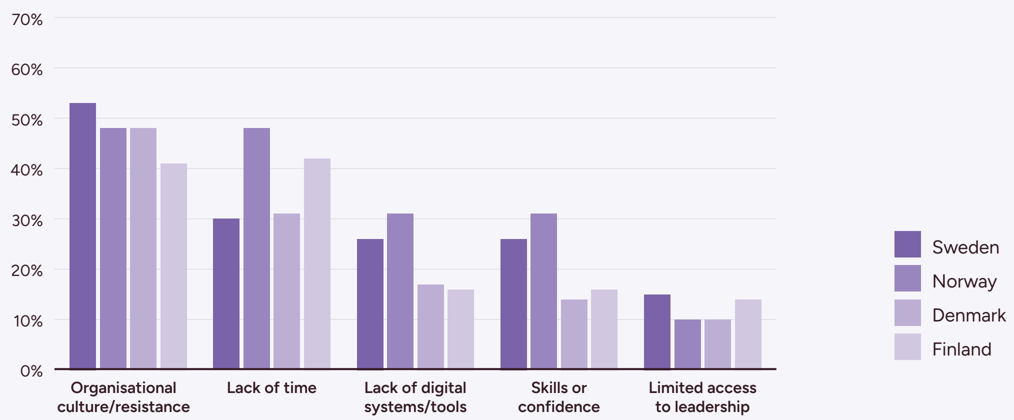
says HR is fully integrated into the strategic work

DEEP DIVE

Comparative analysis of barriers to HR's influence across the Nordics

Across the Nordics, HR faces many of the same challenges in strengthening its strategic position. Organisational culture and resistance to change top the list in every country, followed by time constraints and gaps in digital tools or systems. While the pattern is largely consistent, small variations reveal where national HR communities place their focus and where they see the biggest opportunities for improvement.

Main barriers to HR's strategic role
(% reporting topic as barrier)



- **Sweden struggles with culture and confidence** – Swedish HR leaders most often cite organisational culture and resistance as key barriers, with a slightly higher share also pointing to skills and confidence gaps within HR. This suggests strong awareness of HR's potential, paired with a need for continued capability-building.

- **Norway needs more access and capacity** – Norwegian respondents highlight limited leadership access and lack of time among their challenges. Even in mature HR environments, these practical barriers suggest that influence is still constrained by workload and visibility rather than strategic intent.

- **Denmark points to tools and integration** – In Denmark, the focus is on limited digital systems and integration gaps. This points to operational barriers - strong foundations are in place, but connecting tools and insights across systems remains a work in progress.

- **Finland reports lower challenges** – Finnish respondents report slightly fewer challenges than their Nordic peers. This may indicate that Finland's HR teams face fewer acute hurdles- or that ongoing investment in digitalisation and process improvement is already easing some of the strain on strategic progress.

Growing influence but ongoing barriers

The data from this section of the survey, focusing on HR's strategic role, suggests that HR has made significant progress in becoming a strategic partner to leadership. In most organisations, HR is not only present in top-level discussions but also actively shapes people and change strategies.

Its strongest influence lies in human-focused areas such as diversity, inclusion, transformation, and workforce planning. Meanwhile it remains less embedded in digital and financial strategy. Perception data reinforces this narrative: HR professionals largely see themselves as strategic contributors rather than administrative functions.

However, key barriers, especially cultural resistance, administrative burden, and limited access to digital tools, restrict HR's full strategic potential.

Looking ahead, HR leaders express strong optimism about the next three years, expecting their influence to grow even further. Together, these findings point to a clear evolution that HR is moving from support function to strategic force, but the pace of that transformation depends on overcoming internal obstacles and fully embracing digital enablement.

HR'S STRATEGIC ROLE

Key insights

1. **HR is stepping up strategically** – The majority of HR professionals believe their function is seen as more than administrative, with many describing HR as a strategic contributor or even a driver of strategy.

2. **A seat at the table is common, but not universal** – HR is present in top-level discussions in most organisations, yet the depth of influence varies.

3. **Influence is strongest in people and change** – HR has a leading role in diversity, equity and inclusion, change management and organisational planning, but is often less central in digital and technology decisions.

4. **Barriers are persistent** – Organisational culture and resistance are the most common blockers, alongside heavy admin loads, limited digital tools, and restricted access to leadership.

5. **Digital maturity and strategic influence go hand in hand** – The data shows a clear relationship where organisations with higher digital maturity also tend to give HR a stronger seat in strategy.

Why this matters

The findings from this section of the survey, focusing on HR's strategic role, point to a significant opportunity for HR. Perceptions are shifting, HR's role at the strategy table is strengthening, and influence is growing in people-related areas. But to fully unlock strategic potential, HR leaders need the right combination of tools, time, and mandate.

Digital maturity is a particularly powerful lever. Without it, HR struggles to free itself from admin and gain traction in decision-making. At the same time, without a seat at the table, building the case for digital investment becomes harder. Progress depends on both.

For organisations deciding where to focus, the path is clear. Reduce admin through digitalisation, address cultural resistance, and invest in HR leadership capability. Together, these steps create the conditions for HR to deliver sustained strategic impact.

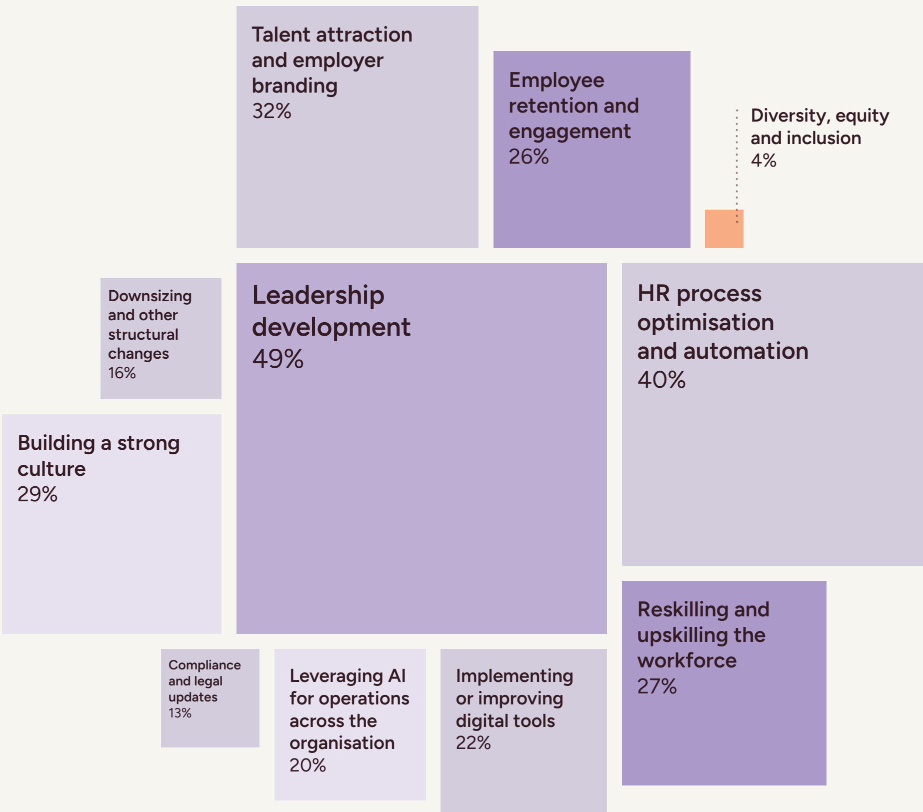
2

HR TRENDS AND PRIORITIES

A focus on execution, efficiency and digital progress

HR priorities for the year ahead show a clear tilt toward execution and efficiency. The data reveals where HR leaders are directing their focus, how digital maturity shapes those choices, and why some areas with strong mandate, like DEI, aren't ranking as top priorities. This chapter explores the balance between performance pressure, digital progress, culture, and the resources HR has to work with.

