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**McLEAN &
COMPANY**

HR TRENDS 2026

*Leading Through Change:
Human-Centric and Future-Ready*



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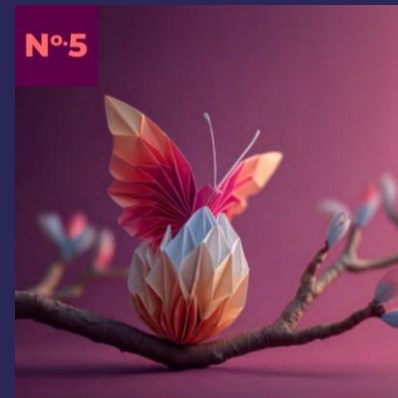
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How to read this report

This report is based on data gathered from McLean & Company's HR Trends Survey 2026, which surveyed 1,626 respondents across various industries in August and September 2025, with a subset of 765 respondents from CPHR Canada member organizations used for analysis in this version of the report where appropriate.

Note: Graph totals may not add up to 100% due to rounding.

For the full version of the report with data from over 1,600 respondents, see McLean & Company's [HR Trends Report 2026](#).

Key terms used throughout this report:

Organizational size:

Small: 250 or fewer employees

Medium: 251 to 1,000 employees

Large: 1,001 or more employees

High performing:

Respondents who selected five or six out of six when asked to rate performance across various parameters.

Highly effective:

Respondents who selected five or six out of six when asked to rate effectiveness across various parameters.

Highly proficient:

Respondents who selected five or six out of six when asked to rate their HR organization's proficiency across various skills or competencies.*

Highly effective at people leadership activities: Composite measure of respondents who scored 54 or higher out of a maximum score of 72, averaging out to a score of 4.5 on each item each (scored on a six-point scale) when asked to rate the effectiveness of leaders at their organization across various people leadership activities.

***Note:** Some statements are based on the average response to multiple questions, where a threshold of 4.5 and above is deemed to be highly proficient.

See [Appendix I](#) for a breakdown of the characteristics of the CPHR Canada respondents to the HR Trends Survey 2026.

See [Appendix II](#) for the HR FTE ratio and anticipated HR headcount change in 2026 for CPHR Canada respondents.



HR in 2026: Leading Through Change

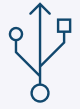
2026 marks HR's evolution from reactive support to proactive leadership. As organizations navigate relentless change, from AI and shifting employee expectations to economic uncertainty, HR's priorities are evolving fast. While leadership development remains the top focus, innovation has surged to second place from tenth, signaling HR's role in powering organizational agility and growth.

AI adoption is accelerating, embedding innovation into daily operations and putting focus on the HR-IT partnership. Together, they drive digital transformation and ensure technology delivers human-centric, high-impact results.

Yet, with rapid change comes change fatigue. Few HR teams excel at managing uncertainty. The solution: lead proactive scenario planning and partner with leaders to drive change, helping organizations anticipate disruption and build resilience.

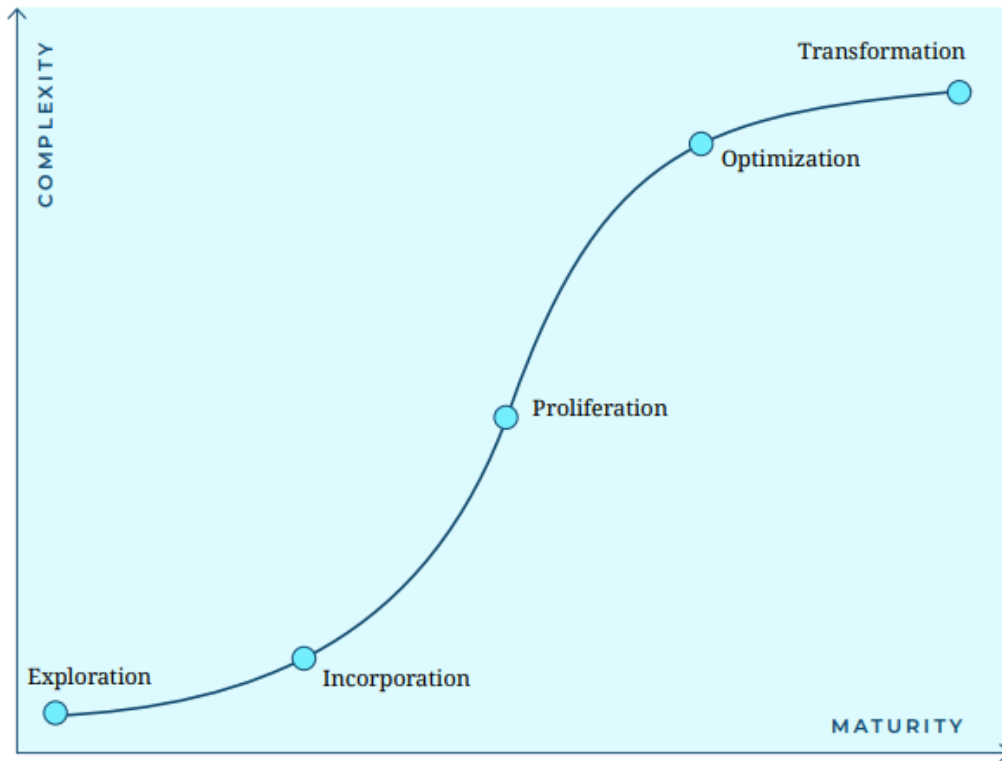
In 2026, HR isn't following – it's leading the way. Read on to unlock your people's full potential and drive innovation at scale.

Key terms



Artificial intelligence (AI): A concept that focuses on increasing the intelligence of machines (computers) to complete tasks like learning, problem-solving, and understanding human language. In this section, AI is inclusive of generative AI, robotic process automation, and advanced analytics.

This section will feature Info-Tech Research Group's AI Maturity Curve, which outlines AI adoption across five distinct phases:



Info-Tech Research Group's AI Maturity Curve

Info-Tech Research Group, 2025

See [Appendix III](#) for additional key terms used in this section.

Exploration (1)

No experience building or using AI applications.

Incorporation (2)

Employees at the organization have some skill in using AI applications or the organization is considering piloting AI.

Proliferation (3)

The organization has adopted and implemented AI applications in multiple departments. Some of the responsible AI guiding principles are addressed (e.g. data privacy).

Optimization (4)

The organization has automated the majority of its digital processes and leverages AI to optimize business operations. Controls are in place to monitor compliance with responsible AI guiding principles.

Transformation (5)

The organization has embedded AI into its culture and approach for building or implementing new business capabilities. Responsible AI guiding principles are operationalized with AI processes that proactively address possible breaches or risks associated with AI applications.

Innovation gains significant traction while leadership development remains the top focus

Top HR priorities for organizations in 2025 *n*=779

Top HR priorities for organizations in 2026 *N*=1,626

- 01 Developing leaders
- 02 Retaining employees
- 03 Controlling labor costs
- 04 Providing a great employee experience
- 05 Recruiting
- [...]
- 10 Enabling innovation

- 01 Developing leaders ■
- 02 Enabling innovation ▲
- 03 Providing a great employee experience ▲
- 04 Retaining employees ▼
- 05 Recruiting ■
- 06 Controlling labor costs ▼

See [Appendix IV](#) for CPHR Canada's top 10 HR priorities for 2026.

See [Appendix V](#) for the top 10 HR priorities from 2021 to 2026.

▲ Moved Up ■ No Change ▼ Moved Down

The rate of change in 2026 demands bold action from HR

HR must cultivate human-centric leaders, champion innovation, and transform the employee experience to steer the organization through constant change.

#1

Developing leaders remains the top priority: The pace of change continues to accelerate year over year, resulting in evolving leadership expectations. Organizations need leaders who excel at the people side of leadership to navigate the constant flow of change and capitalize on new opportunities. When CPHR Canada respondents report leaders highly effective at people leadership activities, they are **2X** more likely to also report being high performing at innovation ($n=540$). Despite this, **only 38%** of CPHR Canada respondents report HR organizations are high performing at developing the organization's leaders ($n=676$). In 2026, organizations that enable leaders to master change management and develop talent to foster innovation will have a significant competitive advantage.

#2

Innovation surges in priority for HR: Rapid AI adoption is embedding innovation into daily operations and enabling continuous idea generation and new ways of working. As AI adoption accelerates, HR's partnership with IT becomes crucial, not just to keep AI implementation human-centric but to ensure AI is implemented to achieve the greatest return on investment and value across the organization. IT and HR are stronger together, and this collaboration is key to unlocking AI's full potential. Beyond IT partnership, HR must equip leaders with the skills and tools to drive innovation, lead change, and foster cross-functional collaboration.

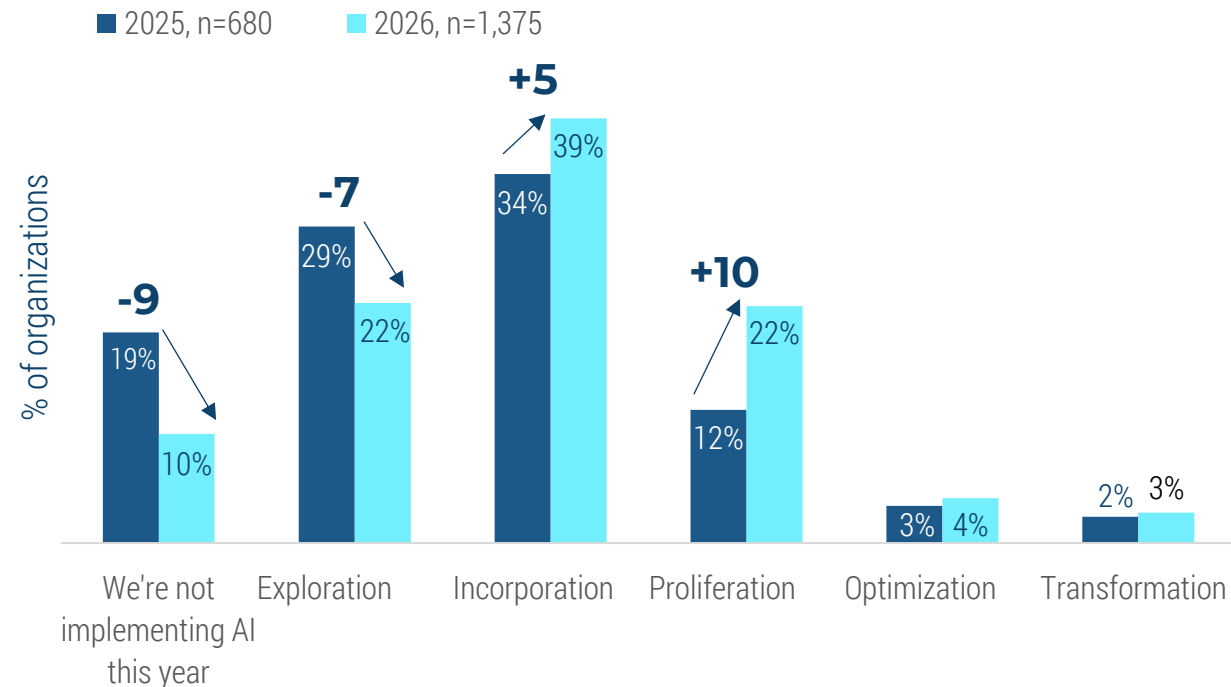
#3

Employee experience as a cost-control strategy: Organizations know that turnover is a bottom-line problem. As poor employee experiences drive turnover, organizations are investing in fostering positive experiences for employees as a cost-control strategy. When CPHR Canada HR organizations are high performing at providing a great employee experience, organizations are **1.7X** more likely to report that they are high performing at cost optimization ($n=622$).

Innovation is a top priority as AI advances, bringing HR-IT partnership to the forefront

Organizations are making strides in AI maturity, with more in the incorporation and proliferation stages. This shift signals a reality where innovation and AI are finally becoming embedded in daily work.

Percentage of organizations by AI maturity level: 2025 vs. 2026; changes indicated are percentage point changes



As more organizations advance in AI maturity, HR's role in driving change management efforts around digital transformation becomes more important than ever. Optimizing AI reshapes roles and workflows, making a human-centric approach essential for successful implementation.

However, just...

39% Of CPHR Canada respondents report HR organizations are highly effective at enabling the adoption of new technology ($n=658$).

Enabling the adoption of technology is no longer optional. HR must accelerate their abilities in this space to keep up with the pace of change and position HR as a strategic differentiator, and the key to all of this lies in their partnership with IT.

Call to action: Collaborate cross-functionally with IT

Whether AI adoption is led by HR or IT, the mission is clear: drive organizational value through AI. HR and IT are stronger together, combining people and technical expertise. HR and IT collaboration is not optional; it is a catalyst for success in driving digital transformation and unlocking AI's full potential.

HR must step up to lead the organization through AI-driven change and innovation

Innovation and change are two sides of the same coin. By introducing innovations, such as new products, services, or processes, they drive change that can range from incremental improvements to sweeping transformation. The speed and scale of change will only intensify, with innovation now the #2 priority of HR.

The rapid accelerated pace of AI is pushing change management to its limits. AI is reshaping skills, structures, and workflows at an unprecedented pace. Yet only 5% of custom AI projects reach full deployment (MIT, 2025). AI adoption is challenging, and without effective change management, success becomes less likely. HR's role needs to expand from supporting change to leading it, guiding people and processes to adapt and grow alongside technological progress.

When CPHR Canada respondents report HR is highly effective at managing change, CPHR Canada respondents are...

2.2x more likely to report high organizational performance in innovation ($n=561$).

45% less likely to agree that "Change fatigue is negatively impacting my ability to be effective in my job" ($n=495$).

The importance of effective change management during rapid transformation is clear. However, only...

42% of CPHR Canada respondents report HR organizations are highly effective at managing through change and uncertainty ($n=575$).

It's no surprise that change is becoming increasingly complex. AI is amplifying existing difficulties by completely reshaping how organizations approach change. The real obstacle isn't a lack of frameworks but an outdated mindset that struggles to keep pace with the relentless speed of change, largely driven by AI.

INSIGHT

The traditional linear approach where change is treated as a project with a clear beginning and end has become obsolete. In the age of AI, change is the only constant. Organizations must reconceptualize change by embedding change practices into their culture and ways of working to achieve their strategic priorities.



“The leaders that are successful are the ones that see change as inevitable – it’s constant – and they build resilience around it and make it part of their DNA.”

Javier Feliciano,
Executive Vice President & Chief People Officer,
Meritage Homes

Leaders are the key to overcoming change management challenges

68% of CPHR Canada respondents report facing challenges managing change (n=571).

Top challenges impacting an CPHR's Canada respondents' ability to manage change effectively
n=134

- 01 Too many changes happening simultaneously
- 02 Insufficient resources to effectively manage change
- TIE 03 Lack of leadership skills to manage change
- 03 Lack of leadership accountability



Call to action: Partner with leaders to drive change and overcome challenges

Strategically prioritize changes: As the pace and volume of change accelerates, HR must partner with senior leaders to prioritize the most high-impact, high-value changes. This requires strategically assessing trends to identify opportunities and risks that demand immediate action while deprioritizing other initiatives to create space for those with the greatest impact.



Build leaders' change capabilities: HR must enlist leaders to co-own and implement changes. As the nature of change has evolved, HR must adapt its approach to equipping leaders with the tools and resources needed to manage change reactions, communicate change, and understand their role in sustaining long-term transformation.

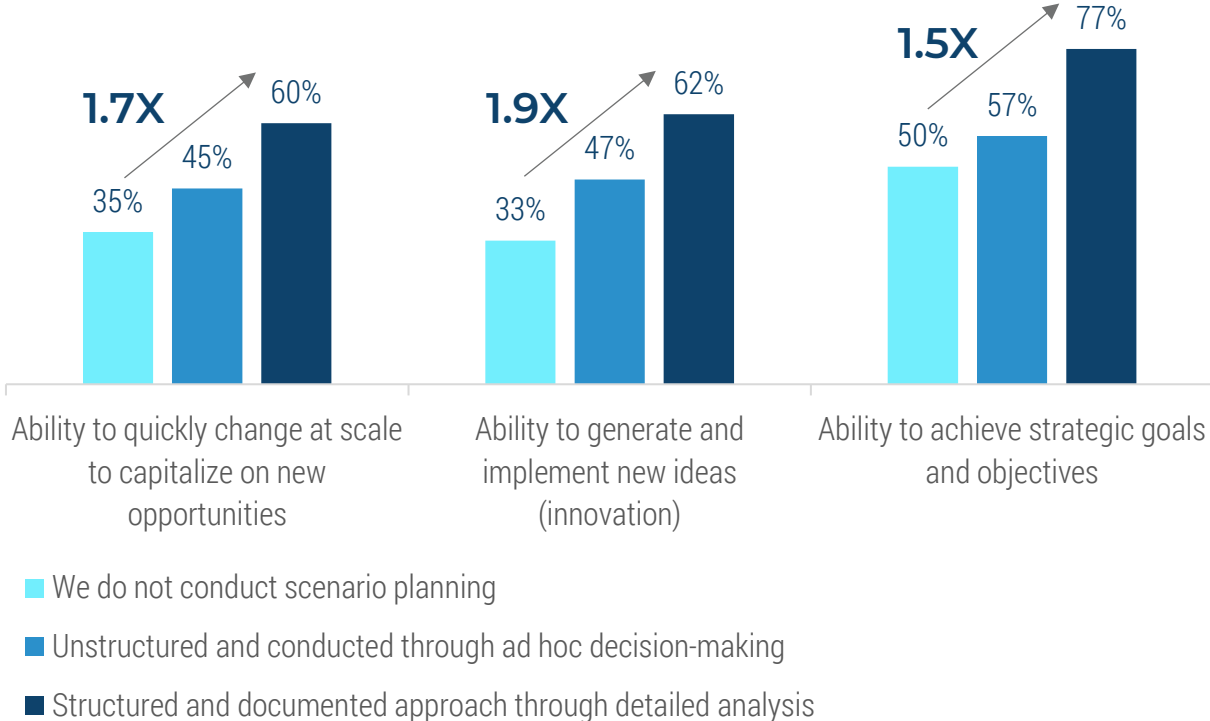
When CPHR Canada respondents report their organization embeds leadership accountability for managing change in performance management practices, respondents are **1.3X** more likely to also report their organization being able to quickly change at scale to capitalize on new opportunities (n=539).

