Six HR Trends for 2026

Top Trends

IN THIS ARTICLE

The workplace in 2026 is undergoing a transformation, largely driven by technological advancements, regulatory shifts and evolving employee expectations. HR is not a back-office function. More than ever, it's a strategic partner shaping organizational resilience and competitiveness.

Employers will face a dynamic environment in 2026 that demands agility, foresight and collaboration. This article explores six HR trends that will define the year ahead.

AI Redefining Roles and Expectations

Artificial intelligence (AI) is no longer just a productivity tool; it's a workforce disruptor. According to global consulting firm Korn Ferry, more than 4 in 10 companies plan to replace roles with AI. This trend is most pronounced in positions that involve repetitive tasks or data-heavy processes, such as administrative support.



At the same time, AI is creating new opportunities that demand a different skill set. Research shows that while AI and automation threaten many U.S. jobs, they also accelerate demand for roles in industries such as technology, energy and AI infrastructure, as well as those focused on oversight, ethics and human-AI collaboration. Navigating soft skills, such as adaptability, critical thinking and emotional intelligence, is becoming as important as technical proficiency.

Employers are investing heavily in reskilling programs to prepare employees for emerging roles, such as prompt engineering and algorithmic auditing. For both workers and employers, success in 2026 will depend on finding ways to work with AI rather than ignore it.

Furthermore, AI's impact in the workplace expands beyond work tasks and processes. In 2026, empathetic leadership is on the rise amid the digital era. As AI takes on routine tasks, the value of managers, supervisors and company leadership with emotional intelligence, adaptability and communication skills is more important than ever.

As such, organizations can double down on empathy, trust and purpose-driven leadership. Employers recognize that technology can handle tasks, but it cannot replace the creativity, emotional intelligence and resilience that people bring to the workplace. By prioritizing mental well-being, fostering positive workplace cultures and designing roles that empower autonomy, companies are ensuring that innovation remains human-centered. In 2026, leading with humanity is key to thriving in a digital world where machines amplify, but humans define, the future of work.

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The Growing Gig Economy



Gig work refers to labor defined by short-term contracts, freelance work and independent contracting, rather than traditional full-time employment. Employers commonly use these services to fill skill gaps, manage project-based workloads or reduce overhead costs. An increasing number of workers are actively embracing gig work. According to Statista, more than 70.4 million Americans are currently involved in freelance work. By 2027, freelancers, gig workers and crowd workers are expected to become the majority of the workforce. For employers, this trend is increasingly unavoidable.

People may be drawn to gig work for a variety of reasons. Some pursue it full-time, embracing the independence and flexibility it offers as a lifestyle choice. Others engage in gig work alongside traditional Form W-2 employment, using it to supplement their income, gain a safety net in case of layoffs or enjoy more control over their schedules. This hybrid approach is especially appealing to students, caregivers and professionals seeking autonomy or a creative outlet. For many, gig work is a strategic way to diversify income and reduce reliance on a single employer, offering both financial and personal empowerment.

At a broader level, the gig economy is reshaping the labor market. More workers are prioritizing the autonomy, variety and perceived control that gig work offers, sometimes opting out of conventional employment altogether. This trend presents new challenges for employers, who must adapt their recruitment strategies and workplace policies to remain competitive in attracting talent and meeting operational demands. As the gig economy continues to grow, understanding its dynamics is essential for organizations seeking to build resilient and responsive workforce models.

An HR and IT Alliance

In 2026, a partnership between HR and IT will be critical. As organizations deploy AI, advanced analytics and integrated digital platforms, HR leaders need IT expertise to ensure secure, scalable and compliant systems. This alliance goes beyond technology implementation. The goal is to co-create a human-centered digital ecosystem.

Together, HR and IT can design workflows that automate routine tasks, such as onboarding and payroll, while maintaining transparency and fairness through governance frameworks. This team can also collaborate on data privacy, cybersecurity and ethical AI use, ensuring that innovation doesn't compromise trust. By working together, these functions enable personalized employee experiences, predictive workforce planning and adaptive learning systems, all while safeguarding organizational integrity.

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Layoffs Reshaping Talent Pools

Economic uncertainty is reshaping workforce strategies, and layoffs are at the center of this transformation. According to Resume.org, 6 in 10 companies plan to lay off employees in 2026, a stark indicator of how organizations are bracing for slower growth and tighter budgets. These cuts aren't just about trimming costs; they're fundamentally altering the labor market. While overall labor reports show that total employment and hiring activity have fluctuated at relatively normal levels, the proportion of layoffs has been significant and is expected to continue into 2026. This contrast highlights a shift in workforce dynamics: Organizations are maintaining or even expanding hiring in some areas while aggressively reducing headcount in others, signaling a more selective and cautious approach to talent management.

When employers downsize, the impact doesn't end with job loss. Remaining employees often face heavier workloads, increasing the risk of stress and burnout. At the same time, layoffs expand the talent pool with experienced professionals, creating both opportunities and challenges for hiring and retention. For employers, this means striking a balance between short-term savings and long-term stability. While layoffs can ease financial pressure for employers, they can also erode employee morale and loyalty, making retention more challenging.

KEY POINT	The workplace continues to evolve, but successful organizations will need more than new technology and processes. Staying adaptable, developing people, maintaining compliance, and building trust will remain essential to long-term success.

The Rise of Skills-Based Hiring

Skills-based hiring has been gaining traction for years, and this trend is expected to continue in 2026. As such, more employers may focus their hiring efforts on looking for the right skills rather than experience or education. Employers may consider skills based hiring to help them attract top talent. While specific qualifications may be valuable for some roles or industries, HR professionals may evaluate candidates based on desired skills rather than experience or education. With robust learning and development initiatives in place, employers can hire workers who are an excellent cultural fit and then train them on specific skills or tasks later. AI-powered personalized learning platforms can also deliver adaptive micro-learning pathways tied to real time performance feedback. While the labor market has been shifting to be less worker-friendly, employers are still struggling to find qualified candidates who will be a good fit for the company.

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Compliance Changes

In 2026, the One Big Beautiful Bill Act (OBBBA) is ushering in wide-ranging compliance changes related to compensation, benefits and payroll operations. Under the OBBBA, qualifying employees can now deduct up to $25,000 in tips and $12,500 in Fair Labor Standards Act (FLSA) overtime pay from federal income taxes, significantly altering how employers calculate, track and report wages. This has prompted HR teams to transform ordinary payroll systems into strategic compliance platforms, such as upgrading their human resource information system (also known as HRIS) to track qualified tips and overtime, redesigning W-2 formats and aligning with new IRS guidance and deadlines.

Meanwhile, the expansions of health savings accounts, telehealth, dependent-care flexible spending accounts, student loan repayment and direct primary care are shifting benefits from compliance necessities to competitive advantages. This could potentially help HR reposition health care access and financial wellness as central pillars of employer value propositions. By turning regulation into opportunity, HR professionals can enhance attraction and retention, employee financial well-being and organizational agility.

In addition, many new state laws have gone into effect in January 2026, including 19 states raising their minimum wage. With many of the OBBBA's broad changes to employee benefit plans taking effect in 2026, more employers will be taking a proactive approach to compliance.

Summary

As 2026 unfolds, HR leaders stand at the intersection of technology, compliance and workplace culture. Organizational success may hinge on employers' ability to embrace innovation while safeguarding trust and fostering partnerships that support sustainable growth. Whether it's navigating compliance, leveraging AI responsibly or leading with empathy in a digital era, the message is clear: the future of work is both high-tech and deeply human. Savvy organizations will not only weather uncertainty but also design workplaces that strike a balance between performance and purpose.

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