HR's top priorities for the next 12 months
(% reporting category as a top 3 priority)



HR teams across the Nordics have a strong focus on execution and efficiency. The data outlines where time and resources will be directed, revealing a shift toward initiatives that strengthen leadership, streamline processes, and drive measurable outcomes.

Leadership development and HR process optimisation and automation are the two top priorities. Talent attraction, employer branding, and reskilling follow closely behind.

Leveraging AI for operations is gaining momentum, with up to 20% of organisations highlighting it as a growing area of focus across the Nordics. However, only 4% of organisations list DEI among their top three priorities, despite high reported influence in this area.

Top priorities by country – same goals, different paths

Across the Nordics, HR teams share common goals but differ in how they bring them to life. Leadership development is the top priority everywhere, anchoring an execution-first agenda focused on building capability and consistency.

Operational improvement is also high on the list. HR process optimisation and automation rank among the top priorities across all four countries. Yet beneath these shared ambitions, distinct national patterns emerge with each country shaping its HR focus to reflect local realities and organisational culture.

- **Norway focuses on capability building** – Norwegian HR teams put leadership development and reskilling and upskilling front and centre. Combined with ongoing investment in process optimisation, this suggests a pragmatic approach where leadership strength and operational reliability drive long-term performance.
- **Finland blends leadership and innovation** – This mirrors Norway's leadership focus together with focus on talent and processes. Notably, Finland has a slightly stronger interest in AI and digital operations to its peers, suggesting Finnish HR teams may be more experimental in their use of technology to enhance leadership and operational impact.
- **Denmark prioritises leadership and employee retention** – This is likely a response to the country's tight labour market. The emphasis on engagement and workforce stability points to a long-term strategy focused on keeping talent and maintaining a high-trust workplace culture.
- **Sweden focuses on culture-driven optimisation** – Swedish teams take a more people-centric path. There is greater emphasis on culture, talent attraction and employer branding. This aligns with Sweden's strong tradition of values-based leadership and collaborative workplace practices.

HR's top priorities by country
(% reporting category as a top 3 priority)

	Sweden	Norway	Denmark	Finland
Leadership development	42%	58%	52%	57%
HR process optimisation / automation	41%	38%	42%	37%
Talent attraction and employer branding	32%	14%	36%	37%
Reskilling and upskilling the workforce	24%	40%	25%	24%
Building a strong culture	34%	26%	23%	30%
Employee retention and engagement	28%	20%	32%	22%
Leveraging AI for operations	18%	26%	16%	28%
Implementing or improving digital tools	26%	20%	16%	20%
Downsizing and other structural changes	19%	16%	9%	17%
Compliance and legal updates	13%	6%	21%	7%
Diversity, equity and inclusion	4%	8%	1%	4%

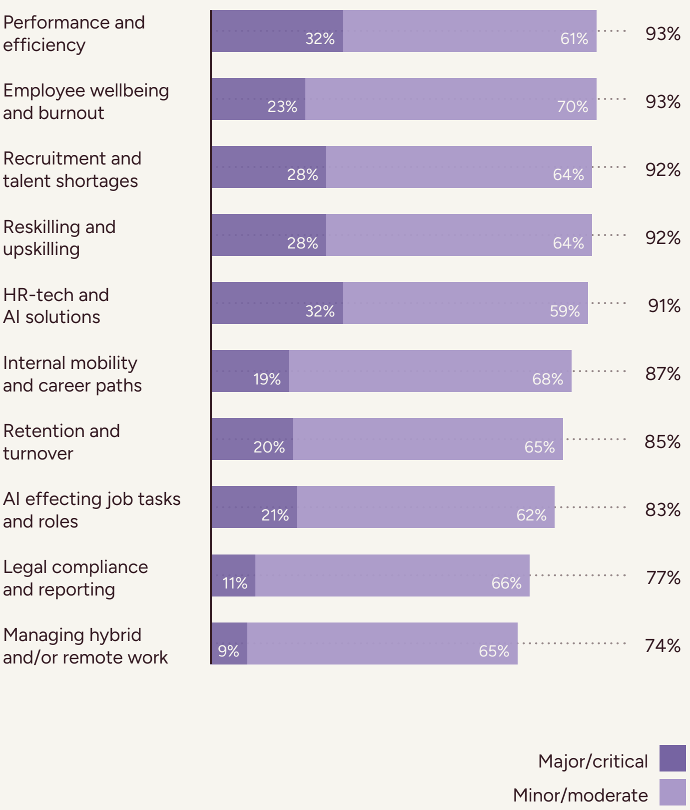
Performance, efficiency, and digital execution top the challenge list

The data captures where HR teams feel the most pressure as they work to balance day-to-day delivery with ongoing transformation. The picture that emerges is one of high operational demand where efficiency, technology, and talent all compete for attention under limited capacity. It reflects the tension between short-term performance goals and longer-term strategic ambitions.

Performance and efficiency pressures top the list of HR challenges. Employee wellbeing, recruitment shortages, and reskilling and upskilling follow closely behind.

HR technology and AI, along with internal mobility, also feature prominently, underscoring the digital transformation underway.

Top challanges in HR
(% reporting each option)



Balancing mandates and momentum: DEI in an era of efficiency

Across the Nordic region, HR leaders are navigating a period defined by execution, efficiency, and digital transformation, yet within that story, DEI stands out as a paradox. The data shows HR's strongest reported influence is in DEI, with 63% of organisations saying HR plays a significant role in shaping DEI strategy. However, only 4% list DEI among their top three organisational priorities.

This disconnects between influence and priority speaks volumes. It suggests that while HR is trusted to lead on DEI, the broader organisation is not giving it the same strategic weight as other initiatives. Factors like political sensitivity, shifting capacity, and a greater focus on short-term productivity have likely made DEI a more complex and cautious area for some. In many organisations, DEI work happens alongside other transformation projects and is therefore harder to measure and fund - making it vulnerable to being deprioritised when budgets tighten.

At the same time, the data paints a clear picture of what is being prioritised. Leadership development, HR process optimisation, and automation dominate the agenda, supported by strong investment in talent attraction and capability building.

These priorities signal a pragmatic response to a challenging environment. HR leaders are focusing on what drives measurable outcomes. Budget data reinforces this reality, half of all managers and executives expect HR budgets to stay flat, and just over a quarter foresee any increase. The message is clear, impact must come from smarter execution, not larger spending.

HR teams are also grappling with significant operational challenges. Performance and efficiency pressures top the list, followed closely by wellbeing, recruitment shortages, and reskilling demands. Many are simultaneously managing digital transformation while keeping the organisation running smoothly.

Taken together, these insights show an HR function that is both mature and constrained. It is capable of influencing critical agendas like DEI, but operating in a climate that rewards efficiency and rapid return on effort. The challenge ahead will be to re-energise DEI and broader culture initiatives within this results-oriented environment, ensuring they remain integrated into performance, leadership, and digital strategies rather than sidelined by them.

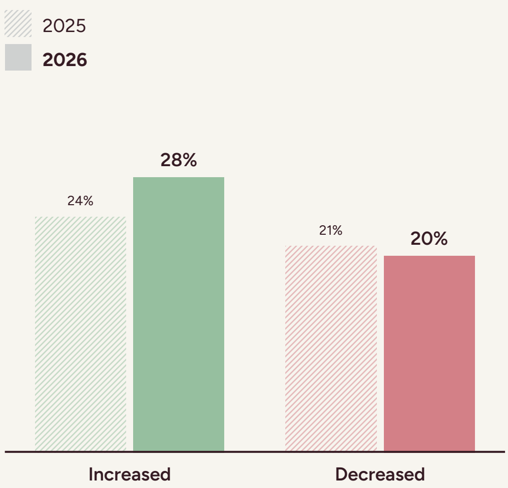
In short, the findings suggest HR's next frontier is not just to optimise processes or build digital fluency, but to sustain inclusion and human impact even as it pursues speed and efficiency.

