

The Power of the Human-centered Workplace

2026 Trends and Predictions



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Volatility has become a permanent part of the business landscape. Shifting market conditions outpace forecasts. Social and political pressures spill into the workplace. In the last year, executives worldwide have altered strategies and leveraged technology to manage the chaos—but these tactics aren’t enough. To ensure lasting success, organizations must also invest in the people who drive innovation and the systems that allow creativity to flourish.

Over the past months, we’ve partnered with leaders to improve team collaboration, communication, psychological safety, employee engagement, and resilience. As they worked to improve these profoundly human capabilities, they were also integrating artificial intelligence (AI) and managing its transformative impact.

In addition, our clients faced unprecedented challenges in maintaining their commitment to culture-building strategies. When companies integrate diversity, equity, and inclusion, they ensure that all employees are empowered to do their best work. Yet these efforts were labeled “illegal.” Throughout this turbulent year, we have advised teams as they navigated shifting regulations, helping them mitigate risk without compromising core values or workforce readiness.

Today, we remain laser-focused on creating workplace cultures where everyone can thrive. Our process includes rigorous organizational assessments that highlight each client’s unique priorities. We meet each team where they are, because there is no such thing as a single solution. Through confidential listening sessions, surveys, facilitated workshops, one-on-one coaching, and strategic planning, we partner with clients to build inclusive leadership skills, empower employees, and foster psychologically safe environments.

The following insights and predictions are informed by the deep work we have done with our partners, including more than 1,000 touchpoints with executives worldwide. These are the trends we are seeing now and the themes that will guide our work in 2026.

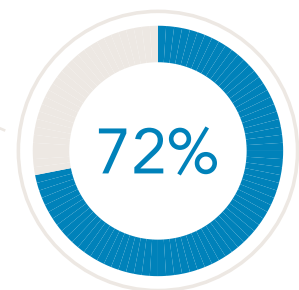


Latest Trends

1.

In a rapidly evolving business environment, leaders need the skills to adjust quickly: curiosity to master new technology, empathy to support resilience, and clarity to align teams around what matters most.

Along with AI-driven uncertainty, geopolitical tensions and financial stress are putting pressure on workers. **According to Gallup, 72% of employees say their organization has undergone some form of disruption in the past year.** To boost resilience and protect workers' wellbeing, leaders must create workplaces where engagement is a strategic priority, psychological safety is part of the culture, and everyone is empowered to contribute their best work.



The future belongs to empathetic leaders who stay curious, cultivate authentic relationships, and build people-first cultures. Research from [Korn Ferry](#) highlights the importance of soft skills, noting that adaptability, empathetic leadership, and the ability to inspire through change have become key capabilities for executive leaders.

These trends align closely with what we see in our work with clients. Demand has risen sharply for sessions that focus on relationship-building, inclusive communication, and empathetic listening. Leaders are increasingly aware that their credibility is shaped not only by performance but by how effectively they support people through uncertainty. Customized team learning programs and one-to-one executive coaching have become essential tools, giving leaders space to develop self-awareness, strengthen decision-making, and build [human-centered workplaces](#).

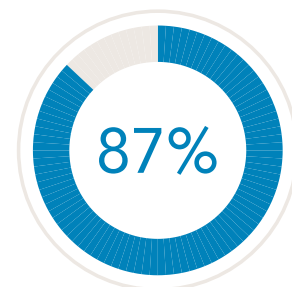
After an Inclusive Leadership training session, one participant gained a better appreciation of how psychological safety leads to business success. "As I listened to my colleagues discuss their experiences and opinions, it dawned on me that making sure everyone has an equal chance to succeed helps the team," they explained. "Leaders play a crucial role in modeling behaviors that create a safe environment, where employees are empowered to collaborate, challenge ideas constructively, and contribute their best work without being afraid to take risks."



2.

Organizations worldwide are investing in artificial intelligence (AI), but bottom-line results depend on overcoming resistance to change.