To lead change and seize innovation opportunities, HR must plan proactively

Scenario planning is more than a tool to uncover risks; it allows HR to capitalize on opportunities, prioritize changes, and build organizational readiness to navigate turbulent times.

Scenario planning enables organizations to drive strategic objectives through change:

Percentage of CPHR Canada organizations achieving high performance in key organizational outcomes by scenario planning maturity level (n=514-535)



A structured approach to scenario planning provides organizations a competitive edge by enabling them to anticipate disruption, unlock strategic opportunities, and lead effectively through change. **However...**

Only 22% of CPHR Canada organizations take a “structured and documented approach” to scenario planning (n=543).

Call to action: Initiate scenario planning now

While scenario planning may seem like wasting effort on unlikely scenarios, it is no longer optional for organizations. Dedicating time to it helps HR and the organization prepare for emerging opportunities and mitigate risks in an unpredictable environment. Organizations don’t need to be perfect and starting small builds familiarity and capability over time. When it comes to planning for future disruption, doing something is better than doing nothing at all.

See [Appendix VIII](#) for an industry breakdown of scenario planning.

A paper boat with two sails is floating on a body of water. The background is a soft, out-of-focus sunset with warm orange and yellow light reflecting on the water's surface. The boat is in the lower-left quadrant of the image.

What comes next?

Use McLean & Company resources to act on HR's top priorities in 2026 and lead through change and uncertainty.

Actions and practical resources

Align efforts with HR's top priorities in 2026 with McLean & Company resources on:

- [Leadership development](#) and [leadership strategy](#)
- [Enabling innovation through culture](#)
- [Employee experience](#)

To effectively work cross-functionally to lead the organization through digital transformation, see McLean & Company's:

- [HR's Role in Driving Meaningful Digital Transformation](#)
- [Build a Strategic AI Roadmap](#)
- [Develop Responsible AI Guiding Principles](#)
- [The Future of Workplace Collaboration](#)

For additional support on preparing for a strategic AI roadmap, see McLean & Company's [Workshop Overview: Prepare HR for a Strategic AI Roadmap](#).

Elevate HR's technology enablement skills using McLean & Company's technology enablement training in the [Learning Content Library](#). Focus on resources filtered by the "Digitally Aware" competency, such as [Drive Results Through Technology Enablement Skills](#). Build leaders' AI skills with McLean & Company's [Facilitated Leadership Training: Generative AI Skills for Leaders](#).

To lead the organization through change and uncertainty, see McLean & Company's [Change Management Resource Center](#) and [HR Guide to Scenario Planning](#).



Strengthening the Foundations of People Leadership

Leaders drive innovation and organizational change. As expectations for people managers rise, many are stretched thin, especially in the human side of leadership. It's no surprise that leadership development remains HR's top priority for 2026.

When leaders excel at developing talent and managing change, organizations are twice as likely to excel at innovation and agility. Yet most leaders fall short in these foundational areas, putting performance and productivity at risk.

To close the gap, HR must embed continuous learning into the culture, making development non-negotiable, supporting leaders with practical tools, and ensuring learning happens in the flow of work. Delegation and accountability are key: leaders should share responsibility and own their growth. When these elements align, organizations gain stronger leadership, greater adaptability, and sustained innovation.

Key terms

Highly effective at talent management:

Composite measure of respondents who scored an average of 4.5 or higher when asked to rate the effectiveness of leaders at their organization on the following activities (scored on a six-point scale):

- Conducting performance evaluations
- Providing feedback to employees
- Supporting employees in goal setting

Highly effective at change management:

Composite measure of respondents who scored an average of 4.5 or higher when asked to rate the effectiveness of leaders at their organization on the following activities (scored on a six-point scale):

- Communicating the rationale behind decisions that impact employees
- Navigating difficult conversations
- Managing change reactions

Highly effective at talent development:

Composite measure of respondents who scored an average of 4.5 or higher when asked to rate the effectiveness of leaders at their organization on the following activities (scored on a six-point scale):

- Coaching employees
- Identifying learning opportunities for employees
- Supporting employees with their development goals

Highly effective at employee engagement:

Composite measure of respondents who scored an average of 4.5 or higher when asked to rate the effectiveness of leaders at their organization on the following activities (scored on a six-point scale):

- Recognizing employee contributions
- Soliciting input from employees on team decisions
- Holding regular meetings to communicate progress toward team goals

See [Appendix IX](#) for data on the percentage of respondents who rated their organization's leaders as highly effective at each people leadership activity.

Innovation and agility are fueled by effective people leadership

Leaders who effectively manage change enable organizations to capitalize on opportunities, providing a competitive edge.

% of CPHR Canada organizations that are high performing at **changing quickly at scale to capitalize on new opportunities**, *n=534*



- Leaders are not highly effective at managing change
- Leaders are highly effective at managing change

By clearly communicating the rationale behind decisions, effectively navigating difficult conversations, and managing reactions to change, these leaders reduce friction during times of change.

When leaders are highly effective at managing change, respondents are **1.6x more likely to report that they are not experiencing change fatigue** (*n=1,330*). This reduction in fatigue lowers change resistance, enabling faster adoption and improving the ability to scale organizational changes effectively.

Leaders effective in talent development build the skills employees need to innovate.

% of CPHR Canada organizations that are high performing at **innovation**, *n=556*



- Leaders are not highly effective at developing talent
- Leaders are highly effective at developing talent

They achieve this by effectively coaching employees, uncovering learning opportunities, and supporting employees in achieving their development goals.

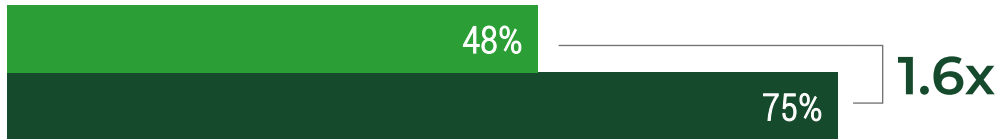
Exceling in these areas enables leaders to drive employee growth in alignment with current and future strategic objectives, including innovation. This builds in-demand skills, such as critical thinking and technology enablement, that push employees to challenge the status quo and adopt new ways of working.

Organizations that develop leaders to effectively manage change and build talent better position themselves to innovate and seize new opportunities in 2026 and beyond.

Leaders are essential to a great employee experience and retention

Leaders who manage talent effectively provide clarity and purpose to employees' work, strengthening the employee experience.

% of CPHR Canada HR organizations that are high performing at **providing a great employee experience**, *n*=568

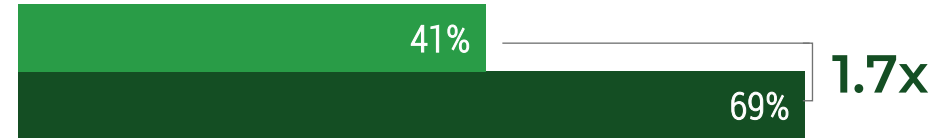


- Leaders are not highly effective at managing talent
- Leaders are highly effective at managing talent

When leaders provide effective feedback, support meaningful goal setting, and guide employee performance, employees gain the clarity needed to succeed. They understand what's expected in their role and see the connection between their work and broader organizational goals, driving a positive employee experience.

Leaders' effectiveness at engaging employees builds employee commitment to the organization.

% of CPHR Canada HR organizations that are high performing at **retaining employees**, *n*=566



- Leaders are not highly effective at employee engagement
- Leaders are highly effective at employee engagement

Leaders who are highly effective at employee engagement master the three components of McLean & Company's 3i's engagement model: inform, interact, and involve. Examples of how leaders demonstrate the 3i's in practice include:

- **Inform:** Holding regular meetings to communicate progress toward team goals.
- **Interact:** Recognizing employee contributions.
- **Involve:** Soliciting input from employees on team decisions.

Together, the 3i's strengthen employees' connection to their work and foster a sense of value, supporting long-term retention.

To deliver on the third and fourth top priorities, organizations must build strong leaders who excel at managing and engaging employees.



“When you invest in developing leaders, the impact is exponential. Leaders do a better job of developing, managing, and caring for their teams, lifting overall performance. But when you invest in developing employees without supporting leaders, that learning often fades because the environment doesn’t sustain it.”

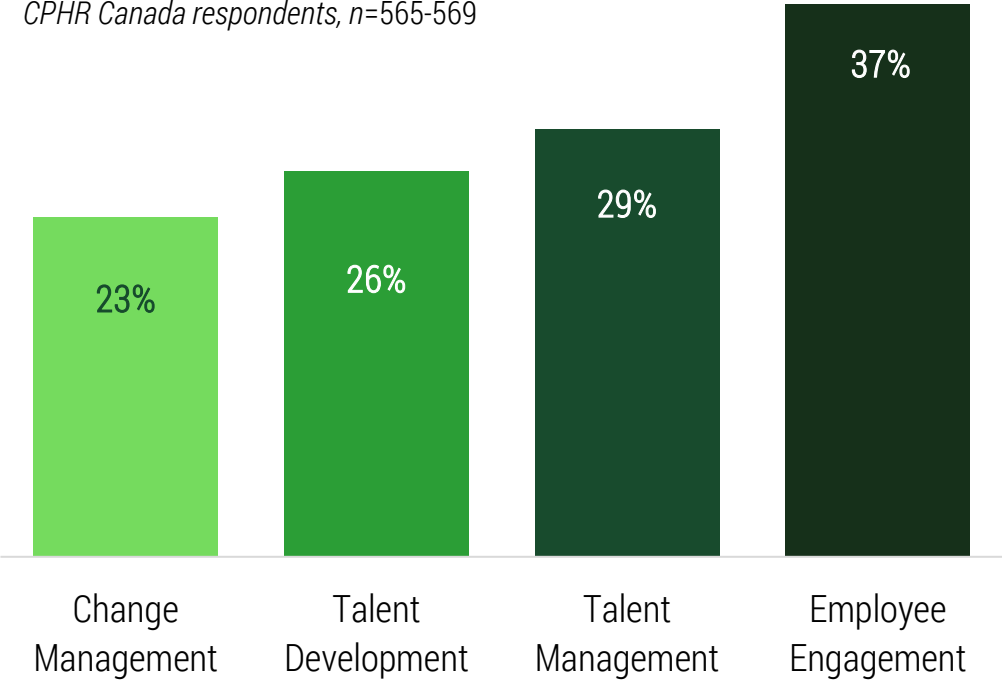
Miriam Ibrahim,
Associate Vice President, Talent &
HR Business Partnering,
Centennial College

Stretched thin and overwhelmed, leaders are falling short in foundational people leadership areas

Leadership effectiveness is low across the four foundational people leadership areas that key organizational priorities depend on:

“How would you rate leaders' effectiveness on the following people management activities in your organization?”

CPHR Canada respondents, n=565-569



Excelling at the people side of leadership demands time to develop in and deliver on. These four foundational people leadership areas include activities such as coaching, providing feedback, communicating decisions, and managing difficult conversations. These are complex, human-centric activities that require empathy, emotional intelligence, and trust. They are not quick and easy to master; they demand ongoing development.

Yet leaders are stretched thin and burned out, with limited capacity for the people side of leadership.

The role of the people leader has expanded, with heightened expectations across strategic, operational, and emotional responsibilities (Harvard Business Publishing). In 2025, CPHR Canada people leaders were **1.3x** more likely than individual contributors to report they are **experiencing higher levels of stress related to their job today compared to one year ago** (n=628).

When time is limited, it's easy for leaders to focus on what feels urgent: operational firefighting. The result? The people side of leadership is neglected. **Organizations must ensure that development in the people side of leadership is a top priority regardless of competing demands. It's not a nice-to-have, it's non-negotiable.**

Embedding learning into culture sets the expectation that leaders must prioritize development

A continuous learning culture is an organizational environment where learning is ongoing and encouraged at all levels of the organization.

When organizations have a continuous learning culture, leaders are more effective across four foundational people leadership areas.

Percentage of CPHR Canada respondents reporting leaders at their organization are highly effective at:
n=563-567



When development is positioned as optional, it consistently loses out to more urgent demands. A continuous learning culture sets a shared expectation that leadership development is a strategic priority.

While formal leadership development programs create a strong foundation for people leadership, they do not address capacity constraints. To bridge this gap, organizations must make learning easy to access, apply, and sustain within demanding workloads. This requires resources that embed learning into the flow of work, such as learning technologies, short-form content, and peer learning.

But even the most accessible learning will not gain traction without a clear, organization-wide expectation that development is a top priority. A culture of continuous learning reinforces that growth is an organizational imperative, not an afterthought, pushing leaders to prioritize their own development in service of broader success.

In 2026, organizations are relying on leaders to manage change and build, manage, and engage talent to deliver on top priorities. Yet leaders are failing to make time for development and are falling short in these four foundational areas. **Without a culture that prioritizes learning, the ability to deliver on key priorities is at risk.**

Call to action: HR must partner with senior leaders to set the expectation that learning is an organizational priority. While HR can help set this expectation through embedding a learning focus into organizational values or competencies, senior leaders must communicate the importance of learning and development to strategic success across the entire organization.

Distributed leadership and accountability for development build a continuous learning culture

Distributing high-value leadership tasks supports a continuous learning culture. It frees up leaders' time to focus on their own development while providing employees meaningful opportunities to learn on the job. When leaders effectively delegate tasks within their teams, CPHR Canada organizations are...

1.4x more likely to have a continuous learning culture ($n=576$).

Yet, just

33% of CPHR Canada respondents report that leaders in their organization effectively delegate tasks within their teams ($n=578$).

INSIGHT

Not all forms of delegation are developmental. When limited to low-value tasks, delegation is reduced to workload redistribution that undermines a continuous learning culture by crowding out time for meaningful, career-aligned development.

Leaders who are accountable for their own development set the tone for a continuous learning culture. When leaders role model a commitment to professional growth, they establish learning and development as a norm and expectation, signaling that continuous learning is both a priority and a responsibility. When leaders are accountable for their own development, CPHR Canada organizations are...

1.6x more likely to have a continuous learning culture ($n=572$).

However, only

42% of CPHR Canada respondents report that leaders in their organization take accountability for their own professional development ($n=574$).

Call to action: It's time to build a culture of learning systematically rather than hoping it happens organically.

It's not enough to declare learning as an organizational priority. It must be reinforced through talent structures like performance management, succession planning, and compensation. This drives an ecosystem where leaders are rewarded for owning their development and delegating effectively, strengthening a culture of continuous learning.



What comes next?

Use McLean & Company resources to support leaders in foundational people leadership activities across all levels and deliver on HR's #1 priority.

Actions and practical resources

To explore how the role of the people leader is evolving and how to navigate it, see the [Transforming the Role of People Leaders](#) research.

To learn more about the 3i's of engagement, see the [Enable Senior Leaders to Drive Employee Engagement](#) research.

Explore McLean & Company's [Management Fundamentals](#), [Essentials for Leaders of Leaders](#), and [Leadership Development Coaching](#) to lay the foundation for people leader effectiveness in managing change and developing, managing, and engaging talent.

Make learning easy to access, apply, and sustain using the:

- [Reimagine Learning](#) research
- [Learning Content Library](#) for competency-based learning

To identify strengths and development areas for people leaders, use McLean & Company's [360 Feedback](#) diagnostic. Assess the application and impact of learning programs using the [Learning Effectiveness Survey](#).

Set the expectation that learning is an organizational priority by embedding it into organizational values or competencies using McLean & Company's [Articulate Organizational Culture](#) and [Develop Core and Leadership Competencies](#) research. Reinforce this expectation through talent structures using the [Develop a Talent Management Framework](#).

Harnessing Culture for Strategic Impact

When strategy shifts, culture must keep pace. The most successful organizations align their values with their mission and strategy, especially during change. Values aren't just words on a wall: they're the compass guiding daily decisions. When values and strategy align, organizations are twice as likely to excel at innovation and adaptability.

But alignment isn't accidental. HR must ensure values are revisited, reinforced, and reflected in how leaders make decisions to build trust and resilience through change.

The missing link? Leadership accountability. Only half of organizations hold leaders accountable for living their values, but when they do, culture strengthens and outcomes improve. HR's role is to embed accountability into processes so that values aren't optional: they are simply how work gets done.

Bottom line: In a world of constant change, organizations that anchor strategy in lived values and leadership accountability build the trust, agility, and resilience to thrive.



Key terms

Organizational culture: The dynamic system of shared beliefs and assumptions that guides behaviors and decision-making, manifested through symbols, **values**, and **behaviors** found in each interaction and experience.

