

# CHRO Guide: 9 Future of Work Trends for 2026

Insights and strategies for increasing HR's influence and driving growth



# Introduction

2026 presents a critical opportunity for CHROs to shape the future of work in the human-machine era. Current AI capabilities are falling far short of their promise, while CEOs and boards are simultaneously setting ambitious growth and innovation targets. This clash has put CHROs in the driver's seat without a roadmap. Regardless of what the future holds, organizations still have to operate today, and CHROs must help their organizations navigate a tricky transitional period.

This guide provides CHROs with the insights to act on the emerging dynamics that will shape their organizations' trajectory in 2026 and beyond. From the cultural implications of escalated performance pressures in AI-driven environments to securing and engaging the next generation of critical talent, CHROs who act on these trends can achieve superior talent outcomes in the coming year, while setting their organizations up for resilience and long-term success.

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RIFs before reality

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CEOs, optimistic about AI's potential, are initiating headcount reductions without the AI productivity gains to sustain them. But premature reductions will force companies to rehire talent later, likely at a higher cost and with damaged trust.



### The problem

2025 saw several large, high-profile layoffs<sup>1</sup> that CEOs attributed to AI-driven efficiency and productivity gains. But Gartner insights find that the most common AI investments—general use enterprise-wide tools—alone do not result in productivity gains warranting headcount reduction. So, many CEOs are expecting AI returns that simply will not come. This disconnect risks the loss of critical talent and future challenges in rehiring top talent.



### The impact

Despite headlines, only [1% of layoffs in the first half of 2025 were the result of AI increasing employee productivity](#). In 2026, CHROs may face pressure to institute similar RIFs before AI has shown results. CHROs must both navigate the painful choices of traditional RIFs and deal with the trust fallout of reductions based on premises that ultimately did not reflect reality. Ultimately, CHROs must deliver any layoffs in a human-centric way that preserves the organization's employment brand.



### The opportunity

- ✓ Manage any RIFs with empathy and transparency to maintain your employment brand.
- ✓ Guide discussions with the CEO and board around AI's impact on the size and structure of the workforce.
- ✓ Lead talent remix efforts to realign workforce structures with new strategic goals.

<sup>1</sup> NBC News

### Recommended resources (clients only)

- [What's Your AI Layoff Strategy?](#)
- [AI Won't Cause a Jobs Apocalypse, but It Will Unleash Job Chaos](#)

In 2025, some prominent organizations embraced a more competitive culture of long hours<sup>2</sup> and minimal flexibility.<sup>3</sup> But while CEOs are impatient for performance gains, culture is actually changing in more subtle ways.



### The problem

The rise of intense work styles has grabbed headlines, but most organizations are not radically or intentionally changing their culture. Most are simply expecting more from employees without offering more in return. Operating conditions and work requirements are outpacing culture as performance pressure grows. This is producing cultural dissonance that can lead to plummeting levels of engagement and degraded employment brand, both of which threaten CEO's performance ambitions.



### The impact

The most successful CHROs will be the most clear and explicit about how their culture must evolve and what that means for employees. They will be forthright, both internally and externally, about what they expect from employees in return. Culture can — and should — change to fit work today, but employees must know what they're signing up for.



### The opportunity

- ✓ Review culture strategy to align with new organizational realities and goals.
- ✓ Proactively communicate expectations around output, hours and flexibility to all employees.
- ✓ Evaluate the impact of emerging work trends to understand how your organization's culture should evolve.

<sup>2</sup> Fortune

<sup>3</sup> CNBC

# 3

## AI's biggest hidden cost: Your employees' mental fitness

In 2026, the emotional and cognitive impacts of employee AI use will become an urgent workforce problem. Organizations are not planning for the unintended harm AI tools will create in some portion of their workforce.



### The problem

Two escalating trends are on a collision course: First, GenAI adoption has reached near-ubiquity. [Eighty-four percent of HR leaders say their organizations are currently using GenAI tools.](#) Second, evidence is mounting of emotional and cognitive damage that can result from prolonged GenAI use, from cognitive atrophy<sup>4</sup> to AI psychosis.<sup>5</sup> This will have performance costs, as well as leaving organizations vulnerable to legal action.



### The impact

Organizations are largely ignoring these unintended consequences: [91% of CIOs and IT leaders](#) say their organizations dedicate little to no time scanning for behavioral byproducts of AI use. CHROs now have a leadership mandate in this area. Preserving the resilience and safety of the workforce in the AI era is a core HR responsibility, not just to preserve well-being but to preserve productivity.



