



AI Isn't Your HR Tech Stack Problem. Your Strategy Is.

Why the old rules of building an HR tech stack matter more, not less, in the age of AI.



Executive Summary

Every HR leader is asking the same question: **which AI tool should we buy?** It's the wrong question – the same one that built the bloated, disconnected HR tech stacks most companies are sitting on today. AI hasn't fixed that. It's raised the cost of skipping the strategic work that was always supposed to come first.

26

HR tech modules on average (up from 10 in 2020)

88%

of HR leaders see no real business value from AI tools yet

2026

the year Josh Bersin warns “agent sprawl” replaces tool sprawl

This whitepaper updates ScaleHR's strategy-first process for a world where AI is a layer in the stack, not a separate purchase, and closes with the SCALE Stack Audit, a five-step framework for building an HR tech stack that's ready for AI.

“

Which AI tool should we buy assumes the bottleneck is missing software. It isn't.

— from the Introduction

You're Asking the Wrong Question

The bottleneck, for most HR teams, has never been a missing tool. It's the absence of a clear line between business strategy and technology decisions.

That's how the average organization ended up running 26 HR modules, more than double what it ran five years ago, with 68% of those tools sitting on disconnected platforms.

AI hasn't changed that instinct. It's accelerated it, turning the “buy first, ask questions later” pattern that built tool sprawl into what Josh Bersin calls agent sprawl.

This is where the original ScaleHR process still holds – it was never about the technology. It was about the business.



88%

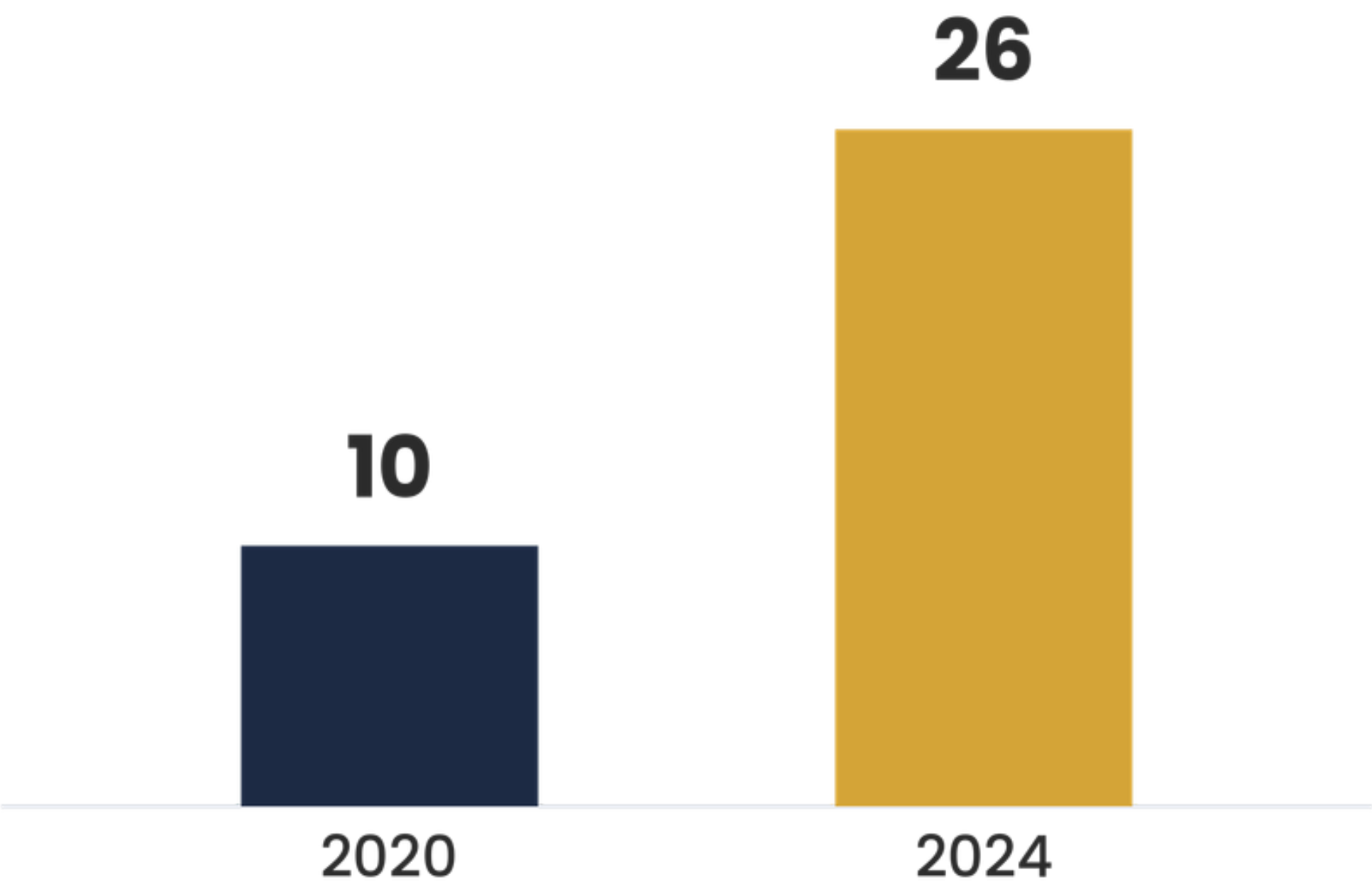
of HR leaders say their organizations haven't realized significant business value from the AI tools they've already bought.