- **Values** are the beliefs and guiding principles that set the moral compass of how the organization behaves and makes decisions in pursuit of the strategy, mission, and vision.
- The values are brought to life through the organization's **behaviors** and competencies, which support the achievement of strategic priorities.

Organizational strategy: Identifies actions to deliver value and guide the organization toward the vision and mission.

Vision: Description of an organization's aspirations and the wider impact it aims to build. It creates a cohesive understanding across all key individuals of the organization's existence and actions.

Mission: Statement of the organization's core purpose, focus, and goals. It relies on the existence of the vision because it describes how the vision will be achieved.

Change fatigue: A condition characterized by feelings of apathy and passive resignation toward organizational changes. It occurs when employees are worn out by constant changes and are in a perpetual state of uncertainty about the future.

Re-examining values amid strategic changes is key to cultural alignment

When was the last time your organization's culture and values were critically examined to ensure alignment with strategy? Is your culture helping execute strategy, or is it silently working against it?

When strategy, mission, and culture are fully aligned, organizations experience extraordinary results, achieving **316%** greater revenue growth (Culture Partners and Stanford, 2023). Values are the catalyst for culture, enabling the right behaviors to bring the mission and vision to life. They not only reflect what the organization stands for, they must be used to actively shape decisions and guide actions toward strategic goals, especially during times of disruption and rapid change.

With nonstop shifts in the external environment, organizations are adapting their strategies at an accelerated pace. For culture to drive strategy amid these changes, organizations must align their values with the right behaviors needed to achieve strategic objectives.

The alignment between strategic direction and the organization's values is crucial for achieving organizational outcomes.

When CPHR Canada respondents report values are aligned with the organization's mission and vision, CPHR Canada respondents were...

4.0X More likely to also report high organizational performance in the ability to quickly change at scale ($n=518$).

2.8X More likely to also report high organizational performance in innovation ($n=540$).

INSIGHT

Organizations must ensure their values still support their strategic direction. As strategy evolves in response to external disruption, values provide employees and leaders with clarity and confidence to act. While values should remain a steady foundation, they must also enable adaptability and innovation. The goal is not to change values with every strategic shift but rather confirm they continue to guide success. But if values are impeding strategy, it's time to make a change.

Values reinforce culture during change, enabling organizational agility

A strong culture supports the ability to quickly capitalize on new opportunities through decisions grounded in shared values aligned with organizational strategy.

When CPHR Canada respondents report HR is high performing at shaping organizational culture, respondents are:

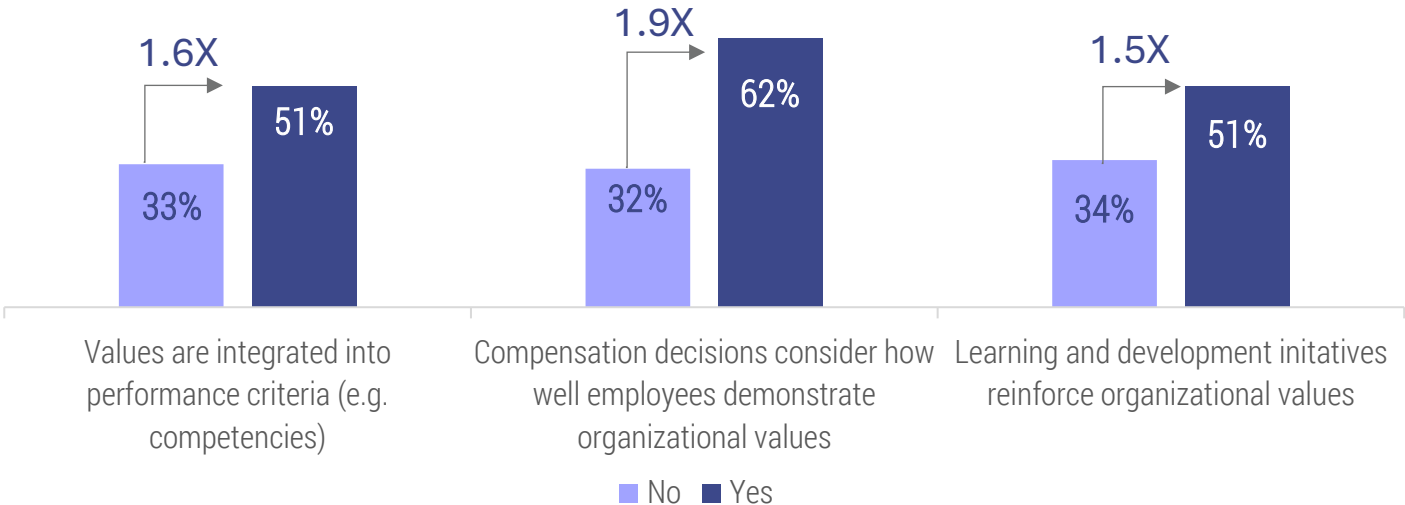
2.2X more likely to report their organization has a strong **ability to quickly change at scale to capitalize on new opportunities** (n=630).

Yet only...

53% CPHR respondents report their organization has a strong organizational culture (n=665).

HR programs must reinforce values to shape and sustain a strong organizational culture.

Percentage of CPHR Canada organizations achieving high performance in the **ability to change at scale to capitalize on new opportunities**, based on whether these value-based practices are in place (n= 485-507).



Call to action: Embed organizational values in HR programs. Organizational values must be consistently reinforced through HR programs to shape and encourage behaviors that bring the culture to life and enable organizational strategy. HR must evaluate its programs to ensure continued alignment with values to support strategic priorities.

Aligning leadership decisions to values builds resilience and advances strategy

When change is constant, leaders often feel pressured to show quick results. Yet in that urgency to act, their decisions can stray from the organization's core values. Employees will notice this disconnect and begin to question the "why" behind decisions and resulting changes.

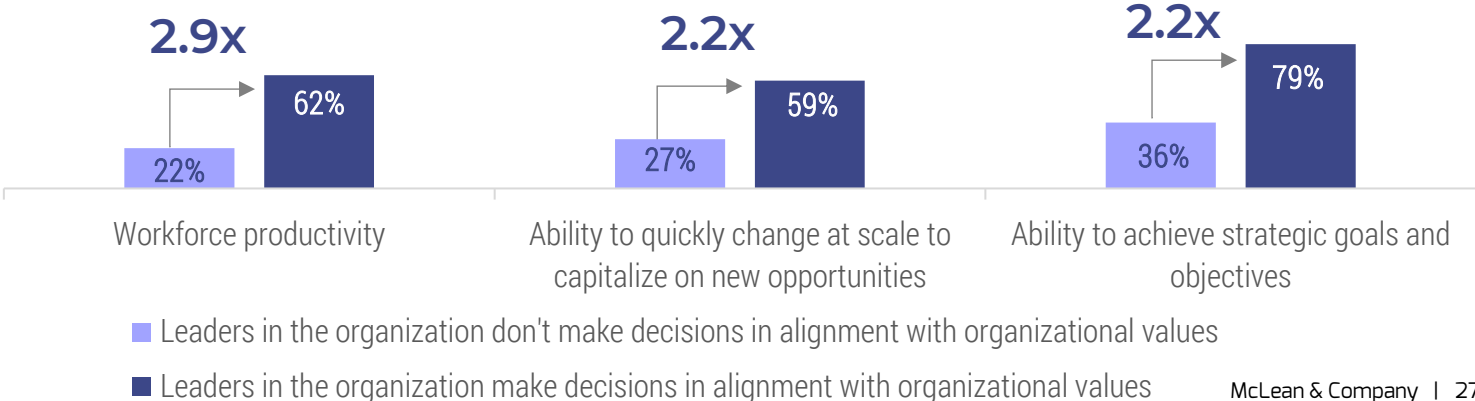
Anchoring decisions in values provides clarity, trust, and direction, ultimately fueling change resilience.

When leaders make decisions in alignment with organizational values, respondents are...

47% less likely to agree with the statement "Change fatigue is negatively impacting my ability to be effective in my job" (n=487).

This alignment results in tangible and meaningful impacts on organizational outcomes.

Percentage of CPHR Canada organizations achieving high performance in key organizational outcomes when leaders make decisions in alignment with organizational values vs. when they do not (n=527-551).



Just 53%

of respondents in the average organization report they understand the rationale behind senior leader decision-making in their organization (McLean & Company Engagement Survey Database, 2024; n=170 organizations, 149,660 respondents).

Only 57%

of CPHR Canada respondents agree that leaders in their organization make decisions in alignment with organizational values (n=564).

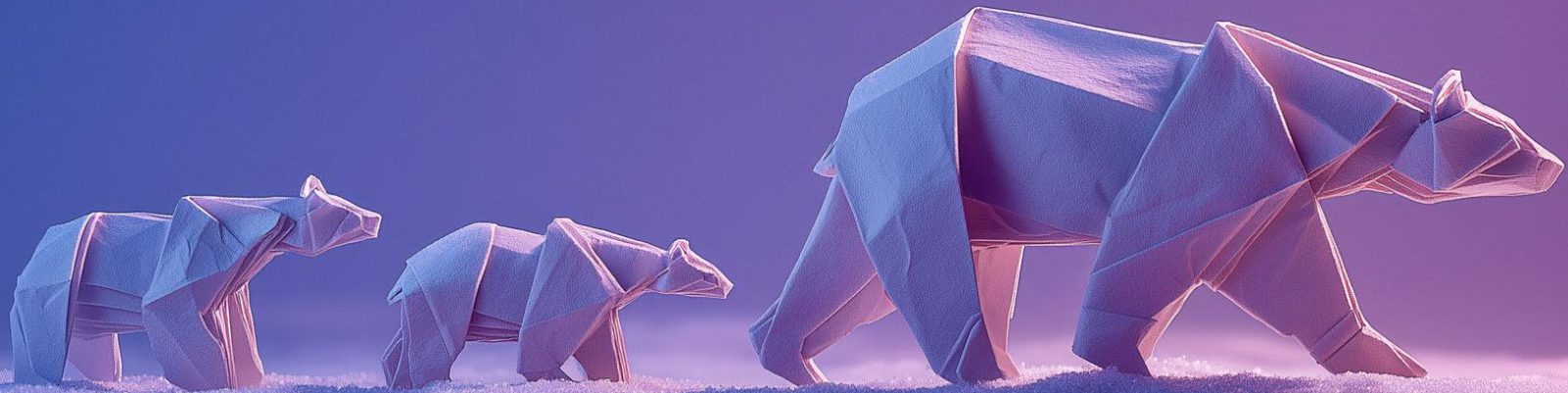
That lack of understanding and alignment can grow into mistrust and breeds change fatigue.

Only 13%

of CPHR Canada respondents report not experiencing change fatigue (n=680).

“If leaders continuously exemplify values amid all the organizational shifts, they give people certainty: ‘I can weather this change because I know my leader has my back.’”

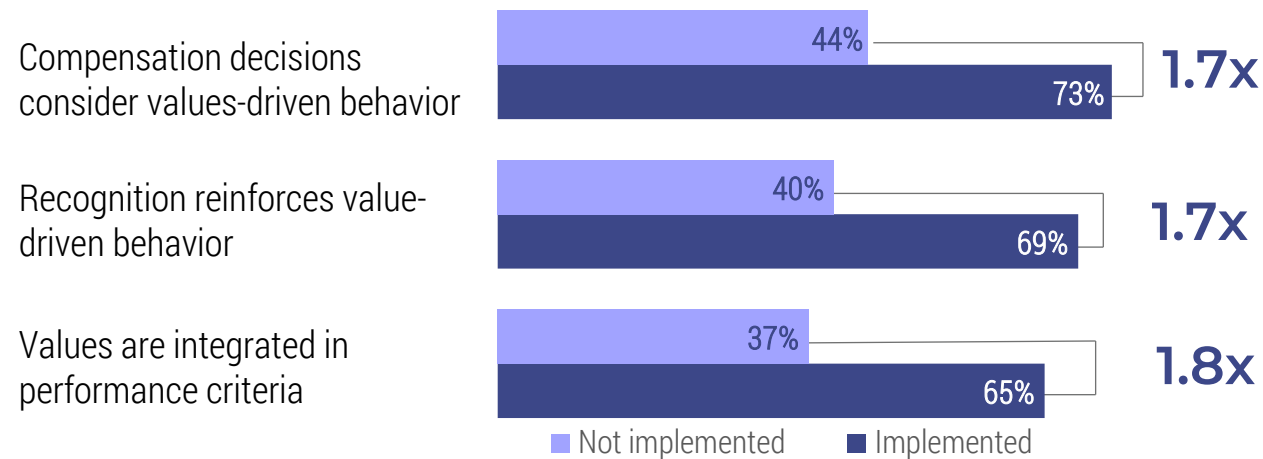
Greg Shelton,
Executive Vice President People & Culture,
General Counsel,
AGC Biologics



Embedding leadership accountability in HR programs turns values into strategic impact

HR programs are a powerful tool to drive leadership accountability.

Percentage of CPHR Canada respondents who agree *leaders act in alignment with organizational values* (n=513-541).



Call to action: Build leadership accountability to organizational values to drive strategic execution

HR plays a critical role in hardwiring leadership accountability into systems and structures, creating ingrained practices so values stay front and center particularly during times of change. If HR programs don't reinforce desired behaviors, efforts to build and sustain culture and drive strategy will lose traction and organizational outcomes will suffer. The mandate is clear: intentionally embed leadership accountability to act in alignment with organizational values into HR programs to set clear expectations and boost strategic impact.

And when CPHR Canada respondents report leaders are held accountable to organizational values, they are:

4x more likely to make decisions in alignment with those values (n=505).

A paper mountain with a flag on top, symbolizing achievement and resilience. The mountain is constructed from white paper, with a white flag flying from the peak. The background is a dark, cloudy sky with a purple and blue gradient. The foreground shows the base of the mountain, which is also made of paper and sits on a rocky, textured surface.

What comes next?

Use McLean & Company's resources to define organizational culture, strengthen employee resilience during change, embed core values across HR programs, and foster leadership accountability to drive values-based execution of organizational strategy.

Actions and practical resources

To articulate a culture in alignment with strategy, see McLean & Company's resources on culture: [Shape and Sustain Organizational Culture](#) and [Articulate Organizational Culture](#). To further reinforce values across the organization see [Inspire Your Team Through the Organization's Mission, Vision, and Values](#) and [Identify Strategic Direction to Drive Aligned Action](#).

Watch McLean & Company's keynote on [Leading in the Eye of the Storm: HR's Critical Role in Navigating Relentless Change](#).

To lead and navigate change, see McLean & Company's [Change Management Resource Center](#). For training offerings, see:

- [Facilitated Leadership Training: Lead Through Change](#)
- [Facilitated Leadership Training: Navigate the Change Management Process](#)

Foster a resilient workforce during times of change, using McLean & Company's blueprint [Develop a Resilient Workforce](#) and learning resource [Facilitated Leadership Training: Build Key Resilience Behaviors](#).

To build leadership accountability toward organizational values through HR programs and practices, see McLean & Company's [Redefine Performance Management](#) and [Ingrain and Sustain Employee Recognition](#).

To develop accountable behaviors, see McLean & Company's learning resources: [Demonstrate Personal Accountability](#), [Delegate and Build Accountability](#), and [How to Prioritize Your Work When Everything Feels Important](#).

To further support employee engagement, see McLean & Company's [Employee Engagement Program HR Diagnostic](#).



Driving Success Through HR Collaboration

In 2026, HR's impact hinges on cross-functional collaboration. The data is clear: when HR partners effectively with key functions, its influence as a strategic partner grows, elevating HR from a support function to a driver of organizational outcomes.

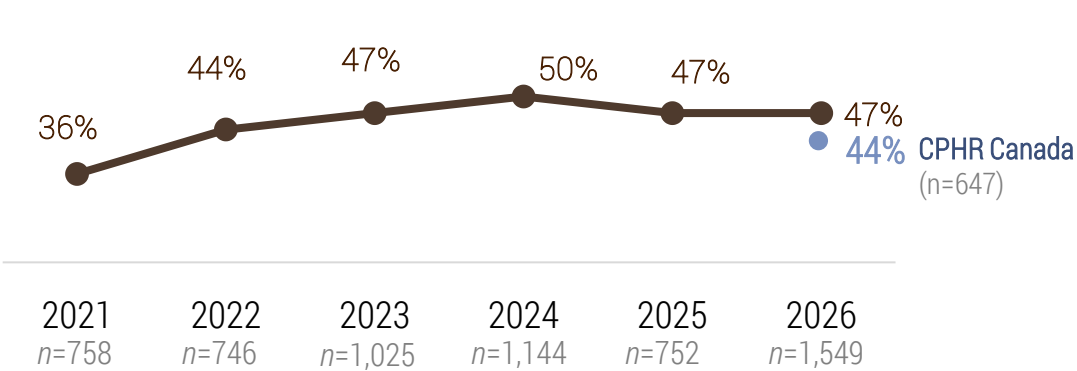
Collaboration with IT is non-negotiable as AI adoption accelerates, ensuring technology is implemented with a human-centric approach that fuels innovation and prepares the workforce for change. Partnering with Finance helps HR optimize investments and measure ROI, while collaboration with Legal and Communications manages risk and delivers clear, consistent messaging during change. HR's most powerful tool for achieving this alignment and influence is the HR strategy.

The call to action: to expand its influence, HR must formalize its strategy and deepen cross-functional partnerships, leading the way in a rapidly changing landscape.