### The opportunity

- ✓ Ensure that managers and leaders are equipped to spot symptoms of disordered AI use.
- ✓ Proactively work with legal and IT to prevent and respond to AI-related psychological injury.
- ✓ Review performance review metrics to ensure they incentivize quality, not just frequency, of AI use.

<sup>4</sup> MDPI

<sup>5</sup> Psychology Today

- [GenAI and Agentic AI Are Creating Human-Machine Relationships – Are They Healthy?](#)
- [Prioritize “Wellness at Work” to Maximize Talent Impact and Improve Cost Efficiency](#)

# 4

## “AI workshop” becomes organizations’ top productivity drain

Employers are unintentionally incentivizing “AI workshop”: fast but poor-quality work, riddled with hidden errors and hallucinations. In trying to speed employees up with AI, organizations are slowing work down.



### The problem

Workshop is the result of employees being pressured to produce more faster, with no time or autonomy to discern if their work is high-quality or fit for purpose. This is a key reason why organizations **struggle to realize value** from AI investments and why AI is not actually freeing up employee time in ways that lead to growth.



### The impact

Each incidence of workshop takes nearly two hours<sup>6</sup> to detect, diagnose and fix (often taking up valuable manager time). And the reward for faster work is more work: Employees who save time by being more productive are **3x more likely** to get assigned more work. In 2026, the best CHROs will help lead their organizations out of this workshop trap by focusing on saving employees’ effort, not just time.



### The opportunity

- ✓ Aim AI investments at the most arduous, friction-filled moments in employee work, rather than quick wins.
- ✓ Evaluate performance metrics to ensure they do not overemphasize speed and volume of output over quality.
- ✓ Survey employees to understand the sources and prevalence of workshop in your organization.

<sup>6</sup> Harvard Business Review

### Recommended resources (clients only)

- [Case Study: Enable Effective AI Use Through Work-Based Learning](#)
- [Create an Integrated AI Environment to Position the Workforce for Growth](#)

# 5

## Employers reverse the candidate fraud arms race

AI has turned hiring into an arms race: While organizations deploy AI to streamline hiring and detect fraud, candidates use AI to enhance applications and circumvent fraud detection.



### The problem

AI-driven candidate fraud is undermining the integrity of the recruitment process. Job seekers use AI to inflate competence and credentials, while recruiters rely on AI to screen an overwhelming flood of seemingly qualified candidates. This escalating cycle makes it increasingly difficult to identify genuine talent, erodes trust in the hiring process for high-potential candidates and leaves recruiters feeling overwhelmed.



### The impact

Eighty-four percent of recruiters report grappling with candidate fraud, from resume inflation to North Korean deepfakes.<sup>7</sup> Thirteen percent of job seekers report using GenAI in real-time during an interview. All parties are feeling this inauthenticity: Only half of candidates think the jobs they're applying to are legitimate, and Gartner estimates that by 2030, 25% of candidate profiles will be fake.



### The opportunity

- ✓ Blend high-touch methods, such as in-person interviews, with AI tools for safer, higher-quality hiring.
- ✓ Regularly audit recruiting workflows to detect fraud and maintain the integrity of the candidate pool.
- ✓ Deploy identity verification (IDV) tools early in the recruitment process to assess applicant legitimacy.

<sup>7</sup> Axios

### Recommended resources (clients only)

- [Mitigate Rising Candidate Fraud Through Identity Verification](#)

AI competition and economic nationalism have increased the risk of insider threats, specifically in the form of corporate espionage. This leaves HR with a new role to play at the front lines of organizational security.



### The problem

Already, espionage incidents have caused irreparable damage to individual organizations<sup>8</sup> and threaten national security.<sup>9</sup> Employers — particularly those in high-growth industries or involved in the AI supply chain — face more threats to their security than ever before. More broadly, organizations are facing regulatory and reputational pressure to address technological sovereignty and to reduce dependency on technology from companies based in other countries.



### The impact

Gartner identifies nation-state-sponsored attacks as a top emerging threat. While organizations are familiar with using technology to monitor for IP leaks or unusual access patterns, state-sponsored corporate espionage attacks are designed to prevent detection. In addition to organizations' more intensive cybersecurity efforts, CHROs will need to invest heavily in the behavioral side of identifying and addressing sources of insider threats.



### The opportunity

- ✓ Train recruiters to spot and defend against malicious actors during the hiring process.
- ✓ Promote ethics and security awareness as core pillars of company culture.
- ✓ Use simulations and scenario training to build employee readiness for reporting unusual behavior.

