



CORNERSTONE 2026 PREDICTIONS REPORT

# What every leader needs to know about the accelerating human + AI workforce transformation



# Foreword from Cornerstone CEO, Himanshu Palsule

I've been leading through change for long enough that very little surprises me. Every wave of technology, market shift, or disruption has its own pace but can follow a pattern that has industrial revolution-era similarities. A few years ago, the idea of all employees in the workforce working alongside AI, for many felt distant enough in the future. Today, it's part of our daily routine, and we already rely on it.

If you've been following the headlines of 2025, it sounds like AI is embedded in every working system, and it is. But here's the truth: most of what's being deployed today won't yet live up to the promise. In 2026, billions more will be poured into AI, AI mandates will continue, and organizations will still struggle to maximize its impact.

Why? Because AI on its own can't replicate all that makes us human. What are organizations? The literal definition is "a body of people with a purpose." Again, what are the fundamental functions and attributes commonly cited that AI cannot replace: what makes humans uniquely human?

Which is why AI initiatives finding impact is reliant on reliable workforce data and grounded in the real context of how work (by you, your people, at your organization) happens. The organizations that succeed will be the ones that see AI not as a separate initiative but as a force woven into the fabric of how people, skills, and systems come together to create value.

We've all been hearing for the last few years that "change is faster than ever." But this time, it's different. The pace is compounding. Every shift in skills, every new technology, every new expectation seems to collide and accelerate the rest. That's what 2026 will feel like. The ground under work itself is moving. Entry-level roles are thinning out, and AI agents are stepping in as digital teammates, reshaping how people and AI work together at every level. As leaders, we're all navigating this same tension, trying to move fast enough to keep pace with change, while staying grounded enough to make choices that drive real outcomes.

The reality is that transformation is never over. Leaders today who are succeeding are the ones willing to test, to learn fast, and to redesign how we think about completing the work itself. But before you sprint ahead, take a step back. Look hard at your starting point. Check your workforce, who you have, what they can do, and where the gaps are growing. Get real about your talent, your skills, and your capacity to adapt. Collect data that shows what's actually happening, not just what looks good on a slide.

That's exactly what this year's report is designed to help with. Not distant trends, but what's unfolding around us all and how to make sense of it for the year ahead. So, as you read our insights, think about what they mean for your teams, your strategy, and your own evolution as a leader.

Sincerely,

**Himanshu Palsule**  
CEO, Cornerstone



# Human + AI workforce transformation is here

What will the workforce look like in 2026? Most prediction reports will point to one thing: AI. Put it everywhere and let it handle the work. But here's the catch, when everyone uses the same AI models, outputs start to look the same. What accelerates speed can also erase differentiation. **And in a world where capital, technology, and data are easy to copy, people remain the ultimate differentiator.**

But with labor supply tightening and skills evolving faster than most companies can sustain, they can't rely only on their human workforce either. The human + AI workforce transformation is both already underway and just beginning.

To shape the workforce of 2026, leaders must redesign it to maximize both AI productivity and uniquely human capability that differentiates their business.

## WHAT'S COMING IN 2026

### Prediction 1

**CHROs and CIOs will collaborate to reshape the workforce**

### Prediction 2

**AI ROI will be won with workforce context and data**

### Prediction 3

**Growth organizations will adopt new workforce models at scale**

### Prediction 4

**The last divide between technical and people jobs will disappear**

### Prediction 5

**The next era of 'in the flow of work' learning will redefine L&D**

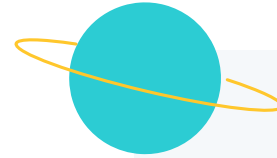
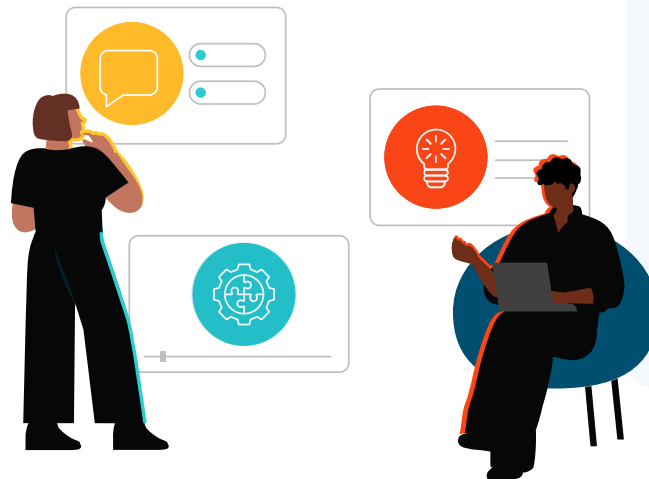
## PREDICTION 1:

# CHROs and CIOs will collaborate to reshape the workforce

The workforce is no longer just people. It's now made up of capabilities delivered by both humans and AI. HR understands how to plan, develop, and deploy human capability. While IT enables digital capability through productivity tools, automation, and AI agents.