HR's strategic influence is grounded in collaboration

Amid constant change and shifting priorities, HR's strategic influence within organizations has stalled.

Percentage of HR organizations reporting that HR is a partner in planning and executing strategy:



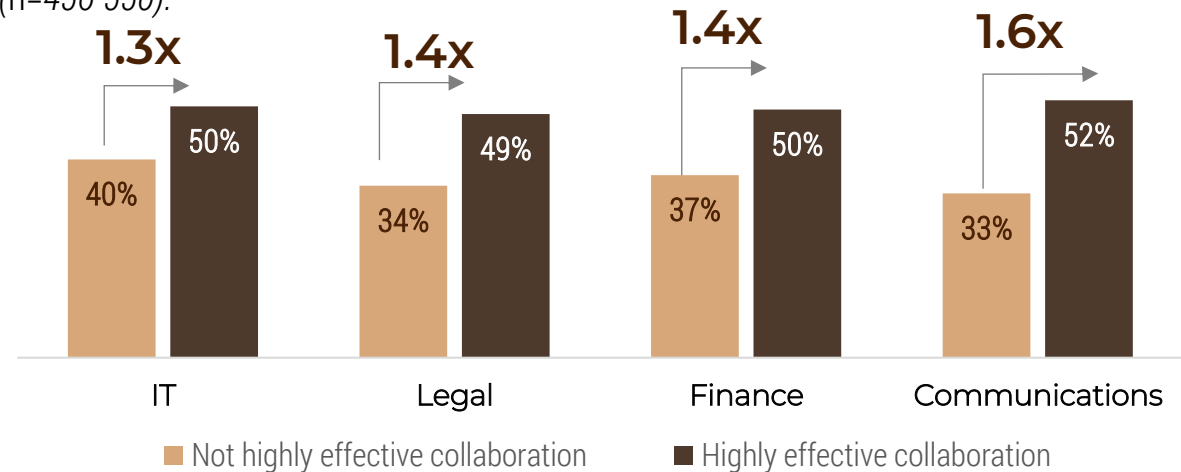
Yet when HR is a partner in planning and executing strategy, CPHR Canada organizations are...

42% more likely to be high performing at achieving strategic goals and objectives (n=634; 51% vs. 72%).

In 2026, organizational success will depend on the strength of HR's strategic influence. HR's partnership is critical to shaping and executing organizational strategy by identifying the talent and capabilities needed for success and mobilizing the workforce to deliver on objectives.

Effective collaboration with key partners across the organization elevates HR's influence.

Percentage of CPHR Canada organizations reporting HR is a partner in planning and executing strategy based on HR's effectiveness at collaborating with the following functions (n=456-550).



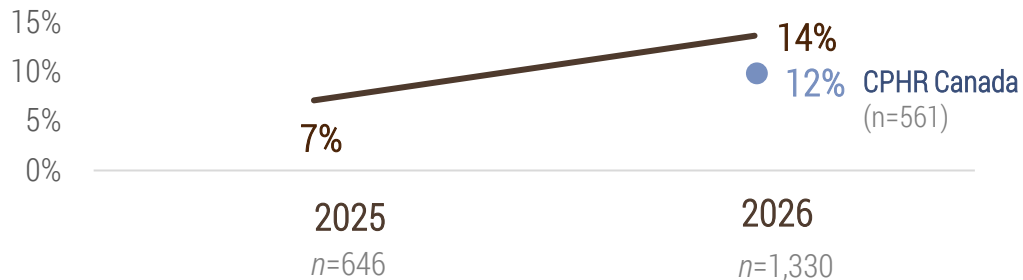
Call to action: HR must seize the opportunity to build influence through cross-functional collaboration. As organizational priorities shift faster than ever, the only way to stay aligned is to improve HR's collaboration with key internal partners. Partnering with IT drives successful AI transformation and innovation. Collaboration with Finance ensures strategic resource allocation aligned to organizational priorities. Working closely with Legal ensures people practices are compliant and minimizes risk, while collaborating with Communications allows HR to lead change effectively.

See [Appendix X](#) for a full breakdown of HR's involvement in organizational strategy and HR's effectiveness at collaborating with key functions.

HR and IT's partnership in the age of AI is a non-negotiable

AI adoption is accelerating, but most organizations are playing catch-up when it comes to having a formal AI strategy. **Sixty-three percent** of CPHR Canada respondents report their organization is implementing AI beyond the exploration phase this year ($n=567$), but many organizations are putting execution ahead of strategic direction by implementing AI without a formal strategy. While the percentage of organizations with a formal AI strategy has almost doubled year over year, it remains disproportionately low compared to the number implementing AI.

% of organizations with a formal AI strategy:



Implementing AI without a strategy risks failure by neglecting the human side of transformation. An AI strategy ensures AI initiatives are aligned with organizational goals to drive value, proactively manage risk, and prepare the workforce to adapt and thrive in new ways of working.

By collaborating with IT, HR influences the organization to take a strategic, human-centric approach to AI transformation that unlocks AI's full potential.

When HR collaborates with IT effectively, organizations are...

2.0x more likely to have a formal AI strategy ($n=1,156$).

CPHR Canada organizations are...

1.8x more likely to be high performing at innovation ($n=548$)

Yet only...

56% of CPHR Canada HR organizations are highly effective at collaborating with IT ($n=557$).

AI adoption is already underway, but only when HR and IT work together will organizations realize the value of AI. Without HR's involvement, AI decisions risk overlooking the people impact, which has become a major barrier to successful adoption. Fear of job disruption, resistance to change, and lack of skills limit employees' ability to effectively work with new technology. HR is essential to overcoming these barriers through change management, targeted talent development, and proactive workforce planning. These efforts prepare the workforce to engage with AI confidently and apply it effectively, enabling organization-wide adoption and turning people readiness into a lasting competitive advantage.

HR's business and data fluency strengthen collaboration with Finance to optimize investments

Effective HR–Finance collaboration equips organizations to optimize costs. When HR and Finance collaborate effectively, CPHR Canada organizations are...

1.5x more likely to be highly effective at cost optimization (n=534).

Measuring ROI enables HR and Finance to prioritize investments in programs that drive the greatest value. As organizations navigate growing complexity and shifting priorities, effective resource allocation is critical to stay focused on what matters most. Measuring and articulating the ROI of HR programs enables HR, Finance, and other decision-makers to make informed, strategic choices about where to invest, pause, or redirect spending. This positions HR to better deliver on their top priorities by aligning resources to the programs that have the greatest impact.

When HR is highly effective at measuring the ROI of HR programs, organizations are...

1st priority **1.9x** more likely to report that HR is high performing at **developing the organization's leaders** (n=1,199).

2nd priority **1.9x** more likely to be high performing at **innovation** (n=1,197).

Yet only...

35% of CPHR Canada HR organizations are highly effective at measuring the ROI of HR programs (n=185).

Call to action: HR must develop the skills to speak Finance's language to deliver on key priorities and optimize costs. HR and Finance often speak different languages: HR focuses on long-term, human-centric outcomes, while Finance prioritizes measurable results. Breaking down these barriers starts with HR building the skills to collaborate effectively with Finance in service of driving the same organizational objectives forward.

To collaborate effectively, HR must strengthen their business acumen and data literacy skills to measure and articulate the impact of HR programs in financial terms. This enables strategic investment decisions that help HR deliver on their top priorities and support Finance in optimizing costs.

Risk management in an evolving landscape depends on HR–Legal partnership

In 2026, organizations will face various evolving and interconnected risks.

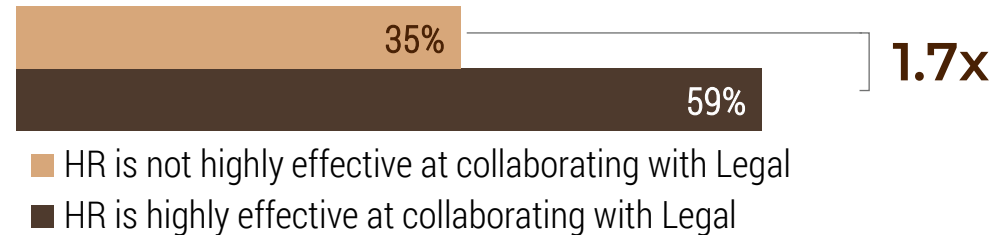
61% of executives anticipate a major increase in the level of risk they will be accountable for over the next three to five years (KPMG, 2024).

AI risks, regulatory shifts, and social and political dynamics are reshaping the risk landscape.

The rapid adoption of AI in areas like recruitment and talent management introduces legal and ethical concerns, such as bias and privacy violations. The evolving regulatory environment increases risk of legal disputes and reputational harm. At the same time, social and political pressures require organizations to navigate complex issues carefully to maintain organizational trust both internally and externally.

Navigating these intersecting risks requires effective collaboration between HR and Legal.

% of CPHR Canada HR organizations that are high performing at **managing risks** (n=472)



Effective risk management doesn't just protect the organization, it creates the conditions for the organization to seize new opportunities. When HR is high performing at managing risk, CPHR Canada organizations are...

1.6x more likely to be high performing at quickly changing at scale to capitalize on new opportunities (n=629).

HR and Legal must partner together to manage risks and capitalize on new opportunities. Today's risk landscape is too fast-paced and high stakes for Legal to be treated as a final reviewer. When HR and Legal collaborate effectively, they don't just ensure programs, policies, and processes meet legal and ethical standards, they also anticipate and mitigate barriers early on, strengthening the organization's ability to respond confidently to change.

Partnership with Communications creates clarity through change

HR-Communications collaboration drives clear, consistent, and aligned messaging, reducing resistance during periods of change.

When HR and Communications partner effectively, they bring the storytelling, structure, and cadence needed to translate organizational changes into key messages employees can understand and act on. Together, HR and Communications can clearly articulate the rationale and “what’s in it for me” behind the change across the organization. This helps ground employees in the change’s purpose, reinforce strategic alignment, and provide a sense of clarity.

% of CPHR Canada HR organizations that are high performing at navigating change and uncertainty (n=519)



- HR is not highly effective at collaborating with Communications
- HR is highly effective at collaborating with Communications

INSIGHT

HR-Communications collaboration is essential to effectively manage change, regardless of how HR and communications functions are structured. When HR and Communications operate as separate functions, HR must take an active role to build strong cross-functional partnerships to ensure communication efforts drive organization-wide alignment during change. When the functions are integrated, communications work must not be deprioritized or handled reactively. It is not optional; it is how HR will lead the organization through change.



“There’s no reason that different functions in an organization should be at odds. It’s not about one function needing something from another. It’s about working together with shared purpose and aligned metrics to move the organization forward.”

Karen Smith,

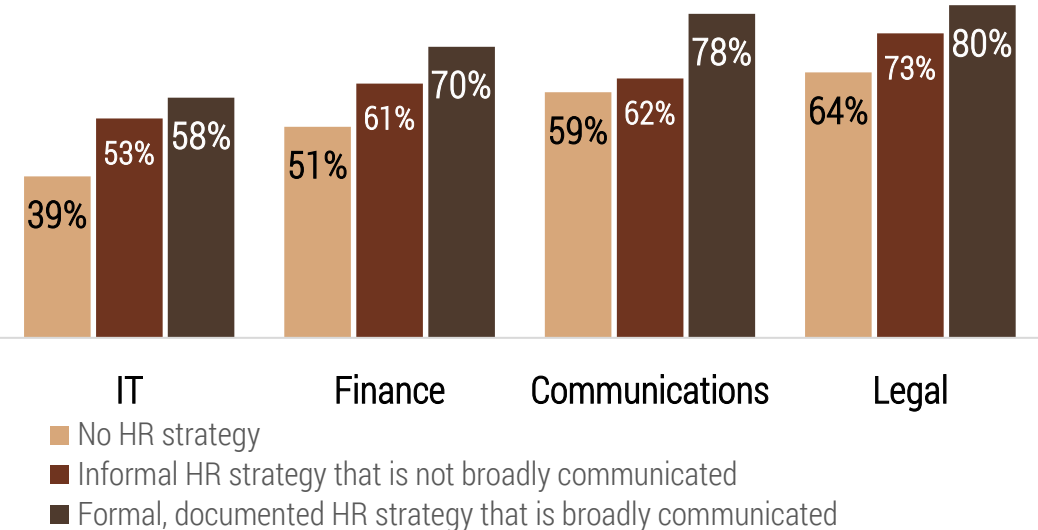
Senior Vice President & Chief Human Resources Officer,

Bruce Power

A formal HR strategy strengthens cross-functional partnerships by linking HR's work to shared goals

A formal, broadly communicated HR strategy drives effective collaboration between HR and key partners:

Percentage of HR organizations reporting highly effective collaboration with key partners by HR strategy maturity level (n=1,059-1,224).



Despite the clear benefits, many HR organizations still lack a formal HR strategy, limiting their ability to collaborate effectively across the organization.

Only **42%** of CPHR Canada HR organizations have a formal, documented HR strategy (n=589).

Call to action: Transform disconnected work into coordinated, strategic partnerships with a formal HR strategy.

A formal, documented, and broadly communicated HR strategy signals to other functions how HR's work contributes to the overall organizational strategy. It gives HR a platform to proactively market its value, shifting perceptions from a support function to a strategic enabler. This improves alignment by clarifying HR's direction and making it easier for IT, Finance, Communications, and Legal to respond to HR's needs and work together to drive organizational objectives forward.

However, collaboration is a two-way street. HR needs to not only share their own strategy but also take the initiative to understand the priorities of other functions to build meaningful and effective partnerships. HR must also model the level of communication and collaboration they expect to see in return to set the tone for strong working relationships.

INSIGHT
An HR strategy is not just for HR. It is a strategic tool that helps key partners see how HR's work supports their priorities and contributes to organizational objectives, creating a foundation for stronger cross-functional collaboration.

What comes next?

Use McLean & Company resources to strengthen HR's collaboration with key partners in the organization.

Actions and practical resources

To learn about workplace collaboration, how it is changing, and how HR can partner with senior leaders to drive effective organization-wide collaboration, see McLean & Company's [The Future of Workplace Collaboration Report](#).

To develop an AI strategy, see McLean & Company's [Build a Strategic AI Roadmap](#). To effectively partner with IT in driving AI transformation, see [HR's Role in Driving Meaningful Digital Transformation](#).

To understand how to measure the ROI of HR programs, see the [Guide to Measuring the ROI of HR Programs](#).

Strengthen HR's business acumen and financial literacy skills by exploring McLean & Company's [Strategic HR Essentials](#) and [Elevate HR](#) facilitated training programs.

To improve change adoption in partnership with Communications, see the [Navigate Change](#) research and [Craft an Internal Communications Strategy](#) blueprint.

Create a formal HR strategy to improve cross-functional collaboration using McLean & Company's [Create an HR Strategy](#), and communicate HR's value to key partners using the [Market the Value of HR](#) research.





Preparing for Emerging HR Trends

Innovation is no longer optional: it's a strategic imperative. To stay competitive in an everchanging market, organizations must distinguish meaningful shifts from background noise. Eleven emerging trends were examined to identify ones that will truly shape the HR landscape in 2026. Respondents assessed each trend's impact and indicated whether it's implemented, in progress, or planned within the next 12 to 18 months.

AI takes center stage as organizations seek to realize the promise of AI-enabled analytics and automation, but upskilling has yet to match that enthusiasm. Skills-based practices are becoming more common in hiring, bridging the gap between potential and reality.

Meanwhile, approaches like collective intelligence and learning in the flow of work are emerging as key ways to drive adaptability and growth.

When it comes to emerging trends, anticipated impact doesn't always match implementation rates

While practices like skills-based hiring and collective intelligence are becoming established drivers of innovation, AI-related initiatives, such as predictive analytics, AI-specific upskilling, and automation show a significant gap between anticipated impact and implementation. Many organizations report having plans to adopt these practices, deliberate and proactive planning will be required to turn intent into reality.

Emerging HR Trends	Anticipated organizational impact	Most Implemented	Planning to Implement*
^v Using AI for predictive analytics in HR	1	9	3
^^ Adopting skills-based hiring practices	2	2	1
^^ Enabling collective intelligence	3	1	2
^^ Learning in the flow of work	4	5	10
^v Implementing an AI-specific workforce upskilling strategy	5	10	7
Using AI to personalize the employee experience	6	8	8
Reimagining roles with more AI-driven automation	7	11	6
Enabling the workforce to adapt to a flatter organizational structure	8	3	9
Implementing an internal talent marketplace	9	4	4
Adopting agentic AI	10	7	5
Using nudgetech	11	6	11

- ^v High anticipated organizational impact but low implementation rates
- ^^ High anticipated organizational impact and high implementation rates

n=440-474

*Note: Combination of currently implementing and planning to implement in the next 12 to 18 months.

n=349-424

Upskilling will be crucial to turn excitement around AI-powered analytics into reality

Organizations are anticipating AI will improve their analytics capabilities through foundational work, such as using AI to clean and manage data, or complex analytics work, such as leveraging big data sets for predictive modeling and decision-making.

This enthusiasm has yet to be met with real progress, as despite 60% anticipating a high impact on their organization (n=464), only...

2% of CPHR Canada respondents report they are using AI for predictive analytics in HR (n=390).

This low uptake reflects the reality of maturity in the use of analytics and AI across many organizations. Smaller organizations often lack the volume of data needed to support meaningful predictive analytics. What's more, many organizations of all sizes are still focused primarily on basic metrics and reporting. When it comes to AI in general, 67% of CPHR Canada organizations are in the early adoption phase, exploring potential use cases and initiating pilot programs (n=567).