HR budgets hold steady

Budget expectations from HR leaders and executives indicate a cautious financial environment for the year ahead. While transformation efforts remain important, most organisations are working within stable budgets, relying on efficiency and smarter delivery rather than increased funding.

Around half of leaders say HR budgets will stay the same next year. Twenty eight percent expect an increase, while 20% foresee a decrease. This balance suggests stability rather than expansion. Suggesting HR leaders are being asked to achieve more without significant budget growth.

HR budget allocation
(% of managers or executives reporting)



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managers and executives thinks the HR budget will stay the same for next year

Digital maturity shapes where HR focuses next

HR's digital maturity level has a clear influence on priorities and outcomes.

Low-maturity teams tend to focus on the fundamentals: optimising processes and implementing core digital tools. This group most often lists HR process optimisation and improving or rolling out Core HR systems among their top priorities for the coming year. They also identify performance and efficiency pressures, along with HR technology implementation, as major challenges. The picture that emerges is one where everyday friction is still high. Namely workflows are manual, systems are fragmented, and data quality is inconsistent.

For these teams, the biggest gains come from stabilising the essentials such as Core HR, recruiting, onboarding and case management, as well as from improving data reliability to make reporting more trustworthy. Budgets are generally steady rather than expanding, pointing to capacity rather than funding as the main constraint. Leaders are likely asking for visible improvements in reliability and fewer manual handoffs before committing to more advanced initiatives like AI.

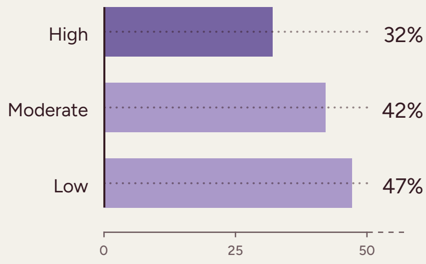
High-maturity teams, by contrast, show a distinctly different profile. They continue to prioritise leadership development and culture building, but their technology focus shifts from tool rollout to leveraging AI across the organisation. They are less likely to report efficiency or technology as pain points, reflecting stronger digital foundations. Instead, they are using AI to enhance existing processes such as supporting candidate screening, assisting managers with knowledge search, or interpreting workforce analytics.

Their measures of success have evolved too. Instead of tracking adoption rates, they look to outcomes such as faster cycle times, better service quality and higher manager productivity. Budgets are slightly more positive in this group, with modest increases more common, reflecting growing confidence to invest in innovation rather than repair.

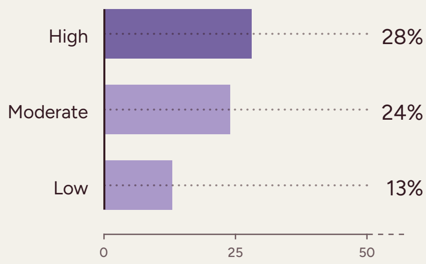
In essence, digital maturity defines the runway for progress. Where the basics still need attention, teams are focused on standardising and simplifying to create stability and trust in data. Where those foundations are strong, the focus shifts toward using AI as a value multiplier to drive efficiency, insight, and better decisions. Across both groups, leadership and culture remain the anchors that turn digital capability into real organisational impact.

Digital maturity level

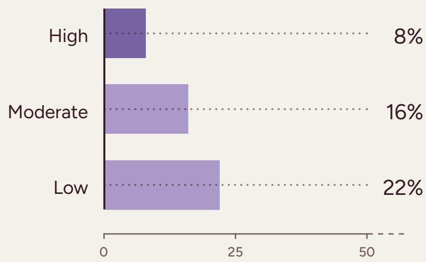
HR process optimisation and automation
(top 3 priority, % by digital maturity level)



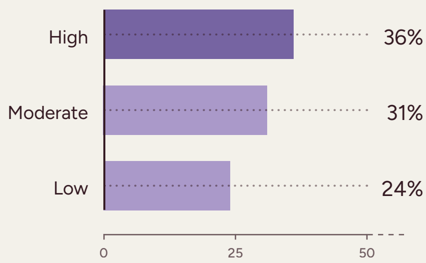
Leveraging AI
(top 3 priority, % by digital maturity level)



Downsizing and other structural changes
(top 3 priority, % by digital maturity level)



Building a strong culture
(top 3 priority, % by digital maturity level)



HR TRENDS AND PRIORITIES

Key insights

1. **HR's focus for the next year firmly on execution** – Leadership development and HR process optimisation lead the agenda, with talent attraction close behind. The shift signals a practical mindset: less talk about transformation, more about making systems, teams, and leaders work better.

2. **AI is moving from buzzword to tool, slowly** – While interest is growing, most organisations are still prioritising improving or integrating existing digital tools before expanding into AI. The data suggests HR is laying groundwork for value-based adoption rather than chasing hype.

3. **Resources tell a story of stability** – Budgets and headcount are holding steady, giving HR an opportunity to focus on optimisation. For many, this means fine-tuning what's already in place. Namely, streamlining workflows, simplifying tools, and doubling down on capability building.

4. **DEI holds a strong mandate but low priority** – While 63% of organisations say HR has a strong voice in shaping DEI strategy, only 4% list it among their top three priorities. Attention has shifted toward goals with immediate impact, such as efficiency, leadership, and transformation.

5. **Digital maturity shapes where HR focuses next** – Teams still building their foundations are prioritising process optimisation and system reliability, while those with established digital cores are turning to AI to enhance productivity, insight, and decision-making. The difference is less about ambition and more about readiness: the stronger the digital core, the greater the room to focus on value creation and impact.

Why this matters

HR is entering a phase of maturity. The focus is on consistent delivery and measurable impact. Execution is becoming a strategy in itself, through building the operational strength that enables progress.

Leadership development is central to this. The organisations that succeed will be those connecting leadership growth to real outcomes: engagement, retention, and productivity.

Digital maturity now defines how far HR can go. Automation and data mastery strengthen efficiency and influence, while AI offers new opportunities, if applied with purpose and quality.

HR TECH AND DIGITAL MATURITY

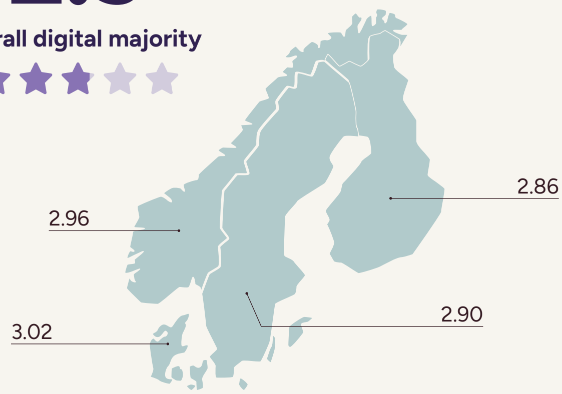
3 Confidence high, digital depth still developing

Across the Nordics, most organisations sit in the middle of their digital transformation journey. HR teams are steadily advancing but often operate with partially integrated systems and moderate levels of automation.

The average digital maturity score is 2.9, placing most in the "moderate" range.