A 2025 Nexthink survey of 1,100 IT leaders showed that 93% believe bringing IT and HR together would increase productivity, boost employee satisfaction, and drive engagement.\*

\*Nexthink, 2025.  
The Experience Silo: The Future of HR and IT



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AI is changing everything about how work gets done. HR and IT must lead workforce strategy together, connecting human capability with digital capability in a way that brings out the best in both.”

**Carina Cortez**

Chief People Officer, Cornerstone





## Why CHROs and CIOs will design the workforce together

- **IT is evolving from system provider to capability provider** – The CIO's remit now includes delivering AI-powered capability with AI agents that perform repeatable work.
- **HR is evolving as not only a capability builder but also a productivity driver** – CHROs are increasingly measured on not only engagement and other traditional people measures but also cost and productivity. Integrating AI into workforce design enables them to meet these targets.
- **Workforce planning is evolving to include both humans and systems** – The CHRO and CIO must weigh cost, risk, capacity, and capability of humans and systems together. This requires shared data, governance, and decision-making.

By combining HR's capability insights with IT's productivity expertise, CHROs and CIOs have an incredible opportunity to elevate together as co-creators of workforce capability and productivity.

## How this new CHRO and CIO partnership will work

The two main factors that make the CHRO and CIO collaboration work in practice are:

- **A shared workforce intelligence backbone that connects people and systems data** – This gives the entire C-suite a single source of truth for where capability sits, what's missing, and how to deploy it.
- **Unified productivity goals and measurements that align HR and IT around the same outcomes** – To meet these goals, both leaders will have to collaborate on a workforce design and scenario planning that includes human and AI capability. Failing to do so will hinder both of their abilities to link investments directly to measurable outputs and cost efficiencies.

### What leaders can do to empower this partnership

- ✓ Build a joint capability strategy that unites people systems, workforce data, and AI governance, defining how human and digital capabilities will grow together
- ✓ Expand workforce planning to include both human and AI capacity, weighing cost, risk, and capability tradeoffs across all sources
- ✓ Manage workforce planning like a P&L with shared accountability for cost, risk, and business outcomes

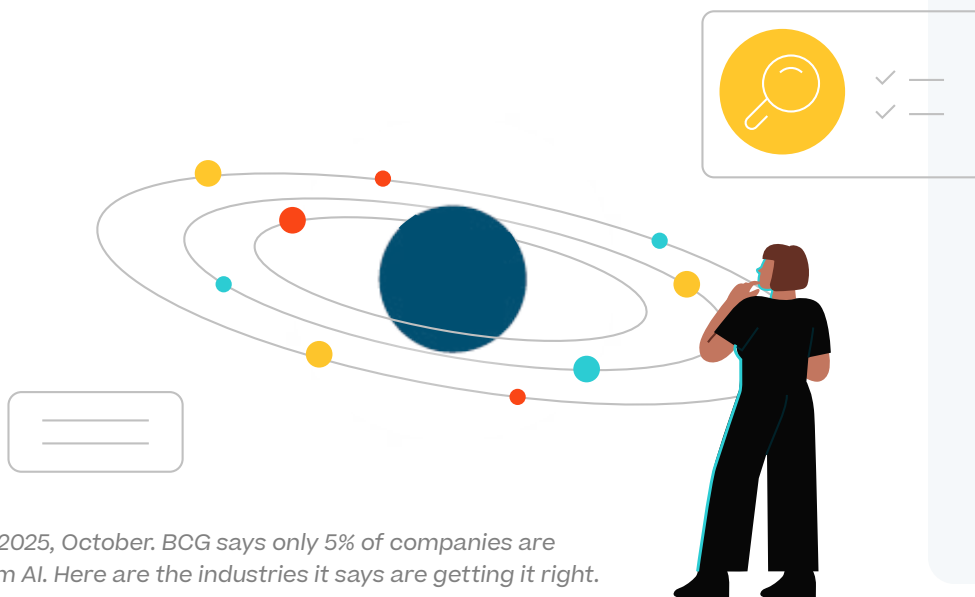


## PREDICTION 2:

# AI ROI will be won with workforce context and data

Organizations everywhere are racing to apply AI. Yet most efforts are struggling to deliver meaningful impact. Pilots stall, integrations become costly, and ROI remains uneven.