Most executives are enthusiastic about AI, with [87% using it at work](#). They are redefining roles and adjusting infrastructure to make the most of the new technology. But technology alone isn't enough to drive innovation. Leaders need buy-in from employees and a people-first integration plan.



To realize the financial benefits of AI, employers must build trust and empower workers to grow and learn. [McKinsey](#) reports that AI-initiatives succeed when companies provide clear communication about its purpose, integrate training into daily workflows, and reinforce psychological safety, so employees feel supported through change.

If they only hear how AI cuts costs, people will be reluctant to use technology that threatens their job. To overcome those fears, leaders must explain that AI frees employees from mundane tasks so they can concentrate on high-value work. [Deloitte](#) finds that people are more likely to adopt AI tools when leaders position technology as a resource that improves work quality, rather than efficiency.

3.

Opportunity systems make it possible for belonging and trust to thrive, which fuels employee engagement, culture, and productivity.

Employee engagement continues to be a critical priority for leaders, driven by the recognition that **engaged employees are [14% more productive](#) and up to 50% less likely to quit**. Belonging, trust, and equal access to opportunity amplify these outcomes. When employees believe leaders are transparent, fair, and consistent, they are more willing to contribute ideas, take healthy risks, and collaborate across teams.

In practice, however, many organizations struggle to translate these principles into consistent employee experiences. Over the past year, we have observed gaps across the employee lifecycle, including onboarding, regular manager check-ins, career development conversations, and structured follow-through after performance reviews. Without clear development plans or visible career pathways, employees experience growing frustration, declining motivation, and lower engagement—outcomes that directly affect performance and retention.

After a Neurodiversity in the Workplace session, one participant detailed the practical skills they learned: “I learned several helpful tips for inclusive communication, such as ensuring that decisions are summarized and shared at the end of every conversation, to provide an agenda in advance of every meeting, to allow extra time for processing, and to consider building in breaks during meetings longer than 60 minutes.”

Interest in employee resource groups (ERGs) also remains steady. ERGs play an important role in boosting belonging and advancing organizational priorities when their mission and goals align with business strategy. When supported with clear expectations and executive sponsorship, ERGs become engines for engagement, collaboration, and innovation.

4.

The most effective hybrid work strategies combine flexibility with opportunities for purposeful interaction.

Hybrid work has proven [remarkably durable](#), even as high-profile companies like Amazon and AT&T issued return-to-office (RTO) mandates in 2025. In fact, organizations that enforce strict in-office policies risk declines in productivity, retention, and trust, according to [Great Place to Work](#), outcomes that undermine the collaboration and culture these policies aim to strengthen. Flexibility remains a key driver of engagement, particularly for employees balancing complex professional and [personal demands](#).

Instead of relying on mandates, many organizations are rethinking how to make in-person time meaningful. We see growing investment in programming designed to bring people together for high-value activities such as collaborative problem-solving, professional development, and relationship-building. Client feedback consistently highlights the importance of human connection and the continued appeal of in-person learning experiences. As a result, organizations are scheduling more on-site training sessions, face-to-face workshops, and live speaking engagements to deepen cohesion and reinforce culture.





2026 Predictions

Taken together, these trends point to a fundamental shift in how organizations define leadership and performance. Across industries, leaders are navigating AI-driven change, economic and regulatory pressure, evolving employee expectations, and flatter organizational structures—all while being asked to deliver results faster and with fewer resources. The organizations making progress are not chasing every new solution. They are building the leadership capacity, cultural clarity, and trust required to navigate disruption without losing momentum.

What distinguishes these organizations is the presence of intention. They recognize that technology cannot compensate for weak communication, disengaged employees, or cultures that discourage learning and risk-taking. Nor can efficiency gains offset the cost of burnout, turnover, or eroded trust. Instead, they are investing in people-first strategies that strengthen resilience at every level: leaders who communicate with credibility, teams that feel safe to collaborate and innovate, and opportunity systems that expand access for everyone.

Looking ahead to 2026, these pressures will intensify. The next phase of workforce transformation will reward organizations that treat culture as a strategic lever and leadership as a shared responsibility. The following predictions outline where leading organizations are focusing next and how executives can sustain performance in an increasingly complex environment.

