

Five Priorities for 2027 Workforce Planning

Introduction

Organizations will enter 2027 with a new balance of power in Washington. Democratic control of Congress alongside a Republican administration may constrain sweeping federal legislation. However, companies should anticipate greater congressional oversight, continued use of executive and regulatory authority, and an expansion of state and local legislation. Affordability, AI governance and corporate accountability are top of mind for citizens and policymakers and are likely to remain so in the coming year.

To navigate this environment, talent and HR leaders need to address areas of their workforce strategy that overlap with these issues and may be impacted by future regulation. Here are five issues to put on the workforce planning agenda for 2027.

1. Establish governance for AI-related workforce decisions.

AI and the workforce are likely to attract greater attention in Washington in 2027, but much of the more immediate regulation will happen at the state and local level (where many Democrats also took power). Inventory AI tools your organization uses for recruiting, performance management, pay and promotion decisions. Clarify where human oversight is systematically required and accountability for potential bias. Bring governance to job redesign so that new technology improves work, efficiency and innovation, rather than simply automating existing processes. This will be critical as companies and investors scrutinize spending on AI tools. Outside of the U.S., the EU AI Act is already having an impact on HR. Read our article about how multinationals can prepare.

2. Build a consistent pay transparency and pay equity foundation.

While any kind of federal legislation is unlikely in a divided government, local, state and international requirements around pay equity and transparency disclosures will continue to roll out throughout 2027. To prepare, organizations should work to align job architecture, compensation ranges, market data and pay equity analysis so that disclosures are consistent with actual pay practices. Multinational companies should pay close attention to how EU member states transcribe the EU Pay Transparency Directive, which is an ongoing process and could be disrupted by political upheaval abroad. Gain insight on how companies are evolving their pay practices to be built for an era of pay transparency and equity: Download our recent pulse survey of nearly 1,000 organizations.

3. Stress test the executive pay narrative.

Congressional oversight will become a more prominent business risk in 2027, with new committee leadership able to call hearings, request information and compel executive testimony. That raises the stakes for companies in sectors likely to face heightened scrutiny, including technology and financial services. Evaluate how executive compensation, employee pay, business performance, cost actions and shareholder outcomes

fit together. Boards should anticipate questions about CEO pay, pay ratios, incentives, perquisites, buybacks and workforce investments before those issues appear in an investor discussion, public hearing or media inquiry.

4. Move from workforce cost to workforce value.

Affordability emerged as a defining issue in the midterm elections and is likely to remain a powerful lens through which policymakers, employees and consumers view corporate decisions in 2027. Affordability pressures, including the high cost of healthcare, are likely to keep labor costs, benefits and productivity high on the leadership agenda. Organizations need an integrated view of compensation, health and benefit costs, retirement programs, skills investments and employee value.

5. Plan for critical skills, not just headcount.

Immigration shifts have been underway for the past two years and will likely continue to challenge access to labor, particularly for certain industries such as technology with H-1B visas and agriculture. Other demographic shifts, including an aging workforce and persistent skills gaps in specialized industries and roles, are creating talent risks. Use skills data to pinpoint where critical capabilities are concentrated, where gaps are emerging and which roles are most vulnerable to talent shortages. Assess where you want to build, buy, borrow or automate certain roles. From there, target reskilling, internal mobility and job redesign.

A Practical Starting Point

While it's impossible to predict every policy change, creating a workforce strategy that can withstand regulatory, economic and stakeholder pressures should be the goal for 2027. Start by asking:

- Do we know where AI influences workforce decisions, and do we have the right governance and human oversight in place?
- Can we confidently explain and defend our pay practices across the jurisdictions where we operate?
- Would our executive pay decisions stand up to increased scrutiny from investors, employees, policymakers and the public?
- Do we understand where rising workforce costs may be undermining value?
- Do we know which skills are most critical to our strategy, where our biggest gaps are emerging and how we will close them?

If questions like these are on your mind, contact us at hcainsights@aon.com and we'll put you in touch with one of our Talent advisors.

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