



Workplace Evolution: Megatrends Defining 2026 and Beyond

What leaders need to know about AI, evolving talent models, and employee enablement strategies shaping the future of work

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Introduction

With the workforce seemingly evolving at lightning speed, it can feel like you're always playing catch-up. True opportunity lies in embracing change as a competitive advantage and leaning into what you can control. From leveraging AI and flexible talent models to enabling employees to perform their best, this year's megatrends highlight where leaders should focus. Let these data-driven insights — the product of months of research and insights from organizations across industries — help you navigate change with confidence to build an agile workforce that can adapt and thrive in an era of constant transformation.

At UKG, we understand and empower the working world. With 50 years of expertise in the human capital management space, we fuel leaders across 80,000 organizations worldwide with workforce intelligence solutions and AI-guided tools that shape better business outcomes.

Megatrend 1

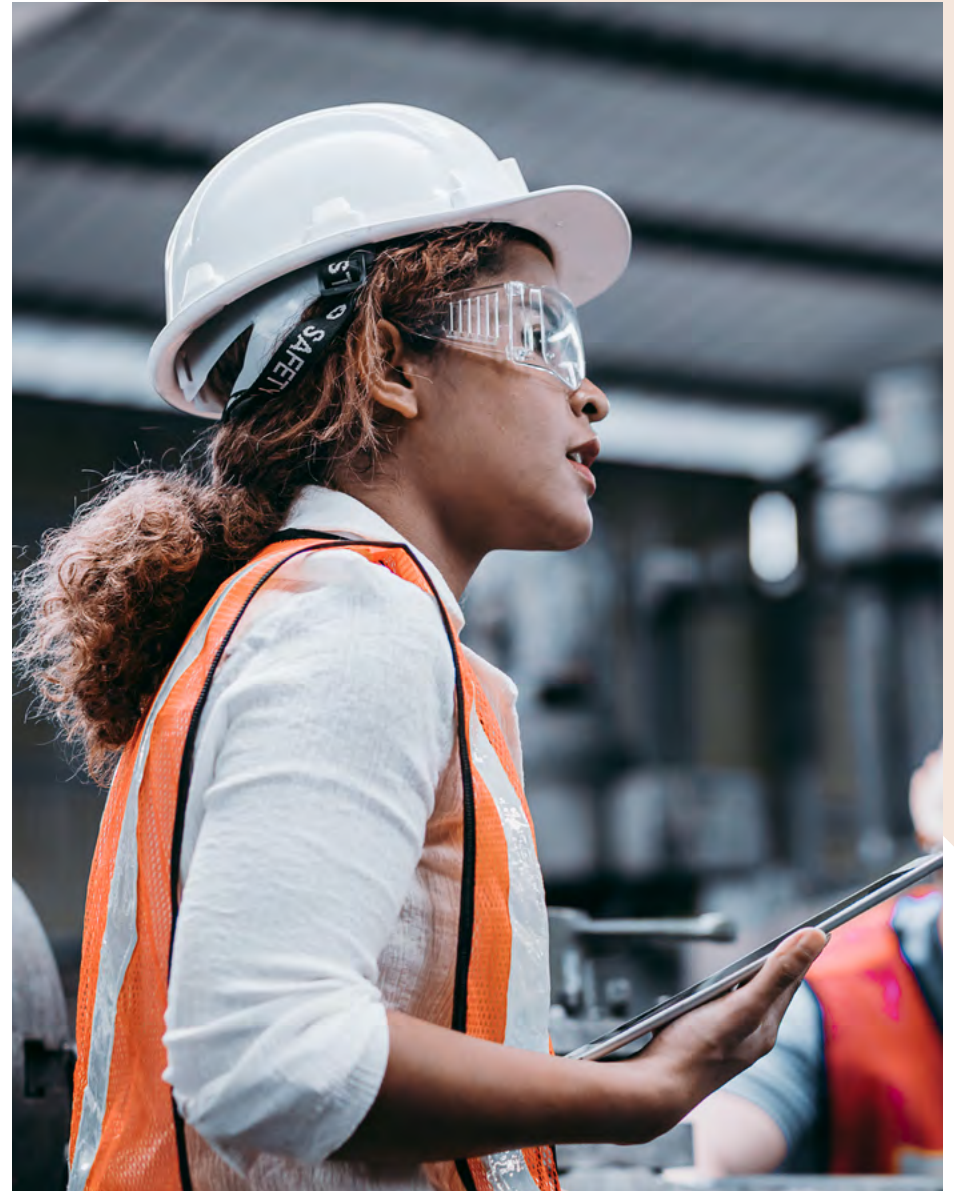
Accelerating adoption: the people-first AI imperative

Megatrend 2

Pursuing agility: the talent ecosystem reality

Megatrend 3

Beyond engagement: the employee enablement era



Megatrend 1

Accelerating adoption: the people-first AI imperative

AI isn't going anywhere. In fact, you've probably already built it into some part of your operations strategy. But are you seeing results that show return on investment? The benefits of AI may seem clear in theory, but the biggest challenge in seeing gains from the investment isn't a tech problem; it's an organizational mindset challenge. This isn't about blame. It's about whether your people and organization are set up to use AI in ways that deliver real value. That could mean addressing gaps in training, clarifying your overall goals, or easing fears about job security.