According to a new report from Boston Consulting Group, only 5% of companies in its 2025 study of more than 1,250 global firms are seeing real returns on AI.\*



*\*Business Insider, 2025, October. BCG says only 5% of companies are deriving value from AI. Here are the industries it says are getting it right.*

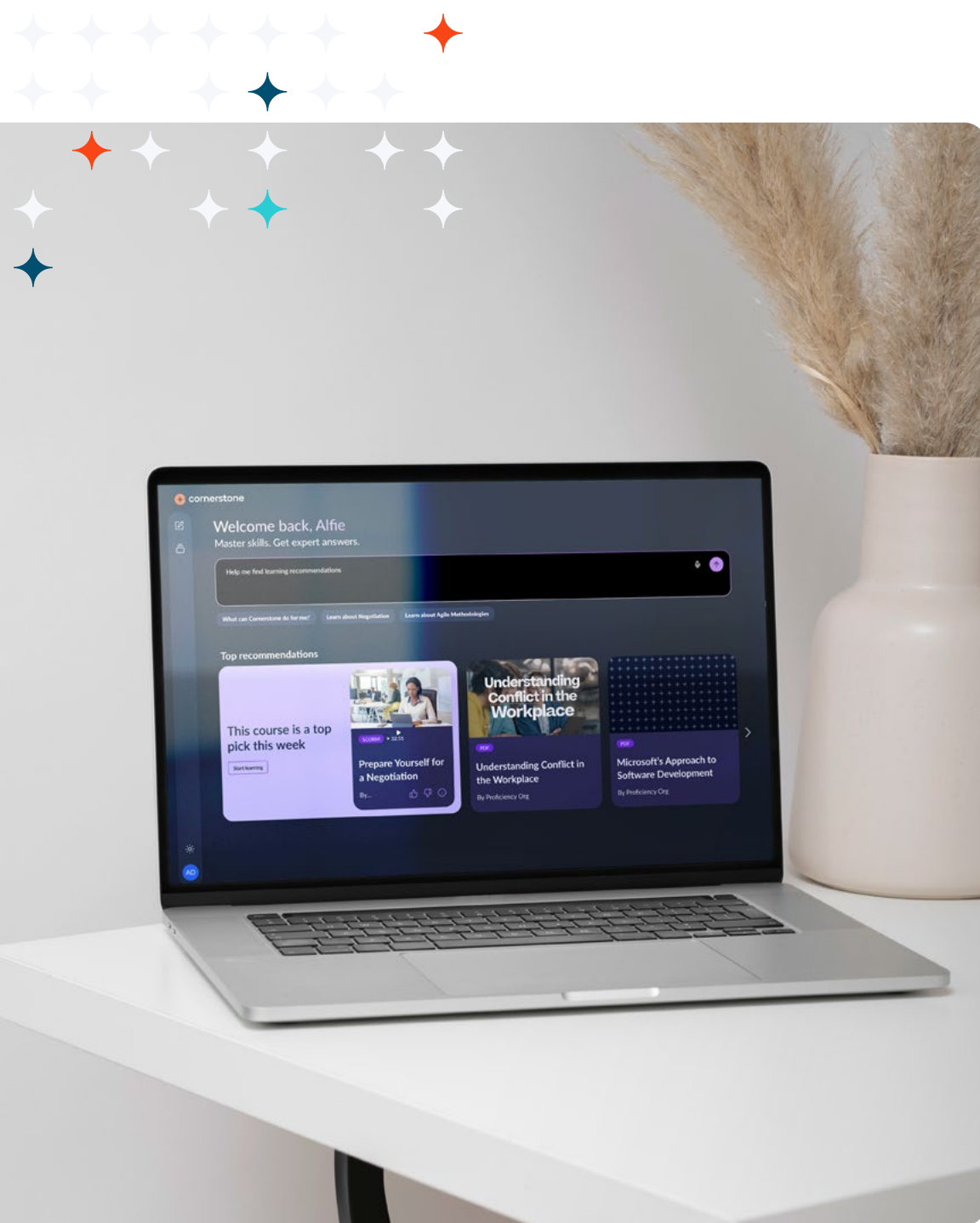
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AI that cannot understand people, their roles, and how they connect to the company’s processes and technologies will always fall short. Without this alignment, tools operate in silos, automating tasks without advancing capability or performance. The result is an expanding gap between AI experimentation and business value.”