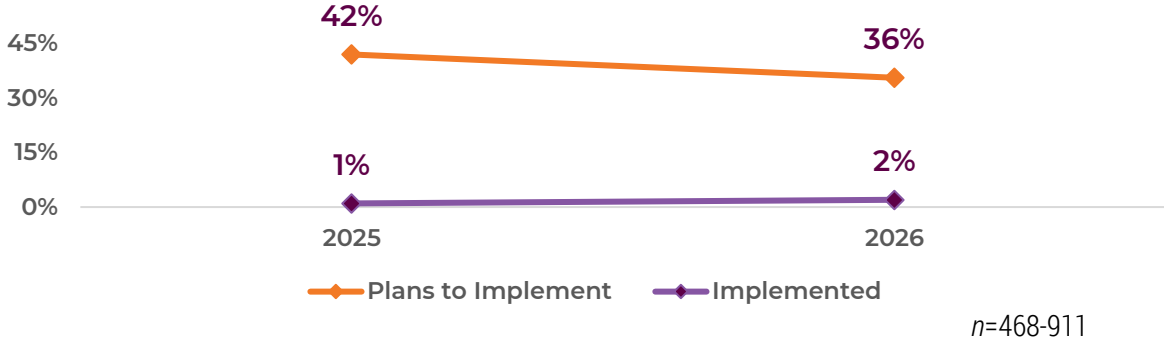
Nevertheless, momentum is building:

37% of CPHR Canada respondents report they are either currently in the process of implementing using AI for predictive analytics or have plans to do so over the next 12 to 18 months (n=390).

Enthusiasm alone won't drive transformation. Elevating analytics capability through AI hinges on upskilling the workforce.

While 54% of respondents indicated implementing an AI-specific upskilling strategy will have a high organizational impact (n=1044), this has not translated into action:

% of respondents reporting they have implemented AI-specific upskilling strategy, or have plans to implement, 2025-2026 (n=468-911):



Call to action: Upskill the workforce in AI to ensure enthusiasm translates into real value.

Despite high interest and excitement for AI in analytics, few organizations have taken real steps to upskill their workforce to make this a reality and even fewer are planning to do so compared to last year. HR must lead the organization by influencing and enabling AI upskilling to unlock its full potential and maximize return on investment.

Skills-based hiring practices remain the most implemented emerging trend year over year

Adopting skills-based hiring practices sustained momentum year-over-year.

20% of respondents report they have already implemented skills-based hiring practices, **ranking as the most adopted trend for two consecutive years** ($n=527-990$).

A further:

49% of respondents indicated they are currently implementing or have plans to do so in the next 12-18 months ($n=990$).

If this continues, skills-based hiring is poised to become a standard practice across HR organizations.

Agility and necessity are two forces driving adoption, with smaller organizations leading the way in implementation:



Small organizations are 1.5x more likely than large organizations to report they have **adopted skills-based hiring** ($n=964$).



Large organizations are 2x more likely than small organizations **to have plans to implement this practice over the next 12 to 18 months** ($n=964$).

Smaller organizations have likely faced fewer structural and process-driven barriers in making the pivot to skills-based hiring. Larger organizations with more established processes and a greater number of decision-makers have been slower to implement but are catching up in 2026.

Implementation rates of skills-based hiring strategies are twice that of internal talent marketplaces (ITM) ($n=990-1008$).

This gap highlights a critical reality: leveraging AI to match people to opportunities based on their skills, interests, and aspirations can be a complex process. Many organizations do not yet expect ITMs to deliver a strong return on investment, ranking 8th out of the 11 emerging trends in terms of anticipated impact.

The lack of momentum for a broader shift towards skills-based internal talent marketplaces is reinforced by low adoption rates with just...

35% of respondents reporting they are either currently implementing or have plans to implement an internal talent marketplace in the next 12 to 18 months ($n=1008$).

Call to action: Organizations cannot afford to rely on just one approach. To meet the demands of a rapidly changing environment, agility is required in not only finding external talent but also deploying internal talent more intelligently across the organization. Combining skills-based hiring with an internal talent marketplace enables this by providing visibility into existing skills, identifying gaps, and supporting proactive workforce planning.

Harnessing the collective intelligence of the organization is a powerful driver of innovation

Collective intelligence is shared knowledge that arises from the collaboration, collective efforts, and competition of individuals. This process is often enabled through technology to facilitate quicker knowledge sharing and innovation.

CPHR Canada organizations that report they have implemented enabling collective intelligence are...

1.3x more likely to report their organization is high performing at innovation ($n=365$).

As innovation surges as a top priority, it is no surprise that organizations see the value of investing in collective intelligence, with **58% of CPHR Canada respondents anticipating it will have a high impact on their organizations** ($n=474$).

Enabling collective intelligence ranked as the **second most implemented trend**, and interest for future implementation is strong:

44% of CPHR Canada respondents indicate they are either in the process of enabling collective intelligence, or have plans to do so in the next 12 to 18 months, **making it the second-ranked practice for future adoption** ($n=371$).

As with AI, HR-IT collaboration will be crucial for implementation to match the level of anticipated impact.

Today's technology applications offer practical alternatives to real-time collaboration, whether in person or online. For example, AI integrations in platforms that house organizational knowledge and information, such as SharePoint or Google Workspace, allow employees to asynchronously tap into collective knowledge, expertise, and ideas more quickly, accelerating problem-solving and innovation.

While HR drives the knowledge-sharing practices that underpin collective intelligence, success depends on a strong partnership with IT to deliver the systems that make it possible. In fact, CPHR Canada's organizations whose HR is highly effective at collaborating with IT are...

53% more likely to report they have enabled collective intelligence ($n=354$).

INSIGHT

Organizations must accelerate the pace of innovation to match the pace of change. Harnessing collective intelligence is a key differentiator that enables teams to generate creative solutions, keep pace with new ways of working, and ultimately build a competitive edge for the future.

Learning in the flow of work offers a practical solution to deliver on leadership development

Learning in the flow of work refers to the seamless integration of learning activities into daily tasks and workflows, enabling employees to build knowledge and skills while performing their jobs. This can include accessing a short guide to learn a new task while doing it, which turns everyday work into development opportunities.

Organizations see the promise of learning in the flow of work, yet few have turned that promise into action.

55% of CPHR Canada respondents anticipate implementing learning in the flow of work will have a high impact on their organizations ($n=468$).

However...

Only 9% of CPHR Canada respondents have implemented learning in the flow of work, and **only 27% are currently implementing or planning to implement it in the next 12-18 months, ranking it tenth among the eleven practices surveyed** ($n=349$).

Although the concept has existed for years, advances in technology such as AI-enabled learning platforms have made learning in the flow of work more scalable and accessible, allowing organizations to deliver personalized, just-in-time learning content without pulling leaders away from work.

Organizations that fail to embed learning into the flow of leaders' daily work risk falling behind on top priorities.

Leaders are expected to manage change, engage, develop, and manage talent, and deliver on functional and operational tasks while staying on top of a rapidly evolving nature of work. As a result, leaders can only dedicate so much of their time to learning while still fulfilling their duties. Embedding development into daily work makes learning more accessible and sustainable, contributing to a culture of continuous learning.

This enables organizations to get leaders up to speed faster, reducing productivity disruptions and strengthening the ability to deliver on key priorities, including innovation and the employee experience. As the pace of change accelerates, organizations that outpace others in leadership development will be the ones that stay ahead.

HR must plan for workforce impacts amid growing interest in reimagining roles with AI

Organizations are taking a “wait and see” approach to reimagining roles through AI-driven automation. Only...

1% of respondents indicate they have implemented this practice, **ranking last among all practices surveyed** ($n=912$).*

This reflects most organizations’ position in the AI maturity curve. Two in three CPHR Canada organizations (67%) indicate they are in the early stages of AI adoption, focusing on exploring potential use cases and initiating pilot programs ($n=567$), rather than overhauling operating models and organizational structures due to AI.

However, interest in reimagining roles is strong:

32% of CPHR Canada respondents report they have plans to reimagine roles through AI-driven automation, **ranking fourth among all trends** ($n=373$).

While it is too early to say AI-driven role automation will lead to widespread displacement of jobs, organizations’ interest in this trend is a strong signal of future change.

AI-driven automation will impact tasks that are more repetitive and less complex. Entry-level roles fit this profile, making them the most likely candidate to experience significant disruption, including full replacement.

If entry-level roles disappear, organizations risk creating a gap in the leadership pipeline. With leadership development already the top priority this year, HR must lead organizations through this AI-driven shift.

As entry-level roles decline, fewer organizational levels are needed, leading to flatter organizational structures. However, most organizations are currently unprepared for this structural change. **Just 12% of CPHR Canada respondents reported they have enabled organizations to adapt to a flatter organizational structure** ($n=377$).

More concerningly, just...

28% of CPHR Canada respondents report they have plans to enable their organizations to adapt to a flatter structure **ranking eighth among all trends** ($n=377$).

INSIGHT

AI-driven change isn't just about technology; it's just as much about people. HR has a critical opportunity to lead, not by merely reacting but by proactively planning for these shifts. This means building a comprehensive leadership development strategy that equips employees at all levels with the ability to lead while proactively upskilling employees to take on broader roles and responsibilities. Ensuring a robust pipeline of future leaders equips the organization to thrive amid change and drive innovation.

*See [Appendix XIII](#) for a breakdown of AI-driven role automation implementation rates by industry.



What comes next?

Use McLean & Company resources to learn more about the latest emerging trends that will continue to impact and shape the HR landscape in 2026 and beyond.

Actions and practical resources

To start using people analytics and explore its usage, see McLean & Company's [Use Dashboards to Become a Data-Driven HR Function](#), [Get Started With HR Analytics](#), [Establish Data Governance for HR](#), and [HR Technology & Analytics Certificate](#).

Cut through the noise and find clarity on what it means for your organization in [What It Means to Become a Skills-Based Organization](#). Explore the opportunity to embed skills practices in your organization using the [Leverage Skills Practices in HR Guide](#).

Prepare the organization to foster collective intelligence through collaboration using [The Future of Workplace Collaboration](#) and [Equip Managers to Activate Networks to Enable Collaboration](#). Explore technology vendors that offer collaboration technology using SoftwareReviews' [Content Collaboration Tools](#).

Reimagine learning in the flow of work with McLean & Company's human-centric, competency-based [Learning Content Library](#), featuring microlearning and practical guides designed to help build real skills.

For additional learning resources, see McLean & Company's:

- [A Leader's Role in Learning Reinforcement and Sustainment](#)
- [Reimagine Learning](#)
- [Feedback and Coaching Guide](#)
- [Leadership Competency Development Catalog](#)
- [Facilitated Training Programs](#)

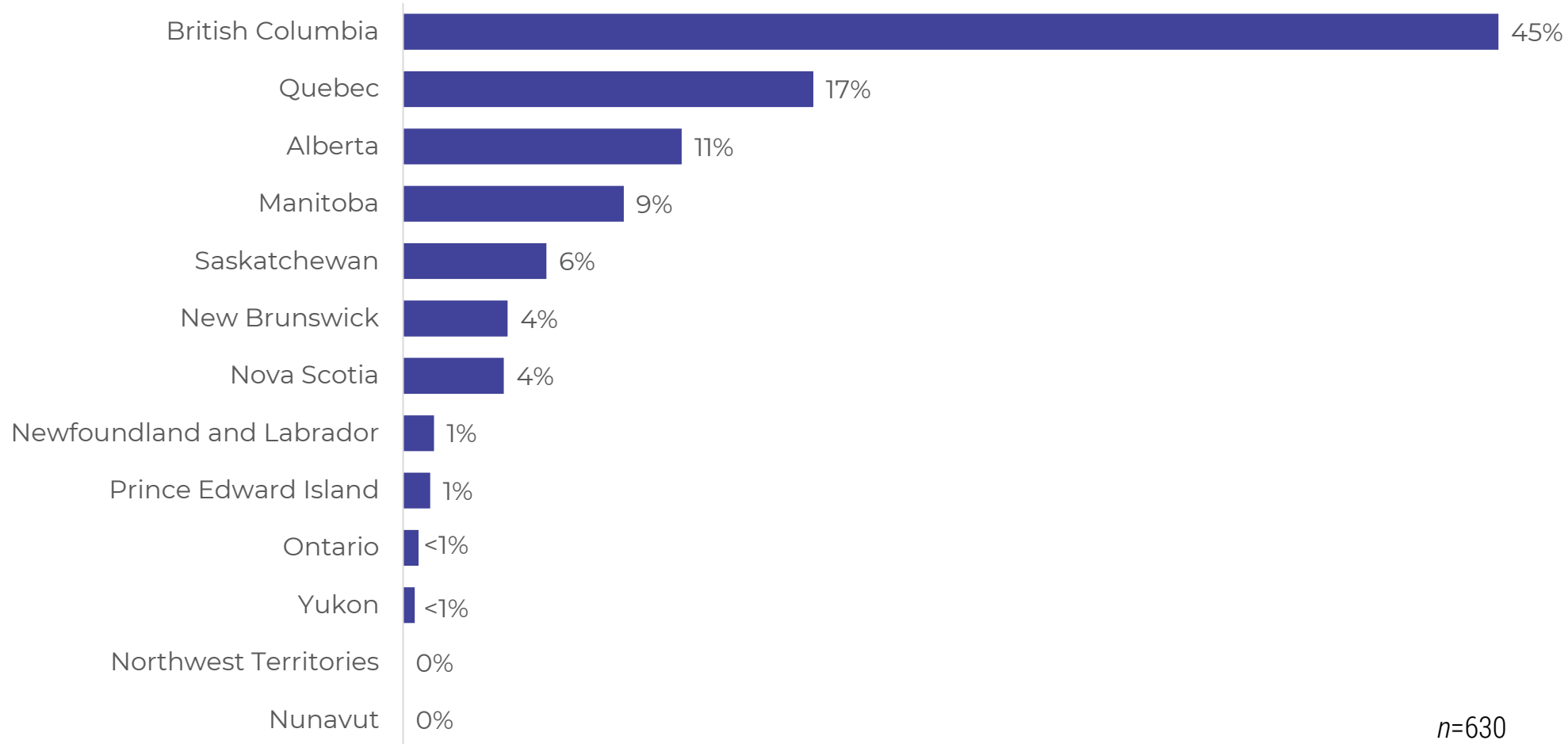
Reimagine roles and build a future-ready workforce using McLean & Company's [HR Guide to Job Redesign](#), [Address the Talent Gap Driven by Generative AI](#), and [Upskill for the Future](#) research. Prepare leaders for the future with [Build Impactful Leadership Development Programs](#) and its [Workshop](#).



CPHR Canada Custom HR Trends Data

Explore the data from five custom questions in the HR Trends 2026
Survey designed in collaboration with CPHR Canada.

What province or territory in Canada are you located in?



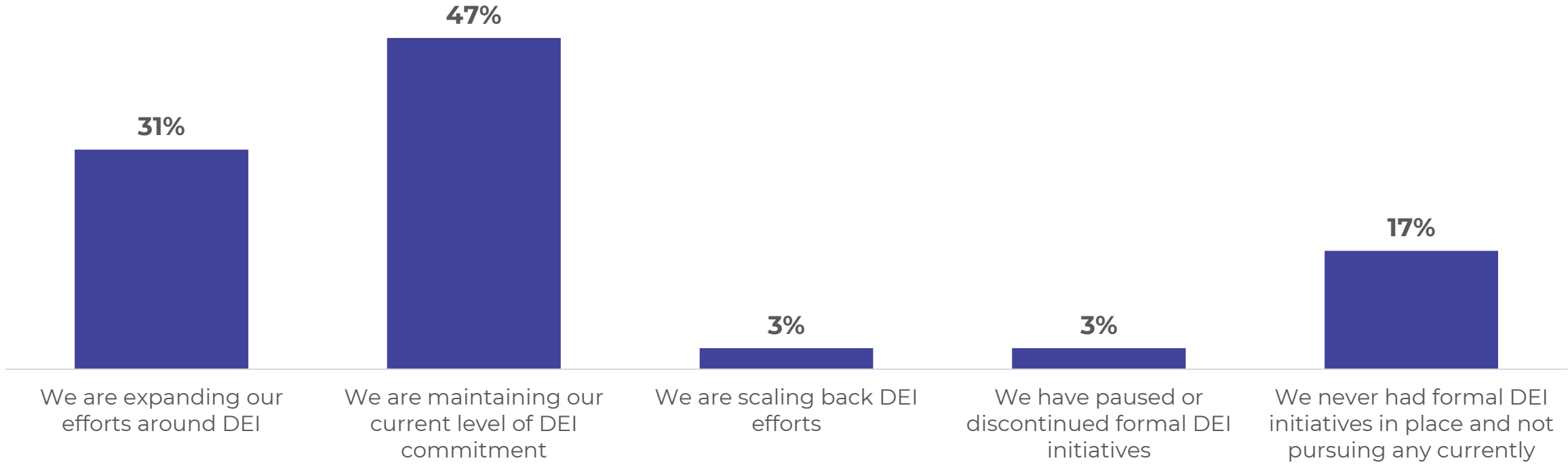
To what extent do you expect each of the 9 CPHR competency areas being impacted by AI over the next 5 years?