2.9

overall digital majority

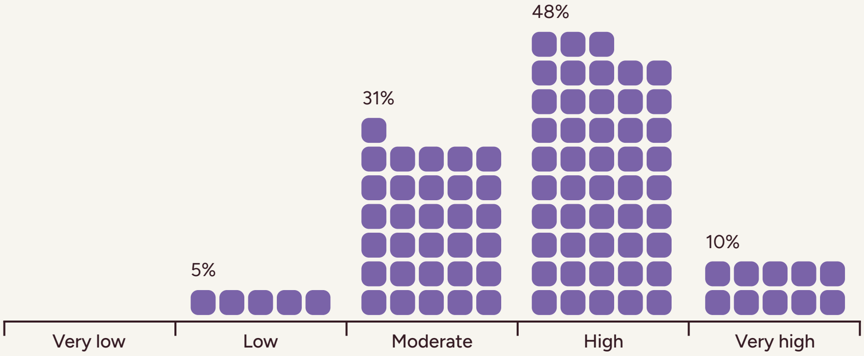


Confidence among HR professionals is generally high, showing strong intent and optimism toward digital transformation. Many feel capable of using modern tools and leading change within their organisations. However, confidence often outpaces reality, with many HR systems still lacking full integration or advanced functionality.

7%

say HR has achieved advanced digitalisation in their organisation

Confidence in handling digital tools and digital transformation
(% reporting each option)



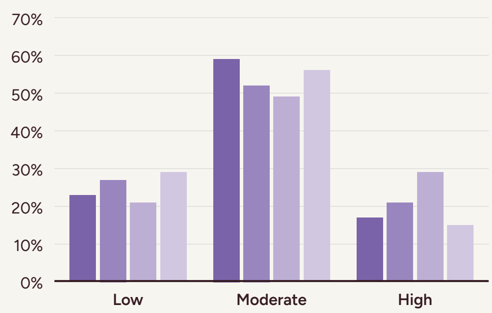
Nearly six in ten HR professionals rate their confidence as high or very high. Only 5% rate confidence as very low, suggesting a broadly positive outlook.

Confidence, however, does not always equate to digital maturity, with data suggesting many teams still rely on incomplete or partially integrated systems.

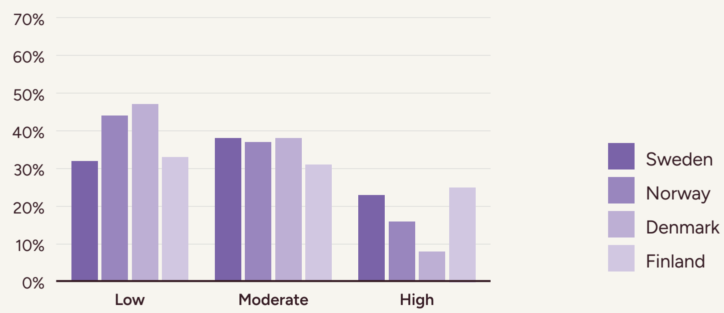
Investment patterns mirror digital readiness

Data from across the Nordic region reveals a clear inverse relationship between digital maturity and planned HR technology investment. Countries with higher maturity levels tend to report lower near-term spending, while those earlier in their digital journey plan to invest more heavily.

Digital maturity
(% reporting by country)



HR technology investments
(% reporting by country)



- **Denmark shows highest level of digital maturity** – and the lowest planned investment. This suggests a transition from implementation to optimisation, with a focus on consolidation, integration, and extracting greater value from existing systems.
- **Norway demonstrates above-average maturity** – and slightly below-average investment. The pattern points to selective upgrades and process refinement rather than large-scale new purchases.
- **Sweden records slightly lower maturity** – but a higher level of planned investment. This indicates an upgrade or catch-up phase aimed at modernising HR technology stacks and improving system integration.
- **Finland ranks lowest in digital maturity** – but among the highest in planned investment. The data suggests a foundational build phase, including investments in Core HR, self-service, and data quality improvements.

Smart spending, not big spending

When we cross reference answers from respondents regarding digital maturity and their planned level of HR technology investment, three clear patterns emerge:

High-maturity organisations focus on moderate investment
In the most digitally mature group, the majority plan for moderate investment, with fewer opting for either low or high spending. This suggests a phase of optimisation - refining integrations, consolidating systems, and improving adoption rather than major new platform purchases.

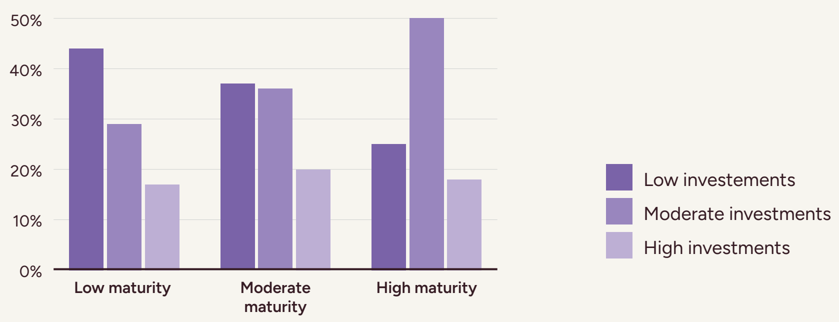
Low-maturity organisations favour low investment, but ambition remains
Among those earlier in their digital journey, low investment is the most common choice. However, a meaningful minority still plan for higher spending, pointing to focused efforts to build foundational systems and processes.

For organisations that remain both low in maturity and investment, there is a clear risk of staying locked in an administrative and service role, rather than evolving into a more strategic, data-driven function.

Moderate maturity sits at the centre of gravity
For organisations in the middle, moderate investment is again the dominant pattern. This aligns with completing integrations, standardising processes, and addressing the final manual pain points before scaling more advanced capabilities.

Across all maturity levels, high investment represents the smallest group, suggesting a cautious, prioritised approach to HR tech spending rather than large-scale investment waves.

HR technology investment by digital maturity
(% reporting level of investment)

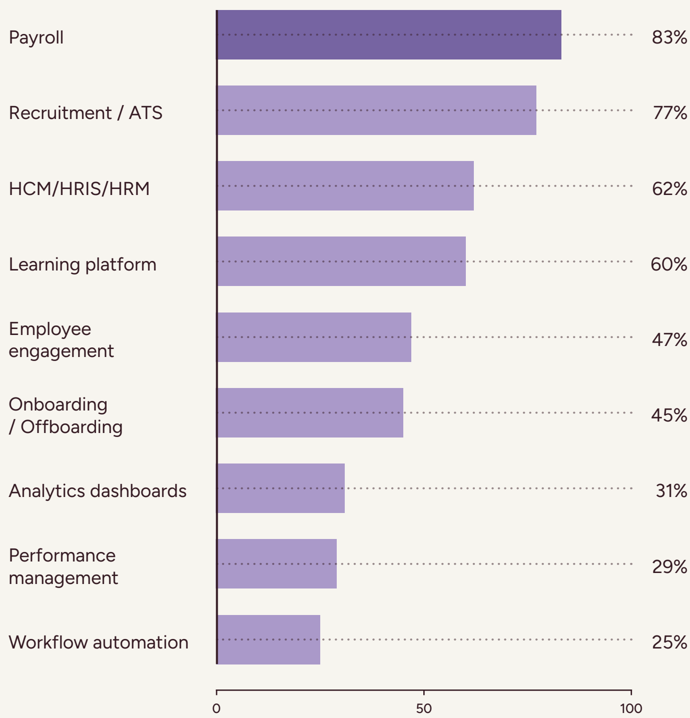


A digital journey still in progress

The tools HR relies on reveal how digital maturity is distributed across core and emerging technologies. Traditional platforms like payroll and recruitment are now well established, while adoption of advanced systems for analytics and automation remains limited. This points to a gradual but steady evolution from administrative to data-driven HR.

Payroll and recruitment/ATS tools are the most widely used. Core HR platforms are common, while learning and employee engagement tools follow. More advanced tools, such as analytics dashboards and workflow automation remain less adopted.