That's not a sign AI doesn't work. It's a sign AI only works when it sits on top of a stack built for a reason.

Source: Gartner, survey of 114 HR leaders, October 2025

Tool Sprawl Already Happened – Before AI

Average number of HR technology modules in use



76%
of organizations report data silos between their HR systems

68%
of those tools sit on platforms that don't talk to each other

Source: Sapient Insights Group HR Systems Survey, via SHRM

The Old Process Still Applies

Three questions that have nothing to do with technology – answer them before you evaluate a single AI vendor.

1

Business Strategy

Is the company growing, contracting, investing, expanding into new markets? Start here, every time – AI or not.

2

Business Challenges

Financial constraints, workforce skills gaps, competition for talent, leadership capacity. Naming these precisely matters more now than ever.

3

HR Impact

Talent attraction, engagement, retention, employer brand, budget. Figure out what HR needs to start, stop, and change.



What's Actually Different in the Age of AI

If the process is the same, three things have changed — and HR leaders need to be honest about all of them.



1

The Category Lines Are Dissolving

HRIS, ATS, LMS, and performance platforms are blurring into a single AI-driven service layer, per Gartner's 2026 HR operating model research.

2

Adoption Is Real, But Shallow

39% of organizations have adopted AI somewhere in HR (SHRM, 2026), mostly point solutions, exactly the pattern that produces agent sprawl.

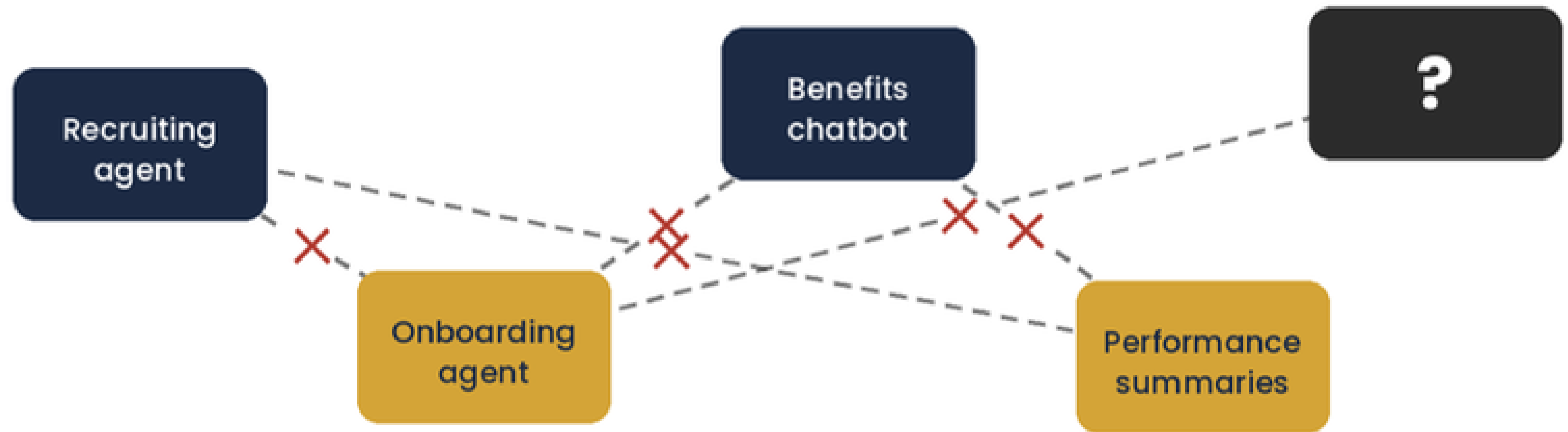
3

The Stakes for Integration Just Went Up

81% of HR professionals say poor platform integration limits their ability to meet HR goals (HR.com, 2025).