Rank order based on top 3 selection *n*=586

- 01 Technology and analytics (**87%**)
- 02 Innovation (**59%**)
- 03 Workforce planning and mobility (**48%**)
- 04 Learning, development, and succession planning (**39%**)
- 05 Organizational change and development (**24%**)
- 06 Total rewards (**20%**)
- 07 Total health and wellness (**9%**)
- 08 Employee and labour relations (**7%**)
- 08 Inclusion, diversity, and human connection (**7%**)

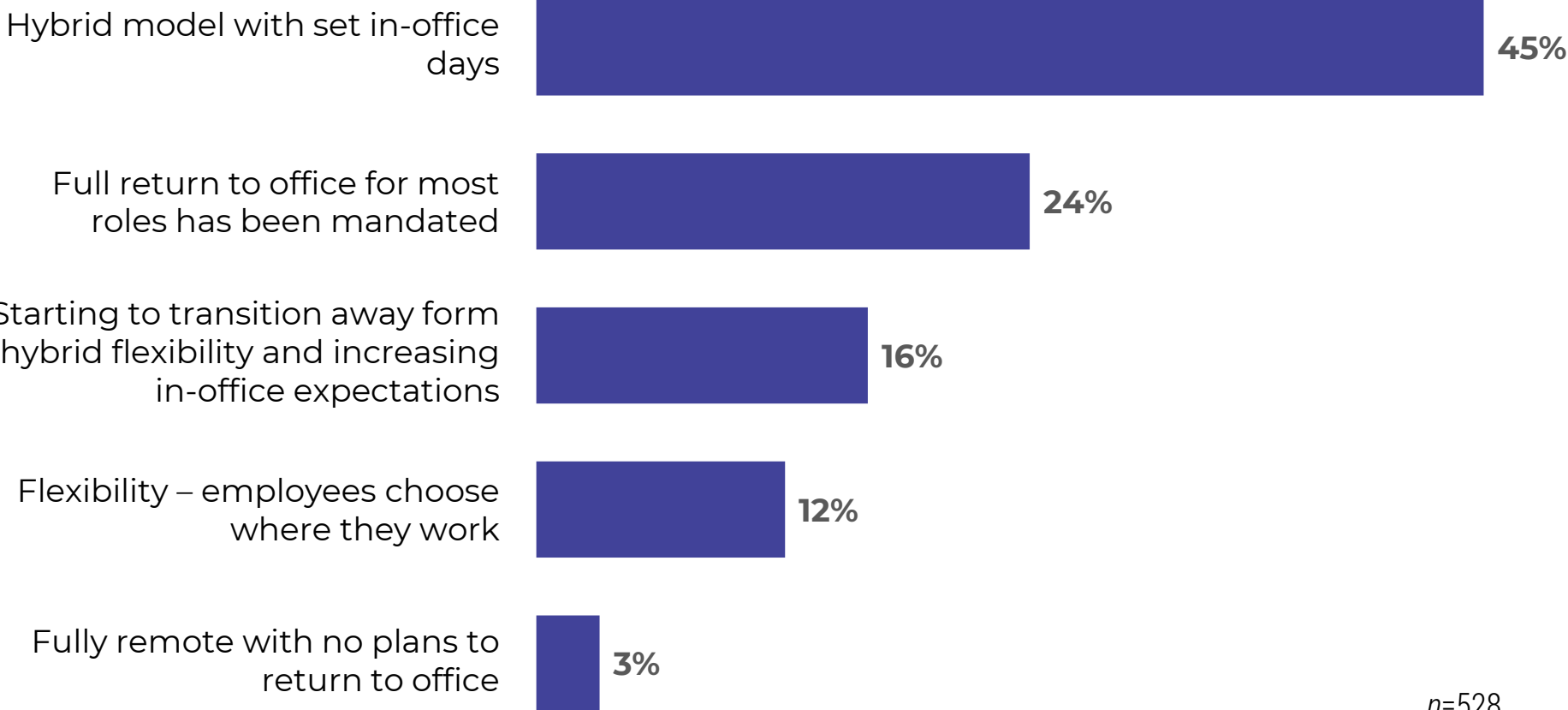
TIE

Which of the following best describes your organization's current approach to Diversity, Equity, and Inclusion (DEI) initiatives?



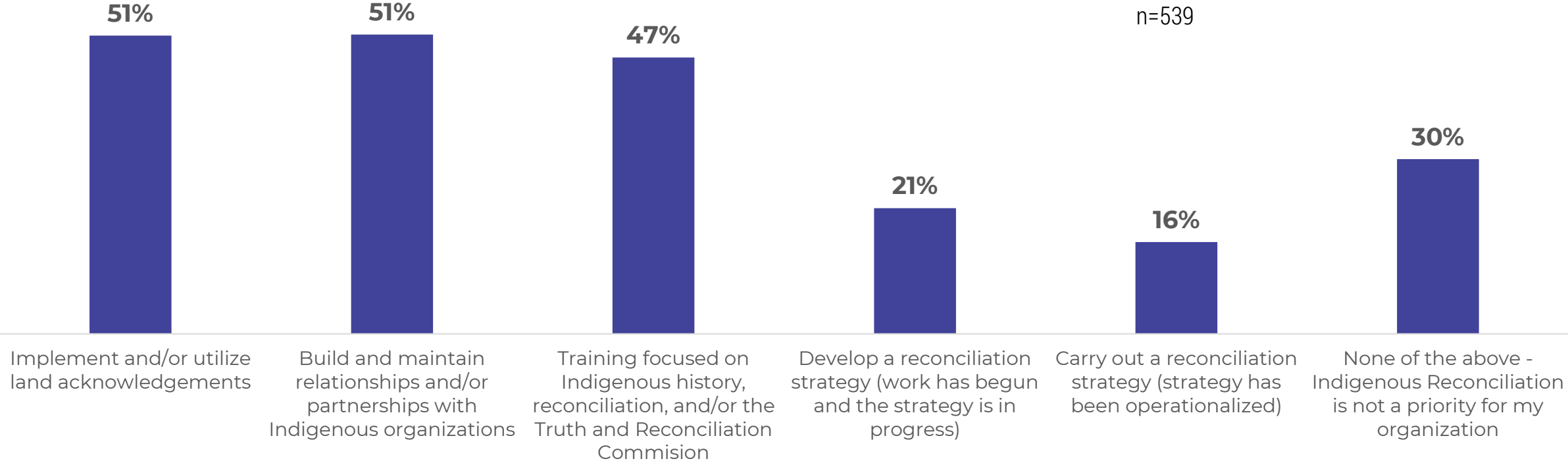
n=541

Which of the following best describes your organization's current approach to hybrid, remote, and in-office work?



n=528

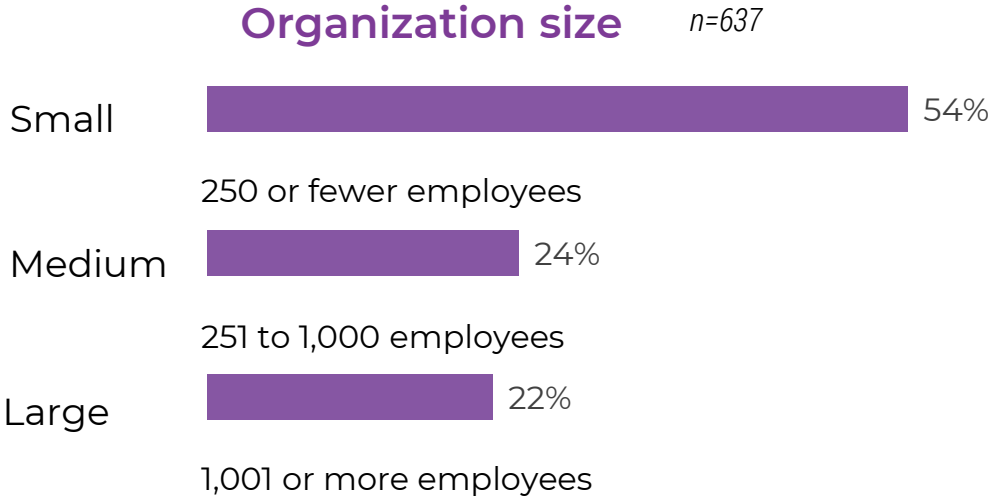
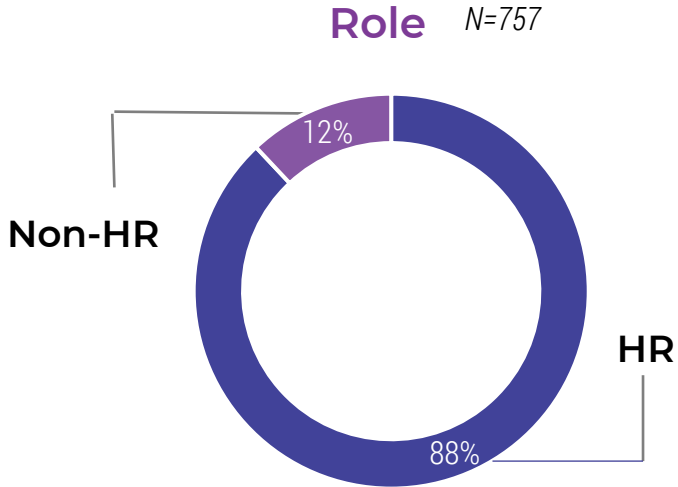
In consideration of Canada's Truth and Reconciliation Commission's Calls to Action, which of following actions has your organization taken to advance Indigenous Reconciliation?



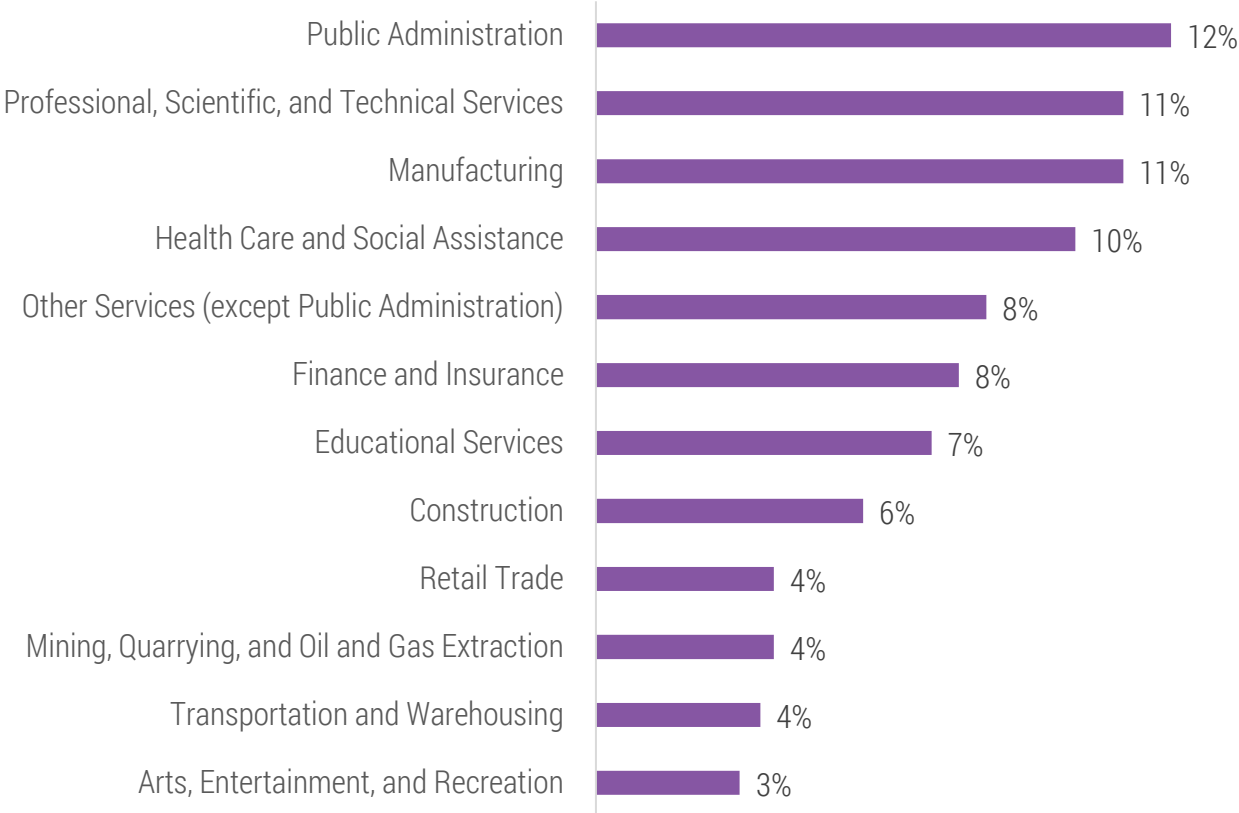


Appendices

Appendix I: Characteristics of 2026 CPHR Canada survey respondents



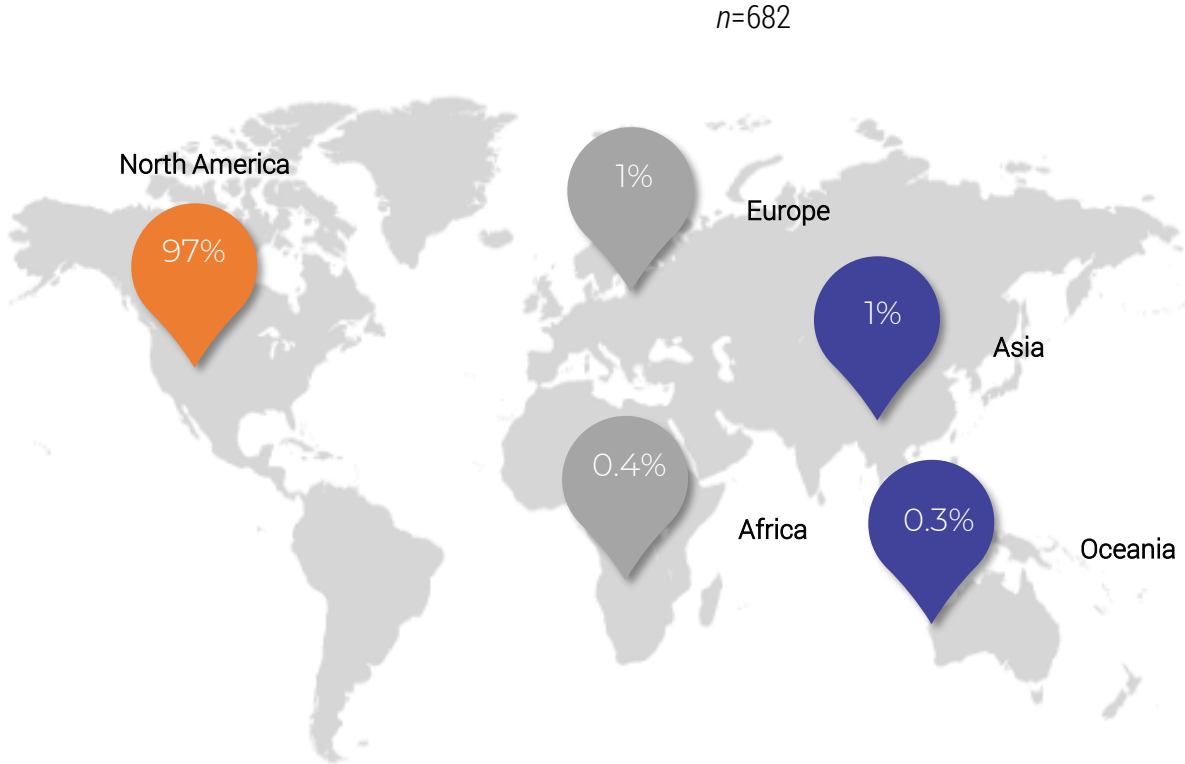
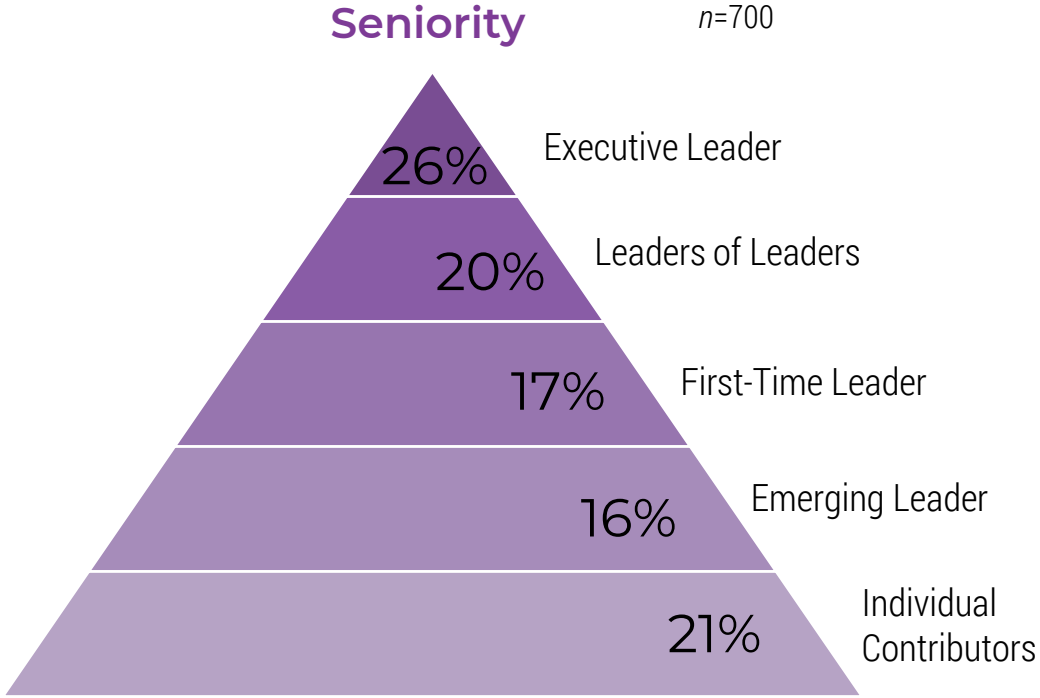
Respondents by industry *n=603*



*Industries selected based on the North American Classification system. Categories falling below 3% were omitted from the visual above, reflecting 11% of the overall CPHR Canada sample (*n=75*).

