HR Insights

5 Attraction and Retention Trends to Monitor in 2026

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In 2026, the labor market continues to evolve in meaningful ways. Employers are navigating a labor market shaped by technological disruption, shifting worker priorities and economic uncertainty, all while striving to attract and retain top talent. These shifts present an opportunity for organizations to rethink how they approach hiring, development and retention.

This article explores five attraction and retention trends for employers to watch in 2026.

1. The Rise of Gig Work

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.

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. To meet fluctuating labor needs and customer demands, more employers are also taking advantage of gig workers for tasks such as deliveries or more technical roles like graphic design and software development.

This trend presents new challenges for employers, who must adapt their recruitment strategies and workplace policies to remain competitive in attracting top talent while 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.

2. Artificial Intelligence Redefining Roles

Artificial intelligence (AI) is no longer just a productivity tool; it's a workforce disruptor. According to Korn Ferry, a global consulting firm, 43% of 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 automation threatens many U.S. jobs, it also accelerates 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 the integration of AI 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.

3. Burnout as a Business Risk

Employee burnout is escalating globally, with a significant number of workers experiencing severe physical, emotional and mental exhaustion. An estimated 48% of workers cite overwhelming workloads as the primary reason for burnout, according to a survey by DHR Global, a provider of executive search, leadership consulting and emerging leader search solutions. As companies streamline teams and push for efficiency, employees often find themselves juggling more responsibilities without additional support. This can lead to employees working too many hours as they stretch their schedules to keep up with rising expectations.

The challenge doesn't stop at the office. Many workers struggle to balance their professional and personal obligations, particularly in hybrid environments where the boundaries between work and personal life become increasingly blurred. When employees feel they can't disconnect, stress becomes constant. Add to that a lack of reward or recognition, and the sense of effort without appreciation erodes morale. Finally, boredom with job tasks, often caused by repetitive work or limited growth opportunities, can lead to disengagement, making burnout even more challenging to overcome. While employee-sponsored wellness programs can be beneficial, lasting solutions may be found in adapting workloads and promoting career development.

4. 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.

5. Stability Returning to the Labor Market

After several years of volatility, the labor market is showing signs of settling down. According to Indeed's 2026 U.S. Jobs & Hiring Trends Report, job postings are expected to level off rather than surge or collapse, marking a shift from the rapid hiring cycles of the COVID-19 pandemic era. This stabilization reflects a combination of factors, including slower economic growth, improved workforce participation and companies becoming more cautious about overexpansion.

For employers, this means the frantic race to fill roles may ease, but competition for specialized talent will remain strong. Industries such as health care and technology are still projected to experience steady demand. At the same time, sectors that overspent on hiring in previous years may focus on retention and internal mobility instead of aggressive recruiting. In short, 2026 could be the year when hiring strategies focus on skills alignment and long-term workforce planning.

Summary

Employers can stay competitive in 2026 by keeping a pulse on what employees value, both now and in the years to come. As the labor market stabilizes and shifts, organizations have the opportunity to refine and strengthen their talent strategies. Focusing on flexibility, career growth and meaningful engagement may help employers attract and retain skilled workers for the long term.

Reach out today for more workplace guidance.

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