HR technology platforms and tools in use
(% reporting usage)



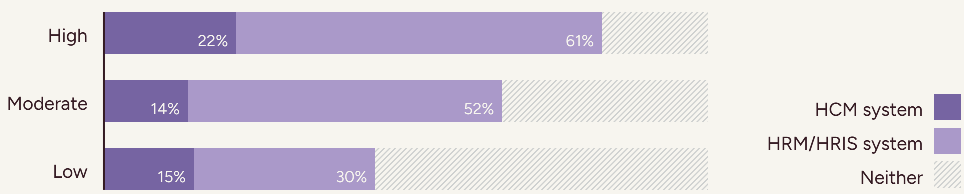
HCM adoption rises with digital maturity

Across maturity levels, HRIS/HRM systems dominate. HCM adoption is smaller but highest among the most mature. The "neither" share widens sharply as maturity falls, signalling fragmented tools or manual work in less mature teams.

The roles of each system explain the pattern. An HRIS or HRM system typically handles core HR administration, such as employee data, time tracking, and benefits management. In contrast, an HCM solution covers the entire employee lifecycle, from recruitment and performance management to learning, engagement, and development.

Therefore, it's no surprise that higher-maturity organisations invest in HCM platforms since they enable deeper insights, more automation, and stronger alignment between people strategy and business goals. Simply put, the more comprehensive the HR system, the higher the organisation's ability to move from managing data to driving impact.

HR systems in use
(% by digital maturity level)



DEEP DIVE

Comparative analysis of the Nordic HR tech landscape

Across Sweden, Norway, Denmark, and Finland, HR technology has become a cornerstone of modern people operations. The region shares a strong digital foundation, with payroll, recruitment, and ATS tools in place across almost all organisations. Analytics is still finding its footing, though adoption is rising as HR teams seek more data-driven insight. Learning, engagement, and workflow automation are gaining traction, signalling a clear push toward efficiency and employee experience. But each country shows its own strengths and focus areas:

- **Norway stands out with exceptionally high adoption** – HRIS/HCM systems stand at 83% - well ahead of its Nordic peers. Learning and onboarding/offboarding platforms are also more common, pointing to a well-developed and connected HR tech ecosystem. Norwegian organisations appear focused on building cohesive systems that support both structure and scalability.

- **Denmark shows highest use of employee engagement tools** – Danish teams also rank highest in the use of workflow automation in the region. This is likely a reflection of focus on efficient processes and employee experience.

- **Finland is ahead in Generative AI** – With adoption of GenAI tools at 63% - Finland sets itself apart from its Nordic neighbours. This signals a strong appetite for innovation and digital experimentation.

- **Sweden leads in recruitment and ATS** – However, the country lags behind in HCM/HRIS/HRM adoption. Learning, engagement, and workflow tools are more moderately adopted, suggesting opportunities to connect these systems for a more seamless HR experience.

HR technology platforms and tools in use
(% reporting usage)

	Sweden	Norway	Denmark	Finland
Payroll	83%	88%	82%	77%
Recruitment / ATS	81%	77%	76%	67%
HCM/HRIS/HRM	54%	83%	61%	67%
Learning platform	55%	79%	59%	54%
Generative AI tools	54%	50%	48%	63%
Employee engagement	46%	52%	61%	21%
Onboarding / Offboarding	45%	58%	51%	27%
Analytics dashboards	29%	33%	28%	38%
Performance management	22%	35%	31%	35%
Workflow automation	24%	23%	37%	15%

Partial integration is the norm in Nordic HR

Most organisations report operating with only partial integration across HR systems and limited connectivity with wider business platforms. Collaboration with IT departments follows a similar pattern, remaining largely functional rather than fully strategic. These results show that while basic connections between systems are in place, complete integration across HR and business functions is still uncommon.

Only 9% of organisations report full integration of HR systems, while 65% operate with partial integration and 25% have none. Connections between HR and wider business systems are even less developed. Just 4% report full integration, 57% partial, and 35% report none at all.

Collaboration with IT departments remains mostly tactical. Only 23% describe it as high, while just over half (51%) say it's functional but not strategic.

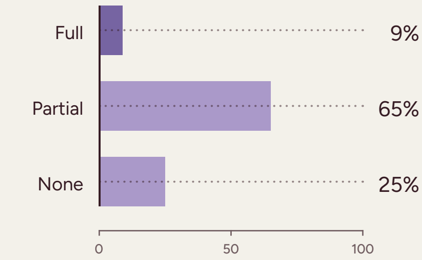
Budget and technical barriers hold HR back

Several challenges are reported as slowing progress in HR digitalisation. The data highlights financial, technical, and organisational factors that limit the speed and scale of digital transformation. These barriers suggest that while most organisations have the tools in place, many still face constraints that prevent full digital integration and optimisation.

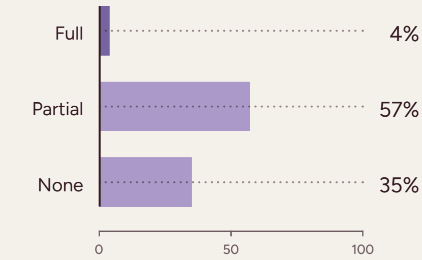
Lack of budget is the most frequently reported barrier to advancing HR digitalisation. Integration issues between tools and limited leadership support are also significant obstacles.

Additional challenges include low digital competence, security concerns, and resistance to change. Findings therefore point to both technical and cultural constraints.

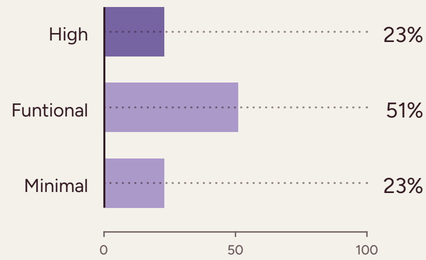
HR system integration
(% reporting each option)



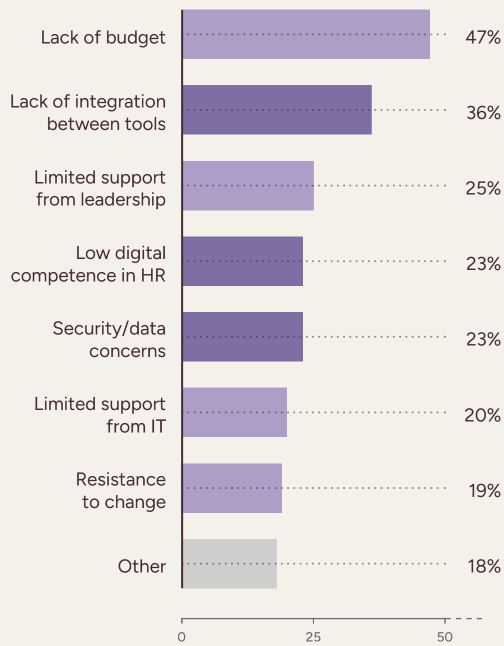
HR–business system integration
(% reporting each option)



Collaboration with IT department
(% reporting each option)



Main barriers to HR digitalisation
(% reporting topic as barrier)



Digital maturity: Confident people, constrained systems

Across the Nordics, the findings reveal a clear duality: HR professionals feel confident in their digital abilities, yet the systems they rely on have not fully caught up. Most organisations sit at a moderate level of digital maturity, competent but not yet advanced, while only a small share have achieved full digitalisation.

Many HR leaders feel capable of driving digital transformation, but their technology landscape tells a more complex story. Most organisations already operate with a strong foundation of core systems such as payroll, recruitment, and core HR platforms, with learning and employee engagement tools following close behind. However, adoption of more advanced tools like analytics, automation, and AI remains limited. This points to a gradual but uneven shift from administrative to data-driven HR.