Agent Sprawl Is the New Tool Sprawl

A recruiting agent here, an onboarding assistant there, a benefits chatbot, AI review summaries – none go through a central filter.



Six months later: five or six autonomous agents running across disconnected systems, each with only a partial view of the employee.

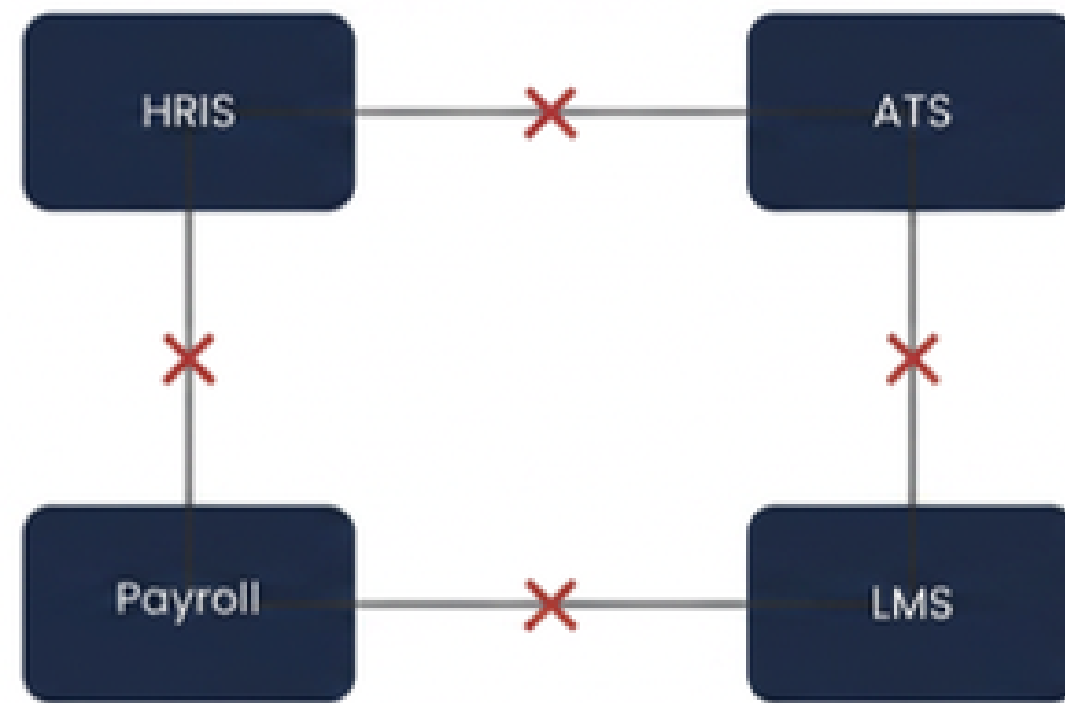
THE SINGLE MOST IMPORTANT IDEA IN THIS WHITEPAPER

***AI does not fix a bad tech stack.
It amplifies whatever stack you already have.***

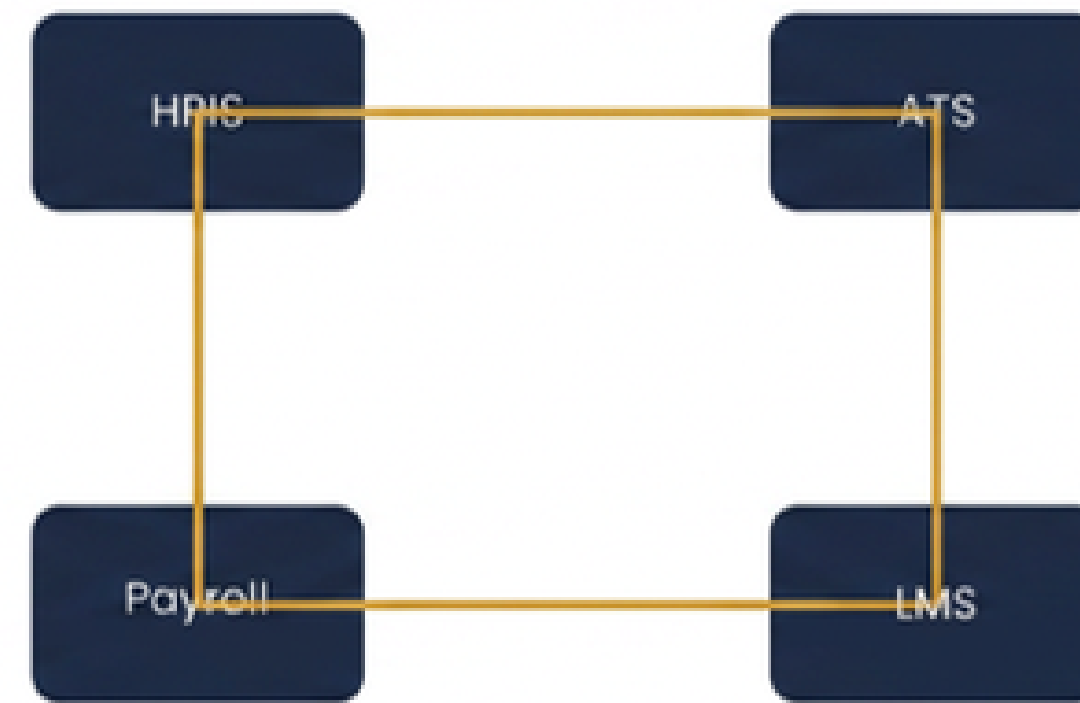
A well-integrated, strategically built stack gets faster and smarter with AI layered in. A fragmented, sprawling stack gets a fragmented, sprawling AI problem, just with less human oversight and more autonomy sitting on top of the mess.

Integration Is Now a Prerequisite, Not an Afterthought

Fragmented stack



Integrated stack



46%

of HR professionals cite lack of integration as their single biggest HR technology challenge
— HR.com, State of HR Technology 2025

The SCALE Stack Audit

A five-step checkpoint for how AI fits in, before you buy it.



Builds on ScaleHR's original six-question process, with one addition: a deliberate checkpoint for how AI fits in.

What Each Step Actually Means



Strategy

Is the business growing, contracting, investing, expanding? Start here, every time.



Challenges

Name the real pressures – financial, skills, talent, leadership, before a vendor names them for you.



Audit

Write down your current stack, module by module, including every embedded AI feature.



Layer

Before adding AI: can systems share clean data? Does it tie to a named challenge? Who owns the outcome?



Evaluate

Review in 6-12 months. Is it delivering real value, or would you decommission it?

A FINAL THOUGHT