<sup>8</sup> CNBC

<sup>9</sup> Ars Technica

- Strong Cybersecurity Partnerships Prevent AI Catastrophe
- How to Respond to the 2025-2026 Threat Landscape

# 7

## Tech-to-trades career paths blossom

A decade ago, coding bootcamps retrained blue-collar workers as software engineers. In 2026, we'll see retraining and apprenticeship programs emerge to help digital workers transition into skilled trade professions.



### The problem

AI is dramatically changing career paths in fields such as software development, finance and professional services, creating a perceived blank space where a secure career path used to be. As workers in previously stable fields feel that their careers are threatened by AI, many of them will look to pivot to “AI-proof” careers — often in hands-on, skilled trade work that is unlikely to be fully automated in the near- to medium-term.



### The impact

Surveys indicate that the majority of professionals<sup>10</sup> would consider switching from a white-collar to a blue-collar job if it offered better pay and stability than their current role. At the same time, many organizations are reporting shortages of skilled tradespeople.<sup>11</sup> CHROs must be proactive both in planning to retain their key digital talent and, when layoffs or workforce remixing requires it, offering support for reskilling for careers even outside the organization.



### The opportunity

- ✓ Make plans to upskill and retain key digital talent and address automation anxieties.
- ✓ During layoffs or reorganizations, help employees reskill for new careers, even outside the organization.
- ✓ Frontline employers can expand talent sourcing to potential career changers and assist with reskilling.

<sup>10</sup> FlexJobs

<sup>11</sup> Fortune

### Recommended resources (clients only)

- [Case Study: Human-Centric AI Talent Roadmap \(Red Hat\)](#)
- [Optimize HR Learning Budgets for Core Skills Development in High-Change Roles](#)

Organizations are scrambling to acquire the latest tech skills to get more out of AI investments. But technical AI skills alone are not moving the needle on ROI. Quality hires in 2026 must bring a broader perspective.



## The problem

Eighty-one percent of CIOs say AI skill gaps impede their ability to meet objectives. But focusing exclusively on boosting employees' technical skills is not leading to greater value. Most technical AI skills are not generalizable, so success with one tool does not automatically result in quality output from another. AI tools also are evolving so quickly that a strategy based on "buying" talent with the latest AI skills cannot be sustainable.



## The impact

Business units that redesign how work gets done with AI are **twice as likely to exceed revenue goals**. In 2026, the best CHROs will look not for tech prodigies but for process experts — employees whose creativity and systems thinking allows them to redesign entire processes, not just optimize individual tasks with AI.



## The opportunity

- ✓ Update recruiting processes to prioritize AI judgment and critical thinking over technical skill.
- ✓ Establish a working group to identify processes, not just skills or tasks, that can be optimized with AI.
- ✓ Identify high-performing process experts in your organization to serve as peer coaches.

## Recommended resources (clients only)

- [Case Study: Redesign Work Processes to Unlock GenAI Transformation](#)
- [Executive Insight Series: Build a Growth-Ready Workforce for the AI Era](#)

# 9

## Employees get paid for training their “digital doppelgangers”

2025 saw digital “actors<sup>12</sup>” and “musicians.<sup>13</sup>” AI trained on human artists to mimic style, tone and behavior. Now “digital doppelgangers” are emerging in the broader workforce with real implications for the employment deal.



### The problem

Digitally replicating employees—the knowledge, habits and individual behaviors that make them successful—opens uncharted territory in terms of compensation. We will begin to see employees demand to be compensated, not just for training AI tools, but for the ongoing use of their digital likeness long after they’ve left the organization. Already, legislation<sup>14</sup> is emerging outlining conditions under which “digital replicas” of workers can be created and used.



### The impact

Digital twins and AI avatars are just beginning their ascent on the [Gartner Hype Cycle™](#) graphical tool: Organizations are exploring these types of digital doppelgangers to replicate CEOs<sup>15</sup> and high-performing employees. In 2026, CHROs have an opportunity to incentivize their best employees to engage with AI tools in this way and reward them for continuing contributions to enterprise intelligence.



### The opportunity

- ✓ Identify potential use cases for digital doppelgangers in your organization.
- ✓ Work with IT to update AI governance policies around employee name, image and likeness.
- ✓ Look for opportunities to reward AI contributions, not just outputs.

<sup>12</sup> BBC

<sup>13</sup> The Guardian

<sup>14</sup> Directors & Boards

<sup>15</sup> Axios

Recommended resources (clients only)

→ [Hype Cycle for the Future of Work, 2025](#)

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