Integration and collaboration now define the difference between moderate and advanced maturity. While most organisations have the right tools in place, many still struggle to connect them effectively across HR and business systems. Collaboration with IT departments remains mostly functional rather than strategic, which limits data sharing, system alignment, and innovation. The result is a digital landscape where technology potential outpaces operational reality. HR teams have strong ambitions but often lack the integration and technical support to realise them.

The barriers slowing progress are both structural and cultural. Budget limitations, integration issues, and gaps in leadership support remain key challenges, alongside limited digital competence and resistance to change. These constraints create a cycle where digital potential exists, but progress slows at the point of execution.

In essence, HR's digital journey across the Nordics is one of steady but stalled progress. Confidence is high, systems are in place, and ambition is clear, but the next step requires deeper integration, stronger IT collaboration, and continued investment in advanced capabilities.
To reach full maturity, HR must move from using systems to truly owning technology and transforming digital confidence into measurable capability.

HR TECH AND DIGITAL MATURITY

Key insights

1. **Digital confidence is high, but systems lag behind** – HR professionals across the Nordics feel ready for digital transformation but their systems don't always keep up pace. Many report strong digital competence, but uneven technology maturity limits what HR can deliver.

2. **Most organisations have the basics in place** – Core HR processes such as payroll and recruitment are well digitised, showing that basic HR digitalisation is largely in place across the region.

3. **Advanced tools are still emerging** – Fewer organisations have adopted mature solutions like analytics, talent management, or continuous performance. These are areas where the biggest business impact often lies.

4. **Barriers are familiar and persistent** – Budget constraints, fragmented systems, and a lack of cross-functional collaboration continue to slow progress.

Why this matters

Digital maturity defines HR's ability to move from administration to strategic impact. When HR systems are fragmented or outdated, teams spend more time managing data than driving change. Organisations that invest in integration, automation, and user-friendly HCM platforms create space for HR to focus on people, culture, and strategy, the areas that truly shape performance.

In short, digital maturity isn't just about technology. It's about enabling HR to lead transformation, not just support it.

HR TRENDS AND TECH REPORT

What HR knows about the EU pay transparency directive

4

EU PAY TRANSPARENCY DIRECTIVE

Preparing for the EU Pay Transparency Directive

The EU Pay Transparency Directive is one of the most significant HR developments in recent years: It is a shift designed to make pay fairness visible, measurable, and enforceable across Europe. At its core, the directive gives employees the right to understand how their pay compares with others in similar roles, and it requires organisations to be ready to explain, document, and, where necessary, correct pay gaps.

The rules apply to both private and public employers within the EU, with implementation expected by 2026. The directive builds on long-standing equality principles but introduces new, practical obligations for HR teams. These include structured pay reporting, defined comparison methods, and, for the first time, a legal duty to respond directly to employee inquiries about pay levels and criteria.

The aim is clear: to strengthen trust, accountability, and fairness in the workplace. But for HR professionals, it also means balancing compliance with culture and turning data and policy into open, confident communication.

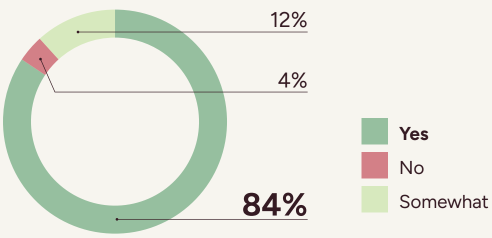
This special focus section of the HR Tech and Trends 2025/26 Report explores how Nordic organisations are preparing for this shift. Using fresh survey data, it highlights where HR teams feel ready, where gaps remain, and how technology, processes, and culture are evolving to make transparency part of everyday practice.

EU PAY TRANSPARENCY DIRECTIVE

High awareness, but implementation still work in progress

Across the Nordics, awareness of the EU Pay Transparency Directive is high. Most HR teams know what it means and why it matters. But many are still piecing together how to make it part of everyday life, the repeatable, reliable routines that make compliance feel natural rather than forced.

HR awareness of EU Pay Transparency Directive
(% reporting each option)



You could call it a "final mile" challenge. The understanding is there, the intent is clear, but practical steps remain before everything runs smoothly for every employee and manager.

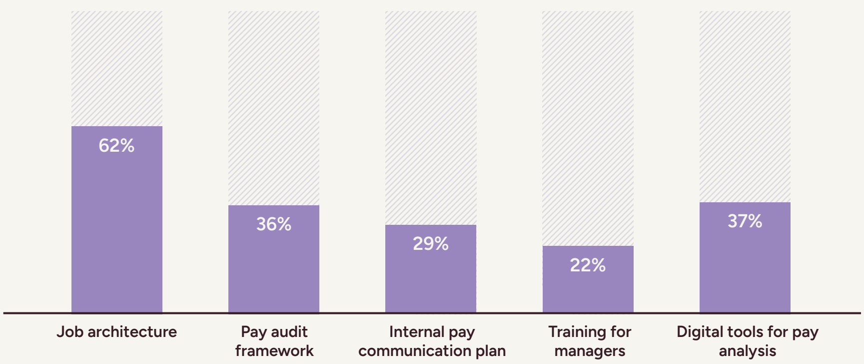
When asked about their awareness of the directive, 84% of respondents said yes, 12% somewhat, and 4% no. That's a strong base to build on, though it still leaves roughly one in six people who aren't entirely sure what's required.

At this stage, the task isn't about raising awareness, it's about deepening it. Every HR-facing role should feel confident explaining what the directive means in practice: what employees can ask, what must be shared, and when. The goal is a shared understanding that leaves no room for uncertainty or mixed messages.

In terms of organisational readiness, most Nordic organisations have made headway on the structural foundations. Job architecture is in place or in planning for around two-thirds, while just over a third have started with digital tools for pay analysis or a pay audit framework.

Further down the list come the enabling practices, the things that turn compliance into lived behaviour. Fewer than a third have an internal pay communication plan, and only about one in five have rolled out manager training. Roughly the same number haven't yet begun at all.
The sequence makes sense: build the framework first, then the tools, and finally the communication and training.

Organisational readiness for implementation
(% reporting implemented or planning)

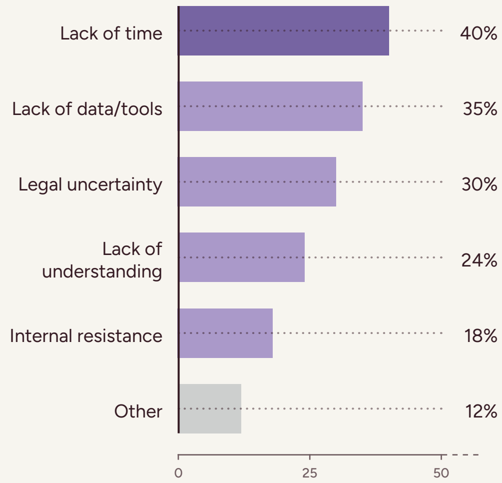


Time and tools take the spotlight in challenges

When asked what makes compliance hardest, two answers rose to the top: lack of time and lack of tools or data.

Legal uncertainty, limited understanding, and even internal resistance followed behind. Together, these paint a familiar picture. HR professionals understand what's expected but competing priorities, fragmented systems, and ambiguous guidance make it difficult to execute with confidence.