1.

Artificial intelligence is changing workplaces, but only human-centric cultures will drive transformational innovation.

Along with the rapid adoption of AI tools, leaders will be under pressure to demonstrate clear financial returns on their investment. By this point, most organizations have implemented AI to address their most obvious efficiency issues. The next wave of AI requires innovation—to reimagine entire business systems or to develop new products and services.

However, revolutionary innovation is impossible without investing in the people who drive creativity and deep thinking. The strongest organizations will remove barriers to opportunity, break down silos, and inspire employees by aligning their contributions with the company's mission. Successful executives will embed continuous learning, clear communication, and cross-departmental collaboration into their growth strategies. And highly effective teams will leverage diverse perspectives and psychological safety—along with AI—to question the status quo, solve problems, and drive exceptional performance.



I've seen too many initiatives flounder because leaders launched tools or mandates while neglecting the social fabric. Without space to experiment, fail and iterate, even the boldest AI or sustainability goals wither.

Barbara Salopek
author of *Future-Fit Innovation*, in *Forbes*.

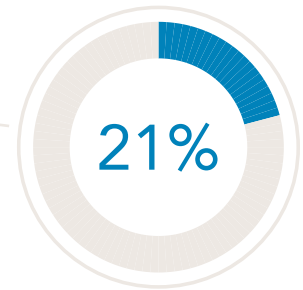
Harness AI and Human Creativity to Build Innovative Cultures

Uncertainty is likely to continue, and our experts can be your guide. At the [Risk, Reputation, and Resilience Executive Workshop](#), you'll learn how to support your people so they can do their best work. The [Psychological Safety & Equitable Feedback workshop](#) explores why innovation is impossible without trust and belonging.

2. Employee engagement must be a leadership priority that is owned and modeled at every level.

Organizations with engaged employees consistently outperform their peers on productivity, retention, innovation, and resilience. Engaged employees drive stronger business outcomes across industries and economic conditions. At the same time, low engagement costs the global economy [US\\$ 9.6 trillion in lost productivity](#) annually, or 9% of total GDP. For the U.S. economy alone, the estimated cost is \$2 trillion a year.

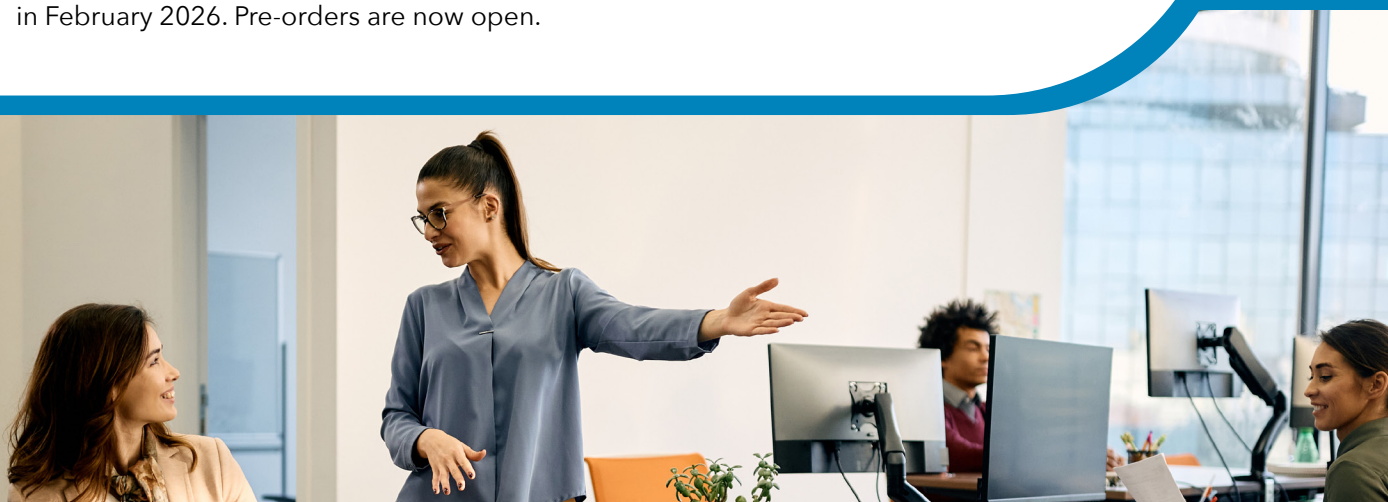
Yet engagement remains stubbornly low. **Only 21% of employees worldwide report being engaged at work, according to [Gallup's State of the Global Workplace 2025](#).** This persistent gap is a leadership failure and an organizational challenge. Too often, engagement is treated as an HR initiative rather than embedded into everyday leadership practices.