Appendix I cont'd: Characteristics of 2026 CPHR Canada survey respondents

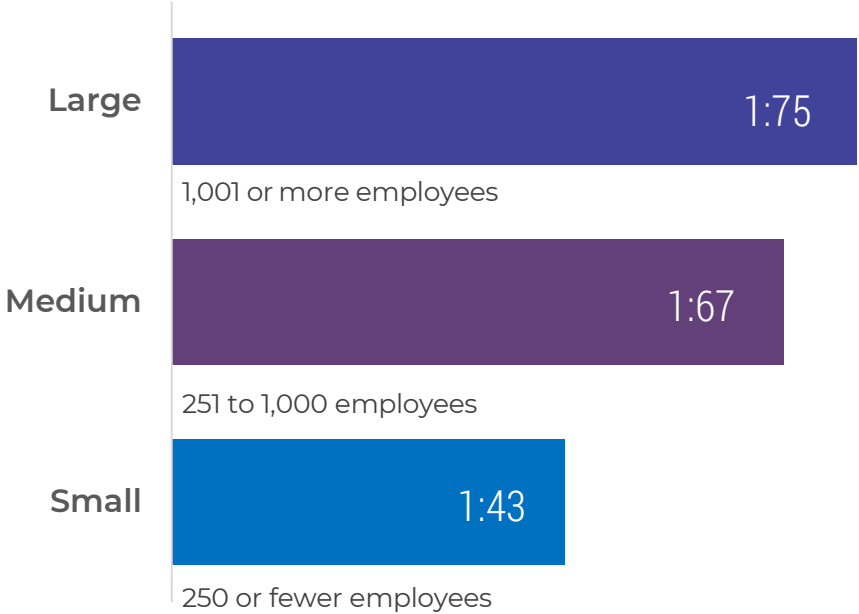
Location of the organization's headquarters



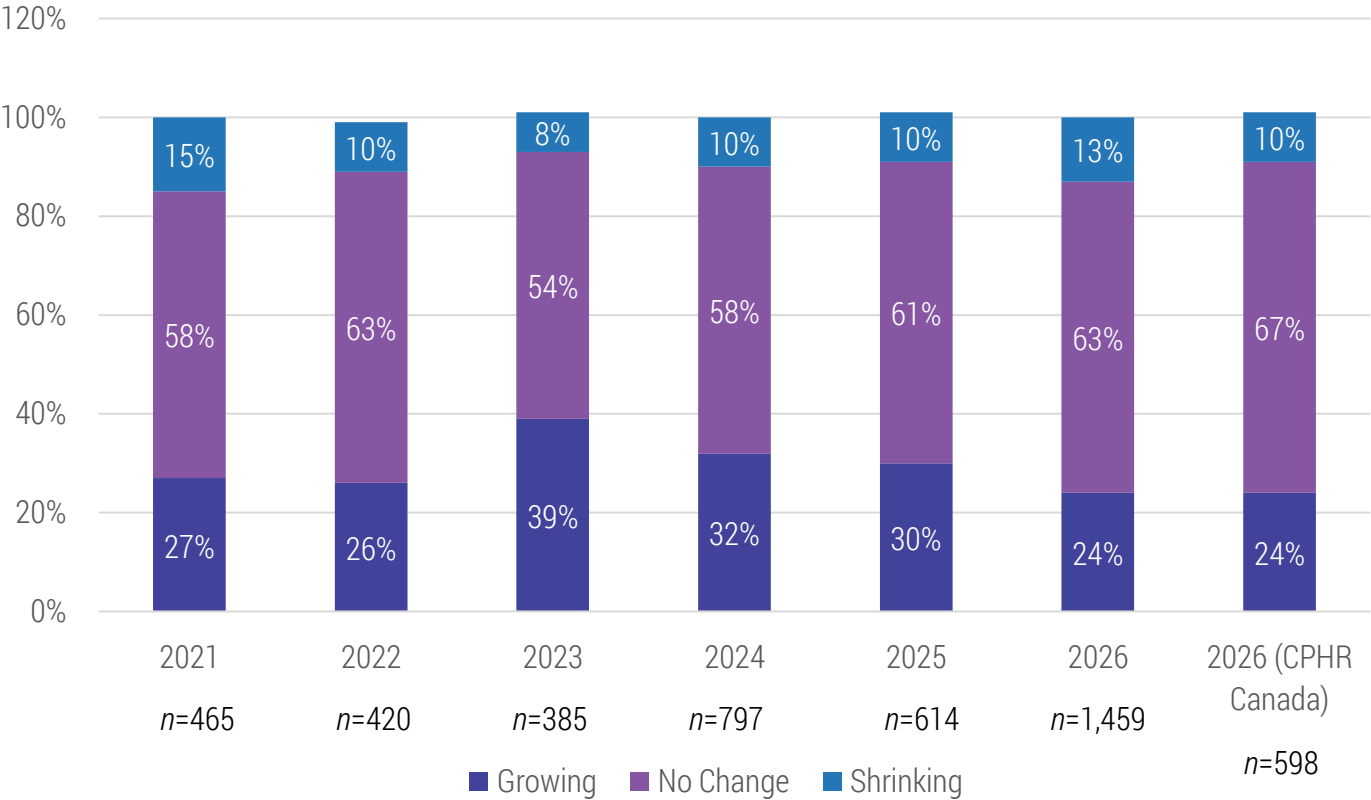
Appendix II: HR:FTE ratio and anticipated HR headcount change for CPHR Canada

Median HR FTE ratio by organization size

n=547



Anticipated change in HR headcount, including CPHR Canada dataset



Appendix III: Key terms in HR in 2026

Change fatigue: A condition characterized by feelings of apathy and passive resignation toward organizational changes. It occurs when employees are worn out by constant changes and are in a perpetual state of uncertainty about the future.

Digital transformation: “The integration of digital technology into all areas of a business resulting in fundamental changes to how businesses operate and how they deliver value to customers” (The Enterprisers Project). Digital transformation is different than digitalization (moving from analog to digital ways of working and storage of data) because it requires new ways of working and process changes.

Human-centric practices: Those that focus on the needs, experiences, and wellbeing of employees. It emphasizes creating organizational value by creating workplaces where everyone can thrive and be fully engaged and productive. It is complementary to, rather than opposed to, organizational goals and financial outcomes, recognizing that investing in employee wellbeing and development ultimately drives innovation, efficiency, and long-term success.

Human-centric leadership: The management of worker energy, wellbeing, engagement, and employee experience toward the achievement of organizational goals. It includes practices like feedback and performance management, coaching, recognition, and learning and development.

Scenario planning: Strategic method used to create agile action plans by envisioning multiple plausible future scenarios to anticipate and capitalize on potential changes, uncertainties, and opportunities.

Appendix IV: CPHR Canada's top 10 HR priorities for 2026

Top HR priorities for CPHR Canada organizations in 2026 *n=682*

- 01 Developing leaders
- 02 Providing a great employee experience
- 03 Enabling innovation
- 04 Recruiting
- 05 Retaining employees
- 06 Controlling labor costs
- 07 Navigating change and uncertainty*
- 08 Enabling learning & development
- 09 Facilitating data-driven people decisions
- 10 Fostering an environment of diversity, equity, and inclusion

*"Navigating change and uncertainty" appears only in the HR Trends 2026 Survey. It replaced "Supporting Change" from previous years.

Appendix V: Top 10 HR priorities for organizations in 2026 and 2025

Top HR priorities for organizations in 2026 *n=1,626*

- 01 Developing leaders
- 02 Enabling innovation
- 03 Providing a great employee experience
- 04 Retaining employees
- 05 Recruiting
- 06 Controlling labor costs
- 07 Navigating change and uncertainty
- 08 Enabling learning & development
- 09 Facilitating data-driven people decisions
- 10 Fostering an environment of diversity, equity, and inclusion

Top HR priorities for organizations in 2025 *n=779*

- 01 Developing leaders
- 02 Retaining employees*
- 03 Controlling labor costs
- 04 Providing a great employee experience
- 05 Recruiting
- 06 Supporting change
- 07 Enabling learning & development
- 08 Facilitating data-driven people decisions
- 09 Fostering an environment of diversity, equity, and inclusion
- 10 Enabling innovation

*Retaining employees was added in the HR Trends 2025 Survey.

Appendix V continued: Top 10 HR priorities for organizations in 2023 and 2024

Top HR priorities for organizations in 2024 *n=1,193*

- 01 Recruiting
- 02 Providing a great employee experience
- 03 Controlling labor costs
- 04 Developing leaders
- 05 Supporting change
- 06 Enabling innovation
- 07 Fostering an environment of diversity, equity, and inclusion
- 08 Facilitating data-driven people decisions
- 09 Enabling learning & development
- 10 Rapidly moving internal employees to staff strategic priorities

Top HR priorities for organizations in 2023 *n=1,075*

- 01 Recruiting
- 02 Providing a great employee experience
- 03 Developing leaders
- 04 Controlling labor costs
- 05 Enabling learning & development
- 06 Fostering an environment of diversity, equity, and inclusion
- 07 Supporting change
- 08 Facilitating data-driven people decisions
- 09 Enabling innovation
- 10 Providing a great candidate experience

Appendix V continued: Top 10 HR priorities for organizations in 2022 and 2021

Top HR priorities for organizations in 2022 n=826

- 01 Recruiting
- 02 Providing a great employee experience
- 03 Developing leaders
- 04 Controlling labor costs
- 05 Fostering an environment of diversity, equity, and inclusion
- 06 Enabling innovation
- 07 Enabling learning & development
- 08 Supporting change
- 09 Facilitating data-driven people decisions
- 10 Fostering a positive labor relations climate

Top HR priorities for organizations in 2021 n=850

- 01 Recruiting
- 02 Developing leaders
- 03 Controlling labor costs
- 04 Fostering an environment of diversity, equity, and inclusion
- 05 Providing a great employee experience
- 06 Fostering a positive labor relations climate
- 07 Supporting change
- 08 Enabling innovation
- 09 Enabling learning & development
- 10 Facilitating data-driven people decisions

Appendix VI: Top 10 HR priorities by industry

Top HR priorities for Manufacturing in 2026

n=284

- 01 Developing leaders
- 02 Providing a great employee experience
- 03 Enabling innovation
- 04 Recruiting
- 05 Controlling labor costs
- 06 Retaining employees
- 07 Enabling learning & development
- 08 Facilitating data-driven people decisions
- 09 Navigating change and uncertainty
- 10 Fostering an environment of diversity, equity, and inclusion

Top HR priorities for Professional, Scientific & Technical Services in 2026

n=196

- 01 Enabling innovation
- 02 Developing leaders
- 03 Providing a great employee experience
- 04 Enabling learning & development
- 05 Recruiting
- 06 Controlling labor costs
- 07 Navigating change and uncertainty
- 08 Retaining employees
- 09 Facilitating data-driven people decisions
- 10 Fostering an environment of diversity, equity, and inclusion

Top HR priorities for Health Care & Social Assistance in 2026

n=148

- 01 Recruiting
- 02 Retaining employees
- 03 Enabling innovation
- 04 Providing a great employee experience
- 05 Controlling labor costs
- 06 Developing leaders
- 07 Navigating change and uncertainty
- 08 Fostering an environment of diversity, equity, and inclusion
- 09 Enabling learning & development
- 10 Shaping organizational culture

Appendix VI: Top 10 HR priorities by industry

Top HR priorities for Finance and Insurance in 2026

n=146

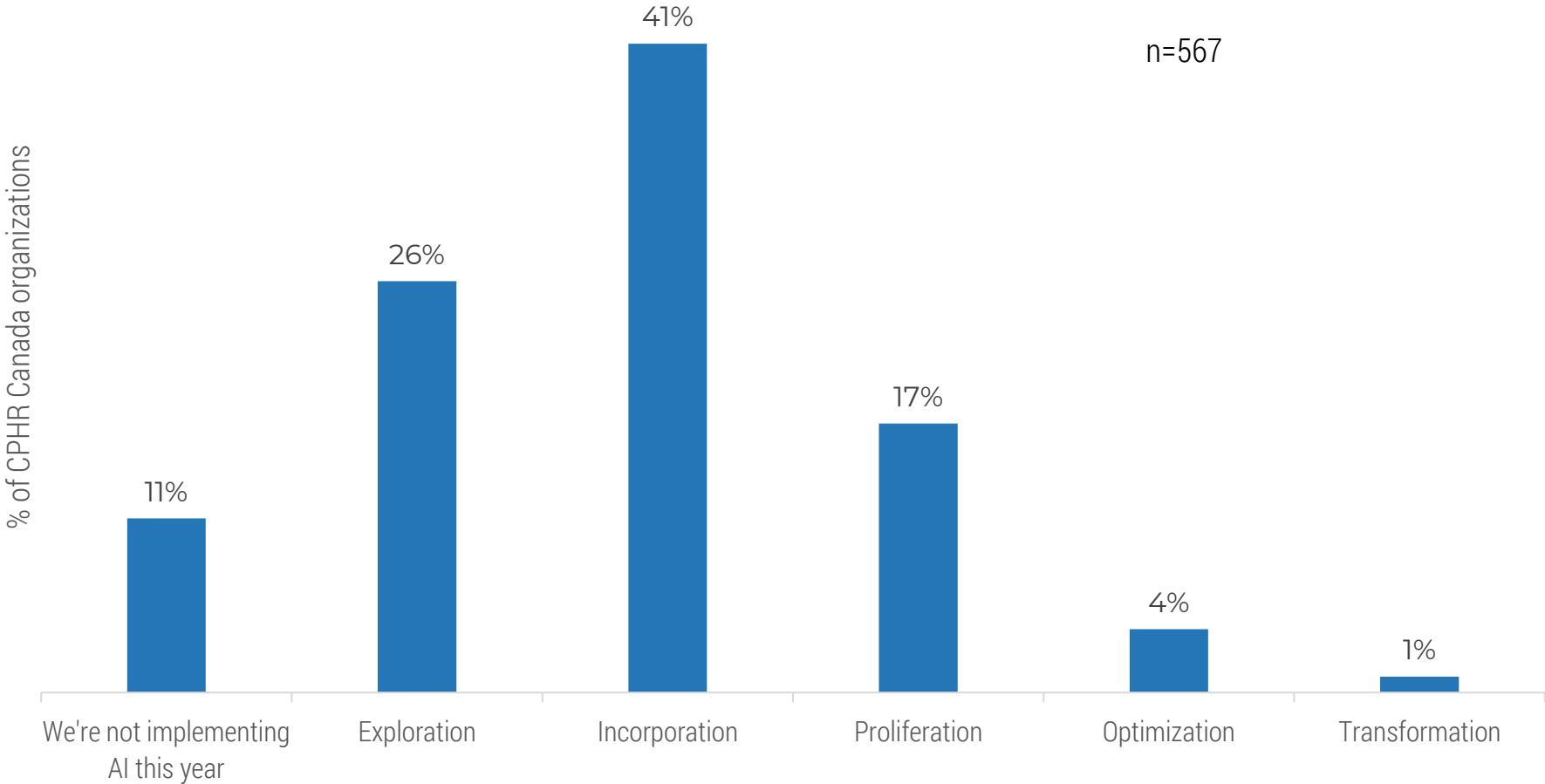
- 01 Retaining employees
- 02 Developing leaders
- 03 Controlling labor costs
- 04 Providing a great employee experience
- 05 Enabling innovation
- 06 Recruiting
- 07 Fostering an environment of diversity, equity, and inclusion
- 08 Enabling learning & development
- 09 Facilitating data-driven people decisions
- 10 Navigating change and uncertainty