Biggest challenges in complying the directive
(% reporting topic as a challange)



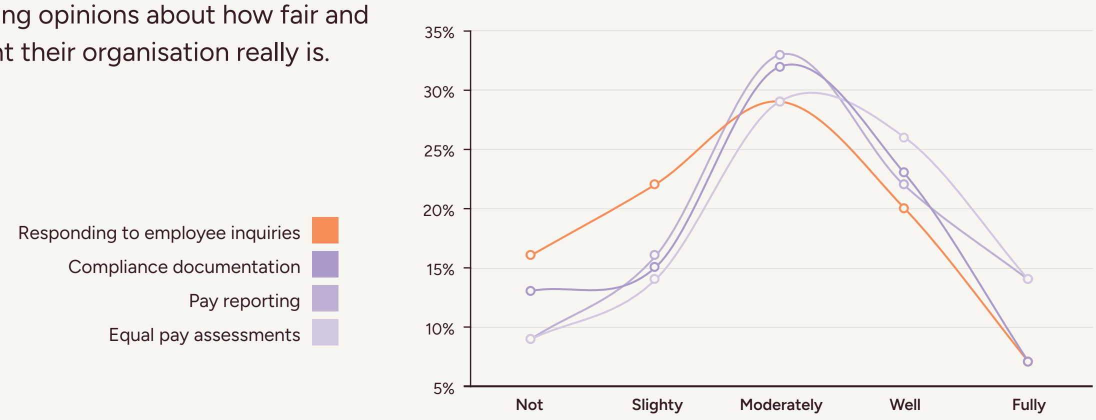
Progress made, gaps remain

When it comes to readiness, most HR teams are making steady progress, but one area stands out as particularly tricky: responding to employee inquiries.

Just a quarter of HR teams say they're confident handling employee inquiries, with most describing their readiness as somewhere between not ready and moderate. It makes sense that this can feel like the hardest part. Responding to employee inquiries is where policies turn into real conversations, and where people start forming opinions about how fair and transparent their organisation really is.

Reporting to authorities has always been part of the compliance playbook, but this directive adds a new dimension: internal and external communication. It's a shift that puts trust and transparency at the centre of the employee experience - where how you communicate can matter just as much as what you report.

HR's preparedness for handling key compliance areas
(% reporting each level of preparedness)



EU PAY TRANSPARENCY DIRECTIVE

Key insights

1. **High awareness, but uneven execution** – Most Nordic HR teams understand the EU Pay Transparency Directive well. Awareness is high, but practical readiness still varies, especially in areas that involve direct interaction with employees.

2. **Reporting feels familiar, inquiries less so** – While pay reporting and compliance documentation are progressing steadily, handling employee inquiries remains the weakest link. Just one in four HR teams feel well prepared, suggesting that processes for communication and response are still taking shape.

3. **Strong structures, slow enablement** – Organisations have made progress on job architecture and pay frameworks, but fewer have trained managers or built internal communication plans. The focus has been on structure first and enablement second.

4. **Time and tools hold teams back** – The main challenges are familiar: limited time, fragmented data, and unclear legal guidance. These hurdles make it hard to move from understanding the rules to applying them consistently across teams.

Why this matters

For HR teams, the challenge now is turning understanding into everyday practice. Compliance shouldn't rely on a once-a-year push, it should be something the organisation can repeat confidently and consistently.

That begins with strong foundations. Clear job architecture defined pay ranges, and a single source of truth for compensation data make it easier to answer questions, maintain accuracy, and build trust in the process.

The next step is clarity and consistency. Agreeing on comparison methods and thresholds for equal pay ensures that decisions hold up under scrutiny, while predictable processes for employee inquiries make transparency feel fair and dependable.

Finally, readiness depends on people, not just systems. Training managers and HR teams to handle these conversations with confidence turns compliance into credibility - helping transparency become part of the culture, not just another reporting requirement.

5

FINDINGS

What the data reveals about HR across the Nordics

This section brings together key findings from across the report covering HR's strategic influence, emerging priorities, and levels of digital maturity across Nordic organisations. It highlights what connects these areas and outlines practical recommendations for HR leaders looking to strengthen impact and prepare for the next phase of transformation.

- **HR's strategic influence is rising but uneven** – Across the Nordics, HR is taking on a stronger strategic role, moving beyond administration to become a driver of business direction. Yet influence remains uneven, particularly in areas like digital strategy and financial decision-making.
- **Digital maturity underpins HR's impact** – The connection between digital capability and strategic strength is clear. Organisations with integrated systems and mature HR technology show greater alignment between HR and business goals, and higher confidence in HR's leadership.
- **Priorities are shifting from vision to execution** – For the year ahead, HR leaders are focused on optimising existing processes, strengthening leadership capability, and delivering measurable outcomes. Transformation is no longer about large-scale reinvention, but about fine-tuning what already works.
- **Barriers persist - both cultural and structural** – Resistance to change, limited budgets, and uneven system integration continue to hold progress back. Even where digital confidence is high, outdated tools and fragmented data limit efficiency and insight.
- **Maturity drives momentum** – The more digitally mature an organisation is, the more likely HR is to act as a strategic partner. Playing a leading role in shaping culture, performance, and leadership development rather than simply supporting them.

Why this matters

Together, these findings paint a picture of HR in transition evolving from an operational support function to a genuine strategic partner at the heart of organisational decision-making. Across the Nordics, HR is increasingly seen as a key driver of business transformation, culture, and leadership capability.

However, the data shows that progress depends on two interconnected factors: digital maturity and strategic alignment. When HR systems are well-integrated and data flows seamlessly across the organisation, HR gains the insights and confidence needed to influence decisions at the highest level. In turn, stronger strategic involvement helps secure continued investment in digital tools and skills creating a positive feedback loop between capability and influence.

Yet this progress isn't guaranteed. Cultural resistance, budget constraints, and fragmented systems continue to slow transformation. Without shared ownership between HR, IT, and business leadership, many initiatives risk stalling before their full potential is realised.

The path forward lies in bridging these divides. Not just building digital infrastructure, but digital confidence. HR leaders who combine strategic vision with a focus on system readiness and data-driven decision-making will be best positioned to shape resilient, people-centred organisations ready for the next phase of transformation.

RECOMMENDATIONS

How can HR evolve into a true strategic business partner?

The findings highlight a Nordic HR landscape in motion. One that's digitally confident, strategically ambitious, and increasingly people-focused. To build on this momentum, HR leaders should focus on deepening influence, strengthening digital capability, and embedding a culture of continuous development and data-driven insight.

Empower HR's strategic role

- **Secure full HR representation in executive decision-making** – HR should have a seat at the table when business-critical strategies are shaped, not just when they're carried out. Ensuring HR's voice is part of early discussions helps connect people strategy to every business priority.
- **Strengthen HR's contribution to business transformation** – HR's influence should extend beyond people processes into digital, financial, and operational planning. This way people strategy becomes a driver of business outcomes.

How: *Formalise HR participation in enterprise strategy forums and align HR KPIs directly with organisational goals. Support HR leaders to act as business partners, not just function heads.*

Strengthen leadership and culture alignment

- **Foster shared ownership between HR and leadership** – Lasting transformation happens when leaders understand, value, and actively drive the people agenda. HR and leadership must work as partners, not separate entities.
- **Promote a culture of continuous development** – Give managers the tools and frameworks they need for performance, learning, and engagement and reinforce a culture where growth supports business success.

How: *Create cross-functional leadership initiatives that unite HR, IT, and business leaders around shared priorities. Embed development and engagement into everyday processes like Continuous Performance and Learning Management.*

Invest in digital maturity

- **Prioritise integration between HR and business systems** – A connected data ecosystem helps HR deliver insights that make an impact across departments. Integration isn't just about efficiency its about enabling smarter, faster decisions.
- **Build strong analytics capabilities** – Equip HR to use data confidently. From work force planning to talent development, enable HR to translate insights into meaningful action.