The next phase of workforce performance will require leaders at every level to take ownership of engagement. Executives must model trust, transparency, and people-first decision-making. Managers shape engagement daily through communication, feedback, and support for growth. Informal leaders influence morale and team dynamics through their behavior and credibility. Together, these actions determine whether employees feel respected, heard, and motivated to contribute.

Discover Practical Strategies to Unlock Purpose, Trust, and Performance

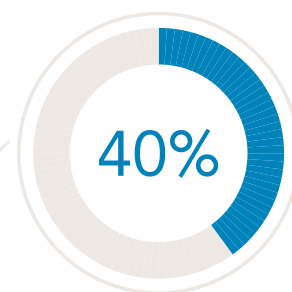
Companies that get employee engagement right outperform their peers across the board. Yet too many executives struggle to build high-trust workplaces where engagement thrives. For deep insights on building engagement, look for [The Employee Engagement Handbook: A Leader's Guide to People, Purpose, and Performance](#), coming in February 2026. Pre-orders are now open.



3. Organizations shed middle managers, but at what cost?

As organizations pursue AI-driven efficiency and agility, the ranks of middle managers continue to shrink in what Korn Ferry describes as [The Great Flattening](#). The number of middle managers has dropped by more than [6% since 2022](#), and layoffs in 2025 have continued that trend. Citing efficiency gains, Estee Lauder and Match Group each cut around 20% of their managers. Other companies shrinking their management teams include UPS, Citigroup, Amazon, and Google. But leaner org charts may carry unintended consequences.

Middle managers are the connective tissue between strategy and execution. They translate executive priorities into daily action, coach emerging talent, and sustain workplace relationships. With fewer managers, those who remain often oversee larger teams—[sometimes 20–40% more direct reports](#)—intensifying pressure and increasing the risk of burnout. **A 2025 DDI global leadership survey found that [40% of leaders worldwide](#) are thinking about quitting due to workplace stress.**



The erosion of middle management also jeopardizes engagement and retention. [Surveys suggest](#) that employees rely on managers for clarity, feedback, and career guidance. When that critical layer is gone, workplaces can suffer from weaker alignment and lower trust.

To counterbalance the risks of flattening, forward-looking organizations must redesign leadership pathways and growth opportunities. Mentoring programs, ERG leadership roles, cross-functional project assignments, and lateral career paths provide alternative avenues for high-potential talent to develop without traditional promotions. These people-first strategies help preserve culture, improve retention, and sustain performance even as organizational structures evolve.

Marie Wilson, the former Associate Director of People at bluebird bio, was enthusiastic about the results of the [ERG Leader Certificate Program](#). “We needed a program that would provide our ERG leaders with the strategies needed to lead an ERG,” she explained “I was completely blown away by the turnaround after this certification. ERG leaders now are equipped to drive significant changes within their groups and across the organization, delivering a higher ROI.”

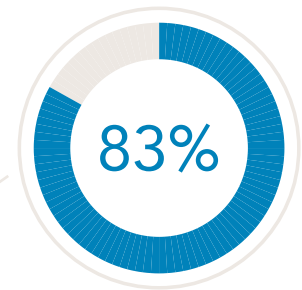
Empower Your Emerging Leaders

As organizations flatten, leadership development can’t disappear with middle management. Help emerging and informal leaders build influence and visibility with the [Public Speaking & Presentations](#) workshop, the [Inclusive Leadership Certificate](#), or the [ERG Leader Certificate](#).