Top HR priorities for Public Administration in 2026

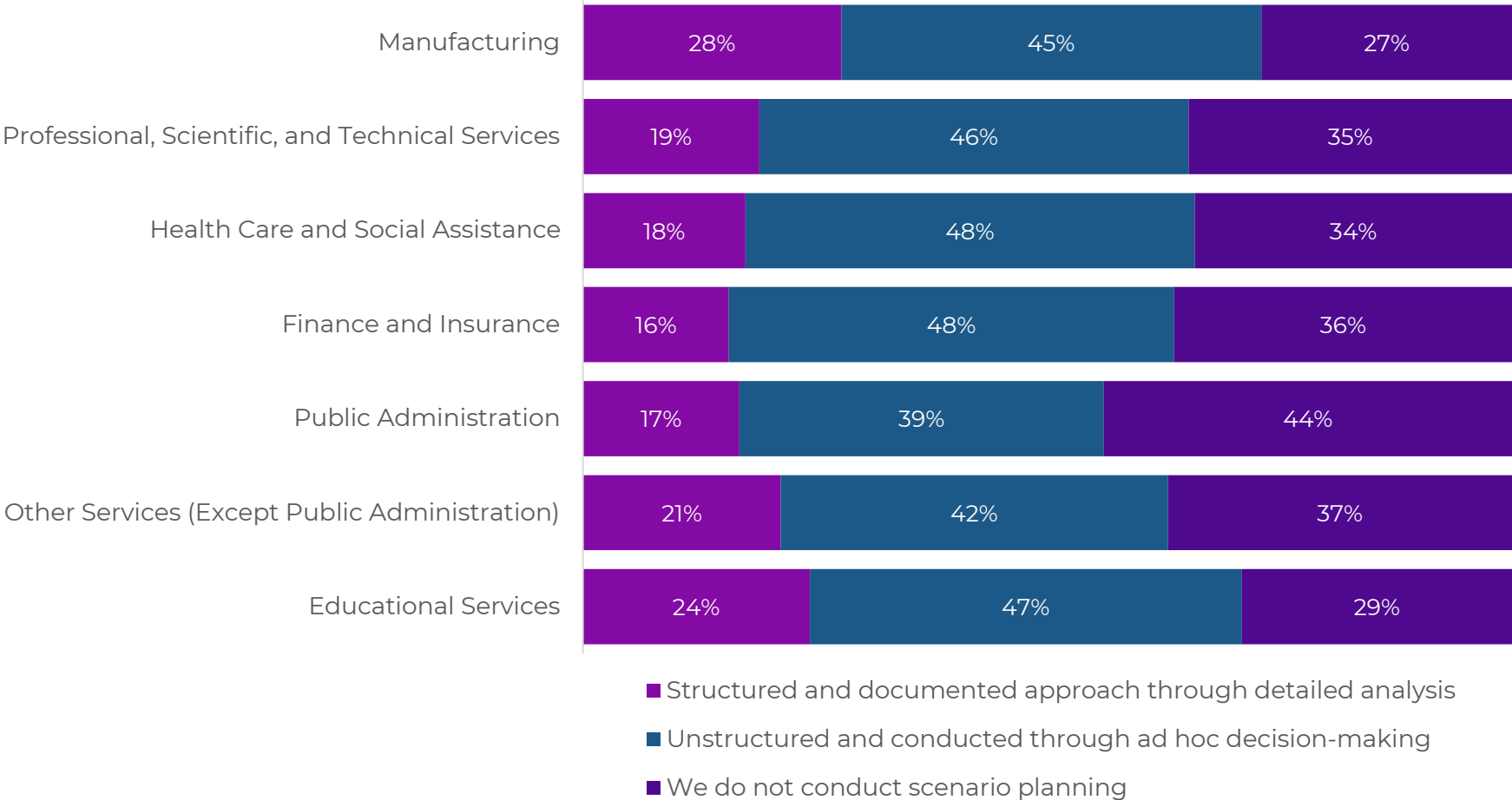
n=140

- 01 Providing a great employee experience
- 02 Enabling innovation
- 03 Recruiting
- 04 Developing leaders
- 05 Retaining employees
- 06 Shaping organizational culture
- 07 Fostering an environment of diversity, equity, and inclusion
- 08 Controlling labor costs
- 09 Enabling learning & development
- 10 Navigating change and uncertainty

Appendix VII: CPHR Canada's respondents AI maturity in 2026



Appendix VIII: Scenario planning by industry



n= 107-241

Appendix IX: Leader effectiveness at people leadership activities

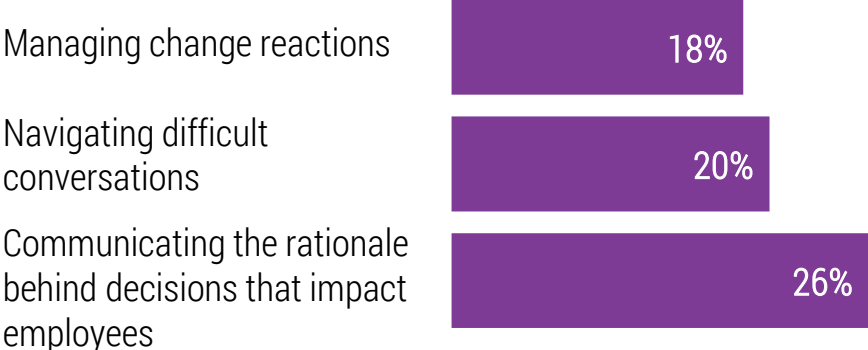
Talent management (n=1,375-1,379)

% of leaders highly effective at:



Change management (n=1,372-1,382)

% of leaders highly effective at:



Talent development (n=1,378-1,384)

% of leaders highly effective at:



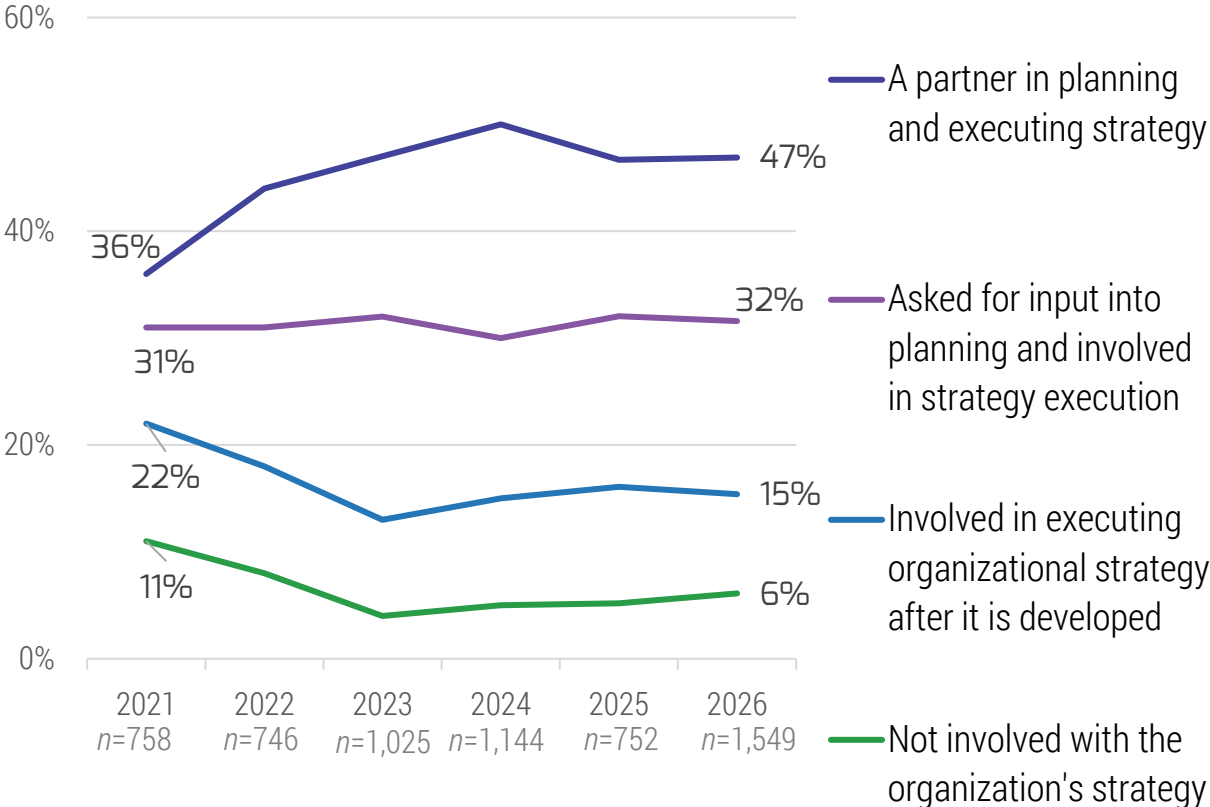
Employee engagement (n=1,372-1,386)

% of leaders highly effective at:



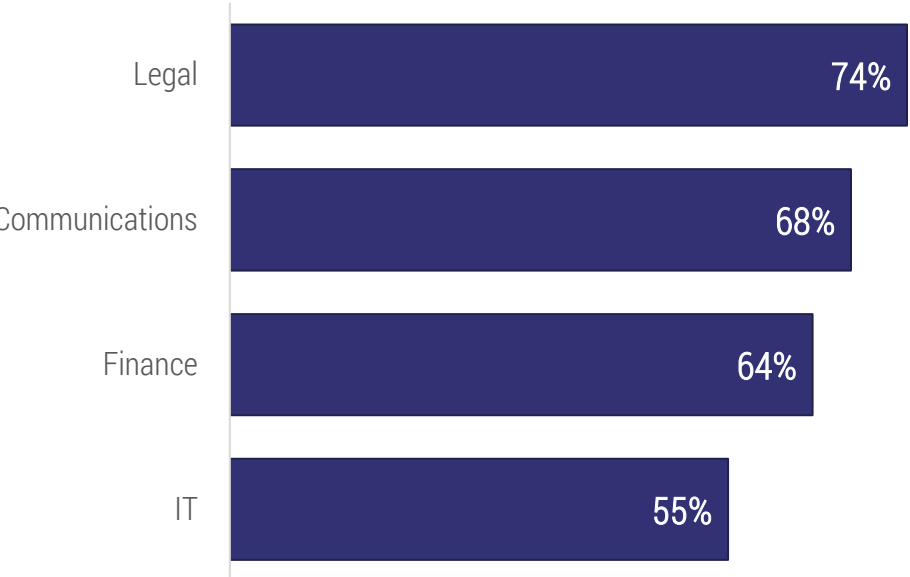
Appendix X: HR's involvement in organizational strategy and collaboration effectiveness

HR's involvement with the broader organizational strategy year over year:



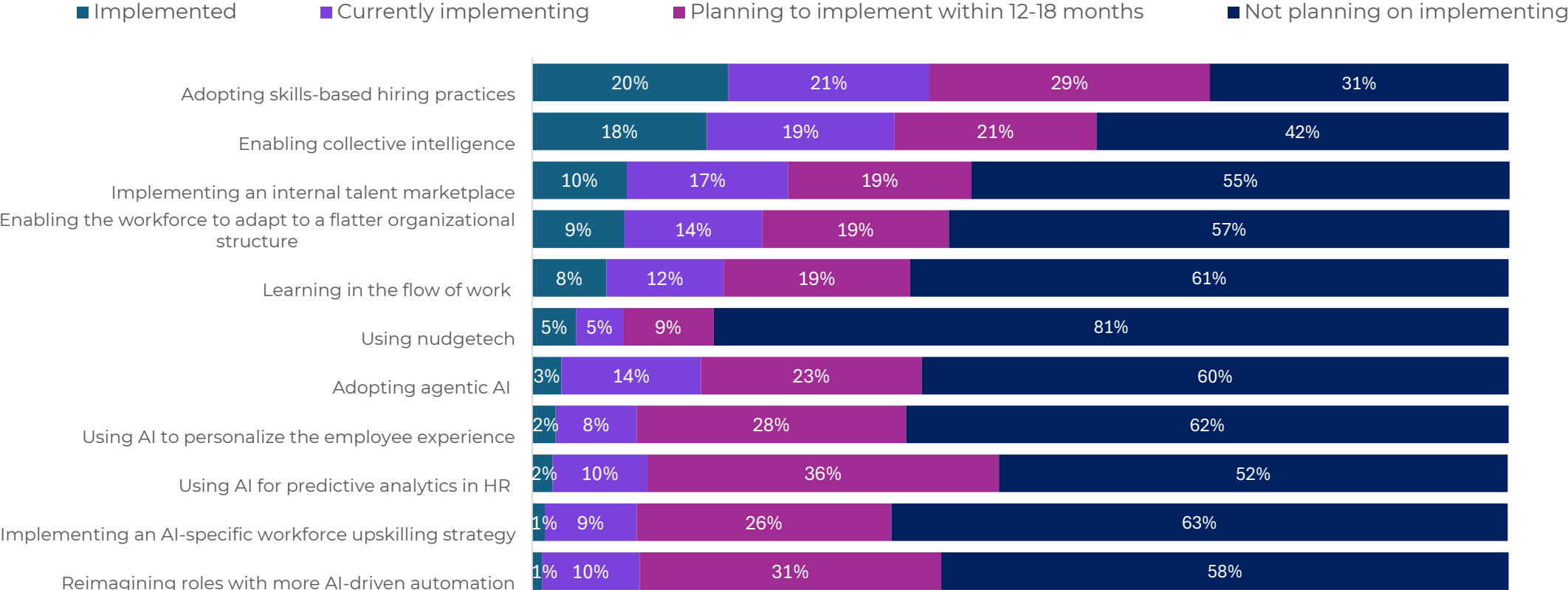
HR's effectiveness at collaborating with key partners:

% of HR organizations reporting they are highly effective at collaborating with the following functions, n=1,203-1,387



Appendix XI: Implementation rates of emerging HR trends

What is the current state of the following initiatives in your organization? *n=843-1,008*



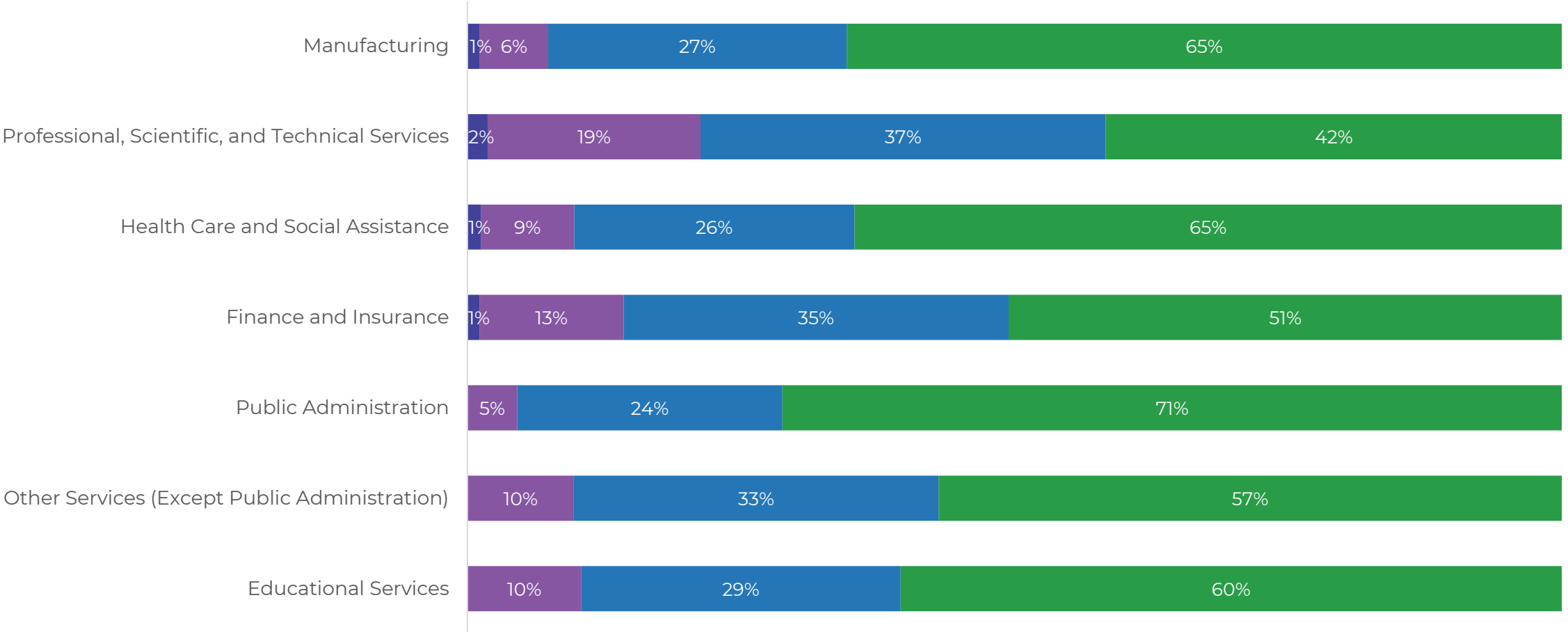
Appendix XII: Rankings of anticipated organizational impact across emerging trends

Organizations anticipating high organizational impact *n=984-1,055*



Appendix XIII: AI-driven role automation by industry

n=48-176



■ Implemented ■ Currently implementing ■ Planning to implement in 12 to 18 months ■ Not planning to implement

Research Contributors and Experts

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- Kelly Murphy Almerico, Assistant Vice President-Employee Experience at Ochsner Health
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- Missy Strong, Senior Lead, People Experience, Pigment
- Michel Boucher, Vice President Human Resources, Royal Canadian Mint
- Chris Collins, Head of Human Resources, The Citco Group Limited
- David Hawthorne, Chief People Officer, Anchor Point Management Group
- René Ramirez, Chief Executive Officer, HomeFirst

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- McLean Academy, an unrivaled online development program for HR team members.
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Senior Vice President,
Human Resources – Pharmaceuticals
Manufacturing

“My Executive Counselor is a thoughtful listener, really understands the challenges my company is facing, and provides valuable insights and approaches, enabling me to best leverage McLean’s resources and advance my company’s talent agenda.”

Vice President, People – Software

“My Executive Counselor is an extension of my HR team. He knows the team, he knows the barriers we’re facing and he helps to address those concerns on a monthly basis.”

Chief People Officer – Healthcare



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The logo for McLEAN & COMPANY is centered in the image. The word "McLEAN" is in a dark purple serif font, with an ampersand "&" in a green color. Below it, the word "COMPANY" is in the same dark purple serif font. The background features a complex network of blue and purple lines and dots, resembling a data visualization or a molecular structure, with a soft purple glow on the right side.

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