***“The tech stack was never the hard part.
The thinking that comes before it is”.***

The HR leaders who get this right in 2026 won't be the ones with the most AI agents running across their stack. They'll be the ones who did the unglamorous work first: naming the business strategy, naming the real challenges, auditing what they already have, and only then asking where AI actually belongs.



About ScaleHR

ScaleHR helps emerging HR, recruitment, and work tech companies stand out in an industry that's louder than ever – through **Catalyst**, our content and influencer marketing program, and community-driven events like **SocialHRCamp**.

Founded by Jeff Waldman after two decades working alongside 200+ HR tech companies, we run on one rule: no buzzwords, no shortcuts, no BS – just work that moves the needle.

Let's Talk → goscalehr.com



"No shortcuts. No buzzwords. No BS".

Sources

- 1 SHRM, “Simplify Your Tech Stack: The Risks and Redundancies of HR Software Sprawl,” citing Sapient Insights Group's HR Systems Survey (26 modules in 2024 vs. 10 in 2020; 76% reporting data silos).
- 2 Gartner, “Gartner Survey Shows 88% of HR Leaders Say Their Organizations Have Not Realized Significant Business Value from AI Tools,” survey of 114 HR leaders, October 2025.
- 3 Josh Bersin, “Introducing HR 2030: A Vision for Agentic Human Resources,” The Josh Bersin Company, April 2026.
- 4 Gartner, “The Impact of AI on the HR Operating Model,” February 2026.
- 5 SHRM, “The State of AI in HR 2026 Report,” survey of ~1,900 HR professionals, published March 31, 2026.
- 6 HR.com, “State of Today's HR Technology and Integrations 2025” research report.
- 7 ScaleHR, “How to Go About Building Your HR Tech Stack” — original framework this whitepaper updates.