Every few decades, breakthrough technology fundamentally changes the way we do everything, from how we live to the way we work and beyond. How productive would we be without electric power, the assembly line, or mobile phones? Like those innovations, AI is quickly becoming ubiquitous and indispensable to work — and ignoring it now is like choosing not to use a computer or the internet.

Suresh Vittal
Chief Product Officer, UKG



What it means

Organizations that integrate AI into the flow of work while elevating human creativity, purpose, and skills will outperform those that treat AI as purely technical infrastructure.

What you can do

With many people worried that AI (or others skilled in AI) could fill their jobs, the best way to ease these fears is open communication. Be transparent about why you're using the technology and clear about what it can and can't do. This approach helps employees understand the technology's true purpose and reinforces confidence in their own creativity and critical thinking.

The curiosity and willingness to engage are already there: KPMG found 46% of employees are willing to trust AI,¹ and UKG research shows 75% of frontline employees would trust AI to handle certain tasks — yet only 38% use AI at work today. What's missing isn't interest; it's enablement to turn readiness into real results.² Nearly half of leaders cite skills gaps as a barrier to AI adoption³ — a sign that while people are ready to explore the tech, many are left to figure it out on their own. Investing in training to close that gap can help strengthen the human-AI collaboration that creates true value.

By automating joyless, repetitive administrative tasks, you make room for employees to do more meaningful human work. A majority (73%) of frontline employees are optimistic about using AI at work, especially in areas that eat up valuable time, such as searching the company handbook, understanding benefits, and managing schedules or availability.² When technology takes care of the “noise,” people can devote their energy to serving customers and innovating for the business — outcomes that amplify both their impact and your results.

Key takeaways

- Lead with clear communication and transparency, highlighting that AI is a tool to support — not replace — strategic thinking
- Empower your workforce with AI-specific upskilling to help employees evolve with the technology, which will, in turn, give your organization a competitive advantage
- Build trust in algorithms, data, and technology by opening access, especially for frontline workers

78% of organizations use AI in at least one business function⁴

74% of organizations have yet to show tangible value from their AI efforts⁵

2 in 3 organizations are culturally and operationally unprepared for AI⁶

64% of frontline workers worry AI might replace their jobs²



Megatrend 2

Pursuing agility: the talent ecosystem reality

If you've been struggling to fill positions with the right applicants, you're not alone. The global talent shortage is real, and, unfortunately, only getting worse. While severity varies by region, organizations worldwide are struggling to fill both frontline and specialized roles. In many cases, the demand for technical expertise is outpacing the supply of qualified people, especially as older generations retire. Instead of traditional employer-employee models, a more flexible approach is emerging — one that blends full-time, part-time, contract, and AI agents with training programs and internal talent development.



The future belongs to organizations that see talent as a living ecosystem — one that grows through continuous learning and embraces AI by building deep organizational trust. Our role as leaders is to cultivate that ecosystem so that agility and grit becomes part of our DNA, and skills we can identify within our workforce.

Michael C. Bush
CEO, Great Place To Work



74%

of employers say they are struggling to find the skilled talent they need⁷

77%

of retailers acknowledge difficulties in filling labor gaps⁸

90%

of manufacturers report that skilled labor shortage has a negative impact on their bottom line⁹

4 in 5

executives say they need greater agility in talent processes to pivot their current workforce toward changing business priorities¹⁰

What it means

Amid the talent crisis, the traditional employer–employee relationship is being replaced with a talent ecosystem comprised of a fluid mix of full-time, part-time, gig, fractional, and AI-powered roles.

What you can do

Rethink how work gets done. Instead of only recruiting talent for the full-time employment model, consider adding a more flexible mix of resources to fill roles quickly and effectively. To supplement your workforce, a blend of part-time workers and contract workers might meet your needs. Or perhaps it makes sense for your organization to tap into the growing gig economy where on-demand workers have been fueling services in areas such as delivery, transportation, childcare, facilities management, and more.¹¹

Technology can also extend your team's capabilities. AI agents, for example, can handle transactional tasks, administrative work, and data processing.¹² This option can help free your people to focus on more creative or strategic work.

Before posting open positions, look internally at workers whose skills match the job requirements or can be developed through training and career growth. If there isn't an easy way to do that, it's time to invest in tools that allow transparency into your workforce. Your data should reveal who's qualified, how they perform, and their projected impact on the business. Once those capabilities are identified, having effective policies and practices for deploying and scheduling talent ensures you're putting the right person in the right place at the right time. This helps close immediate gaps and strengthens your long-term workforce planning.