4. Increasing awareness of Psychosocial Risk and systems that can harm mental health and wellbeing are reshaping global expectations for responsible leadership.

Reducing psychosocial risk is becoming a significant organizational priority, especially among clients outside the United States. Just as poorly maintained machinery increases the risk of accidents, workplace stressors increase the chance of mental or emotional injuries such as burnout or depression.

Managing psychosocial risk requires employers to identify issues that can harm employee wellbeing. Nearly 100 countries—including the U.K. and much of the European Union—now mandate assessments and strategies to reduce psychosocial hazards such as bullying, harassment, isolation, and excessive workloads. The business case is equally urgent. High stress and chronic burnout diminish productivity, increase turnover, and undermine team cohesion. **And, according to DHR's November 2025 Global Survey, 83% of workers report feeling some degree of burnout.**



As detailed in Workplace Options' [Psychosocial Risk by Geography](#) report, leaders play a decisive role in prevention. Clear communication reduces uncertainty, while flexibility and autonomy give employees control over their work—one of the most effective buffers against stress. Psychological safety also matters. When employees feel comfortable raising concerns, asking for help, and admitting mistakes, organizations can address problems before they escalate.

Protect Employees by Reducing Psychosocial Risk

Are your employees anxious, stressed, or burned out? [Workplace Options' Psychosocial Risk Assessment](#) helps organizations identify hidden stressors, meet global regulatory expectations, and take preventive action. With clear insights and targeted recommendations, leaders can reduce risk, strengthen psychological safety, and protect both performance and people.



In Summary

Today's business environment demands more than speed or efficiency. Organizations are learning that sustained performance depends on leadership practices that build trust, engagement, and resilience—especially amid technological disruption, organizational restructuring, and rising stress across the workforce. The leaders making the greatest progress are those who treat culture as a strategic priority and invest in people as intentionally as they invest in technology.

Across our work, we see consistent momentum toward people-first approaches: adaptive leadership grounded in empathy and clarity, AI integration that strengthens rather than erodes trust, hybrid work strategies designed for connection and learning, and proactive efforts to reduce burnout and psychosocial risk. Opportunity systems that remove barriers to contribution are helping organizations retain talent, strengthen leadership pipelines, and unlock higher levels of engagement and productivity.

We have seen firsthand how these strategies translate into real change—for individuals, leadership teams, and entire organizations. When leaders commit to inclusive communication, psychological safety, and continuous development, the impact extends far beyond a single engagement. Behaviors shift, norms evolve, and cultures become more resilient over time.

Looking ahead, organizations that succeed will be those that create stability through clarity, trust, and human-centered leadership. By meeting leaders where they are and helping them move forward with confidence, we remain focused on building workplaces where people—and performance—can thrive.

About The Center for Organizational Effectiveness

The **Center for Organizational Effectiveness** is a global consulting and thought leadership hub dedicated to helping organizations build thriving workplaces and resilient teams, on a global scale and with local impact. Leveraging real-time wellbeing insights from millions of interactions across 200+ countries and 68+ languages, the Center provides data-driven strategies in employee engagement, psychological safety, psychosocial risk management, and inclusive leadership. By integrating wellbeing into workplace strategy, we help organizations create environments where employees feel protected, empowered, and enabled to thrive, wherever they are. To learn more, visit consulting.workplaceoptions.com

About Workplace Options

Founded in 1982, **Workplace Options** (WPO) is the largest independent provider of holistic wellbeing solutions. Through customized programs, and a comprehensive global network of credentialed providers and professionals, WPO supports individuals to become healthier, happier, and more productive both personally and professionally. Trusted by 57 percent of Fortune 500 companies, WPO delivers high-quality care digitally and in-person to more than 83 million people across 113,000 organizations in more than 200 countries and territories. To learn more, visit workplaceoptions.com