How: *Start with a digital maturity assessment, then create an integration roadmap linking HR data with finance, operations, and performance systems. Invest in upskilling HR teams so they can interpret and communicate insights with clarity and impact.*

Harness data to drive impact

- **Translate insights into action** – Data should do more than fill reports. It should spark meaningful conversations about talent, performance, and organisational readiness. When insights guide decisions, HR becomes a true strategic partner.
- **Measure what matters** – Shift the focus from volume to value. Use analytics to highlight outcomes that show HR's real impact, from productivity and engagement to retention and growth.

How: *Establish clear governance for people data and define metrics that reflect business priorities. Use dashboards and analytics tools to share progress in a way that connects with executive stakeholders and drives informed decisions.*

Looking ahead

The data shows a region ready for the next phase of HR evolution. Organisations have built strong digital foundations and positioned HR as a key voice in business strategy.

The next step is connection. Aligning systems, skills, and leadership to create a fully integrated, data-driven, and people-focused HR function. One capable of shaping not just today's operations, but the organisations of tomorrow.

Author | **CatalystOne Solutions**

CatalystOne

CatalystOne – where people, processes, and performance come together

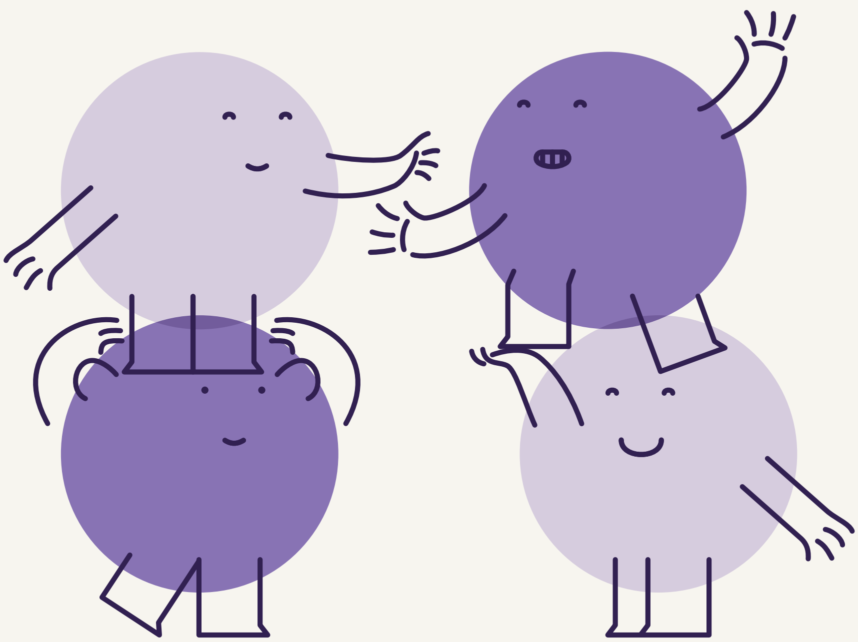
At CatalystOne, we believe real business value begins with people. Because when people thrive, businesses do too.

Our mission is to empower HR, IT, and business leaders to build workplaces where employees feel valued, supported, and motivated to excel.

We deliver a powerful and adaptable suite of digital HR solutions designed to connect people, processes, and performance. From Core HR to employee engagement, our platform helps organisations streamline HR operations, strengthen culture, and drive sustainable growth.

As a local Nordic partner, we combine powerful technology with close collaboration and genuine care – ensuring our customers have the flexibility and support to build, grow, and scale at their own pace.

Founded in Norway in 2004, CatalystOne is now one of the leading HR solution providers in the Nordics. Rooted in Scandinavian values of clarity, trust, and care, we know that thriving workplaces are not built by systems alone – but by people, processes, and performance working together. Welcome to CatalystOne.



Partners | DANSK HR

DANSK HR

Connecting and empowering HR professionals across Denmark

DANSK HR is Denmark's largest independent, network-based organisation for HR professionals. Our mission is to strengthen the role of HR across private and public sectors and to foster a professional community where knowledge, experience and development are shared across industries.

As the knowledge centre for HR departments, we provide our members with expert advice, guidance and access to up-to-date insights on strategy, practice and employment law. Through professional networks, training programmes and member events, we support HR leaders and specialists in navigating the challenges and opportunities of working with people, culture and organisational development.

DANSK HR also drives several key initiatives, including the publication of the member magazine HR & Ledelse and the annual Træfpunkt HR – Denmark's largest HR fair – which brings together professionals, researchers and providers to explore new trends and perspectives within the HR field.

With more than 900 member organisations, DANSK HR serves as a strong and credible voice for the HR profession in Denmark, promoting professional growth, responsible leadership and a people-centred approach to business.

For more information please visit:
www.danskhr.dk

Partners | HENRY

H•E•N•R•Y

Empowering HR professionals through network and innovation in Finland

HENRY is Finland´s largest non-profit HR association with more than 3000 members. It promotes HR excellence, networking and innovation through webinars, events, as well as chapters and branches across the country.

HENRY is an independent and volunteer-driven organisation, a true community, inviting HR professionals to share their knowledge and experience to colleagues and future HR talent.

HENRY bridges academia, business, consulting together with public and third sector to address modern challenges of leadership and working life.

HENRY offers conferences and trainings, together with the best partners and service providers, for the benefit of its members.

For more information please visit www.henry.fi

Partners | HR-föreningen

HRföreningen

Strengthening HR in Sweden through knowledge and community

HR-föreningen is Sweden's leading non-profit association for HR professionals across both the private and public sectors, with more than 4,000 members. The organisation brings together individuals, from both the private and public sector, who are dedicated to strengthening HR's role.

Members gain access to a broad range of resources designed to support continuous professional growth. This includes the HR People magazine, insightful reports, webinars, training opportunities, podcasts, and a wide variety of events throughout the year. HR-föreningen also facilitates regional networks and peer-to-peer forums, creating meaningful spaces for dialogue, exchange, and inspiration.

With members from all corners of Sweden, HR-föreningen plays an important role in advancing the HR profession. By offering credible, curated knowledge and creating opportunities to connect with others in the field, the association helps HR professionals stay up to date, broaden their perspectives, and turn insights into real organisational impact.

Joining HR-föreningen means becoming part of an engaged community committed to developing stronger, more people-focused organisations.

For more information please visit hrforeningen.se

Methodology and contributors

This report was developed and analysed by CatalystOne in close collaboration with our partners: HR-föreningen in Sweden, DANSK HR in Denmark, and the Finnish association for HR professionals, HENRY.

We would like to extend our sincere thanks to our partners for their valuable support and collaboration throughout this project. Together, we were able to reach HR professionals across the Nordic region and create a truly representative foundation of insights for this report.

The survey was conducted between 18 August and 28 September 2025, gathering responses from nearly 500 HR professionals representing a wide range of industries and organisational sizes. Participants were asked to share their employment details and role; however, as these responses were self-reported, they were not independently verified.

Data collection was carried out using SurveyMonkey, supported by its built-in tools for segmentation and visualisation. The analysis was performed using Power BI and AI-based tools, including ChatGPT (within a secure, private GPT environment), to identify patterns and correlations across variables such as country, company size, and HR maturity. All data was fully anonymised and handled with strict confidentiality throughout the process.

Our goal with this report is to provide a directional understanding of the current state of HR in the Nordics — to highlight emerging trends, challenges, and opportunities shaping the profession today. The findings should be seen as indicative rather than verified facts, complemented by reflective perspectives of engaged HR professionals who are actively shaping the future of people and organisations in the region.

This report is for everyone moving HR forward in the Nordics. We listened to practitioners across Norway, Sweden, Denmark, and Finland to understand what is working, what is emerging, and what needs fixing next. Thank you to all the leaders who shared their time and honest reflections. We hope these insights help you make confident, people-centered decisions in the year ahead. If something sparks an idea or a disagreement, let us know. We want this to be a living conversation that improves with every edition.

REPORT CREATED BY
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November 2025

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