Key takeaways

- Consider talent planning across all labor types and create pathways for internal mobility and career growth through talent marketplaces
- Use data to reveal existing skill sets and development gaps, then use those insights to surface growth opportunities, match talent to roles, and strengthen your own skills ecosystem
- Align policies with solutions that allow you to deploy and schedule the right people

42%

of organizations that use third-party outsourcing services do so for improved access to talent versus 34% who are doing it due to cost¹²

32%

of HR leaders don't have a way to track and manage skills within their organization¹³

57%

of HR leaders don't have an approach to connect talent to work through internal marketplaces¹³

Work schedules and lack of career growth rank as reasons two and three that frontline employees consider quitting²

Megatrend 3

Beyond engagement: the employee enablement era

Low engagement is costing organizations serious money.¹⁴ Gallup's 2025 State of the Workplace report shows employee engagement declined to 21% in 2024, resulting in \$438 billion in lost productivity worldwide. Look closer at what may be causing this waning and you'll find that low trust, lack of empowerment, and manager challenges all play roles in the dissatisfaction. Now imagine if every employee could act on their purpose at work and do so in the most efficient way possible. Strategies that focus on employee enablement help people feel like they belong at every level and ultimately drive performance.



Employee enablement is where culture meets performance. Organizations that thrive will be those that empower every employee to make an impact — fueled by trust, overall wellbeing, and technology.

Rachel Barger
President, GTM, UKG



What it means

Enablement is the art and science of giving people the tools, knowledge, and support to perform at their best — fueling performance through autonomy, trust, and access.

What you can do

Give your workforce the knowledge and tools they need to perform with confidence — then step back and let them do it. If micromanagement stifles innovation, autonomy fuels it. Move away from a command-and-control mindset toward a culture built on transparency and accountability. When leaders model trust and create standards that support every dimension of employee wellbeing — from mental and emotional health to growth through learning and recognition — they boost engagement and results.¹⁵

Technology can play a powerful role here, too. Eighty-three percent of frontline workers say technology enhances their work experience, yet only 4 in 10 have access to communication tools today.² Investing in platforms that make it easier for employees to connect, collaborate, and access resources can extend that sense of empowerment and inclusion to every level of the workforce.

Consistency is key. Make sure your policies and positioning apply equally across the organization, so workers don't feel there's a set of rules for them and another for executives. Finally, practice what you preach. Seek your team's advice (versus feedback) and act on it. Showing that you value your employees' judgment reinforces trust and ownership, which is where enablement truly begins.

Key takeaways

- Move away from a command-and-control mindset toward a culture built on transparency and accountability
- Invest in tools and technology that will set up your team for success
- Champion personal, developmental, financial, and relational wellbeing strategies that help your workforce feel secure and supported, which will, in turn, boost productivity

High-trust cultures yield 42% more discretionary effort¹

47% of frontline employees believe there are two separate cultures in their organization: one for them and one for everyone else²

Employees who feel trusted by executive management have higher levels of trust in their managers and CEOs¹⁷



How the 2026 Megatrends impact small to midsize businesses

Accelerating adoption: the people-first AI imperative

For your small to midsize business (SMB), think of AI as your team's sidekick. It's there to help, not take over. The technology can automate repetitive administrative tasks, streamline scheduling, and free up time for often lean staff to focus more on strategic work. But to see valuable results, you'll need your workers' buy-in.

Just like in larger organizations, be clear in sharing your AI implementation goals with your team so they understand the "why" behind them. Then, be sure to invest in upskilling so they can use the technology confidently, efficiently, and securely to drive meaningful results and a clear return on investment.

Pursuing agility: the talent ecosystem reality

The ability to move quickly and scale strategically gives SMBs an upper hand over their competition. Agility here isn't about more people; it's about making the most of the talent you already have and placing the right people in the right roles as demands change.

With tighter budgets, growing organizations can't afford long hiring cycles or overstaffing. Building an internal talent ecosystem that highlights skills and capacity helps you redeploy talent as needed. When you need extra support, tapping into gig or contract workers extends your reach and capability without stretching resources.



Beyond engagement: the employee enablement era

In smaller organizations, retention is resilience. And a key part of that is keeping employees engaged through empowerment, growth, and trust. When every person plays an essential role, enablement becomes the foundation for higher productivity and performance.

Empower employees with the tools and autonomy to make decisions and back that with opportunities to develop new skills and advance their careers. That investment pays off in loyalty and performance, helping your organization stay strong, even when resources are limited.

2026 Workforce Megatrends by UKG

The megatrends shaping the world of work in 2026 focus on driving performance through smarter technology, adaptive talent strategies, and employee empowerment. At the heart of these shifts is your workforce. Lean into your people's innate creative and strategic skills to handle the important tasks that need human insight. AI adoption can accelerate results, but without clear goals and training, the investment falls short. Staying flexible with your talent pool helps you scale hiring as priorities change. And as the focus moves from engagement to true enablement, organizations that equip people with the right tools and support will outperform those that don't.

Work is being reshaped, whether you're ready for it or not. These Megatrends are about helping organizations adapt to that rapid pace, harnessing technology and human potential to stay ahead instead of simply keep up. With solutions that connect workforce data, timely insights, and AI-driven enhancements, you can turn disruption into opportunity for today and beyond.

Get the right technology in place to help address these trends:

[Learn More](#)



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About UKG

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