**Guna Jayaraman**

Chief AI Officer, Cornerstone





## What's hindering AI ROI

The core part of the problem is context. AI tools must meet a multitude of C-suite expectations:

- CHROs want AI that strengthens workforce capability and readiness
- CIOs demand secure integration and governance
- CTOs seek innovation and speed through seamless collaboration between humans and agents

Yet today's isolated AI retrofits cannot meet these expectations. They remain thin on enterprise context, short on durable memory, and weak on access control and observability.

## How focusing on workforce context and data improves AI ROI

When AI understands the work, the people, and the business it serves, organizations can:

- Identify where AI can automate tasks and where human judgment still matters
- Improve accuracy, trust, and usability so AI decisions reflect the nuance of your organization
- Accelerate adoption and ROI by connecting AI outputs to real workforce data on capabilities and productivity



## Hold workforce data to a higher standard

Organizations have typically tracked supply chains and customers better than their own people. This imbalance can lead to poor workforce data that undermines AI's value. In 2026, organizations must hold their workforce data to the same standards they hold their financial or operational data: standardized, accurate, and central to planning. Think less about HR dashboards and more about enterprise data lakes.

This means integrating labor market signals and internal skills inventories together to create one view of talent supply and demand. Not only because it's essential to planning workforce capability needs, but also because it's foundational for effective AI as well.

### What leaders can do to ensure AI ROI through workforce context

- ✓ Build a workforce data layer that combines internal skills, labor market data, and talent supply/demand into a single source of truth
- ✓ Treat workforce data like ERP or CRM data: reliable, auditable, and strategic for decision-making
- ✓ Ensure every major AI investment is planned and integrated with workforce data and context, so AI delivers value grounded in how their unique business operates



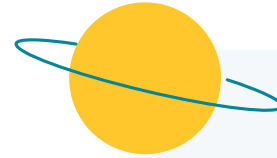
### PREDICTION 3:

## Growth organizations will adopt new workforce models at scale

Today, skills, technology, and customers' demands are shifting faster than traditional workforce models can manage them.

Organizations have mastered strategic agility but still face lengthy timelines when sourcing the capabilities required to execute new initiatives. HR has long experimented with new working models and worker types, but in 2026, skills scarcity, market speed, and AI agents will see organizations adopting new workforce models at scale in three ways:

- How they source capabilities
- How they organize, manage, and create accountability for work
- How they plan, adapt, and flex capabilities



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Today, if you don't have an adaptive workforce, you won't survive, let alone compete. Growth only happens if you can deploy the right capability -- people, partners, and AI -- to opportunity faster than the competition.”

**Michael Pawlyszyn**

Chief Revenue Officer, Americas,  
Cornerstone



## Growth organizations will shift where they source capabilities

The idea of a workforce made up of only full-time employees has faded. 2026 will require companies to increasingly operate with a blended workforce composition made up of two additional types of talent:

- **Borrowed talent** – These are gig workers, fractional talent, contractors, and stretch assignments who can provide flexible capacity and specialized skills
- **AI agents** – These are agentic systems that can act autonomously and increase capacity

## They will evolve how they organize, manage, and create accountability for work

The strategic imperative for leaders is shifting because AI agents are increasingly taking operational tasks. When workflows assign tasks to both people and systems, teams will need increased transparency and new ways to collaborate. Leaders now must define where human judgment adds irreplaceable value and decide where to integrate automation effectively to enhance that core human contribution.

Then they will need to redefine responsibilities and clarify accountability for when AI acts independently.



## How growth organizations plan, adapt, and flex capabilities will change too

Organizations need real-time visibility into tasks, skills, capacity, and demand to allocate talent and AI effectively. This requires continuous workforce planning across the build, buy, borrow, and bot spectrum that:

- Identifies when to leverage each capability source to balance cost and speed
- Determines which tasks to shift to AI and where to keep human judgment to minimize risk
- Flexes capabilities by redeploying people to where the business needs them most

### What leaders can do to adopt new workforce models without interruption

- ☑ Prioritize continuous workforce planning that uses real-time capability supply and demand as a foundation to make build, buy, borrow, or bot decisions
- ☑ Use workforce intelligence to identify where AI takes over and where human judgment is needed
- ☑ Proactively adopt workforce models, processes, and culture that allow you to allocate capabilities at speed to where your business needs most

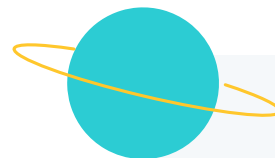
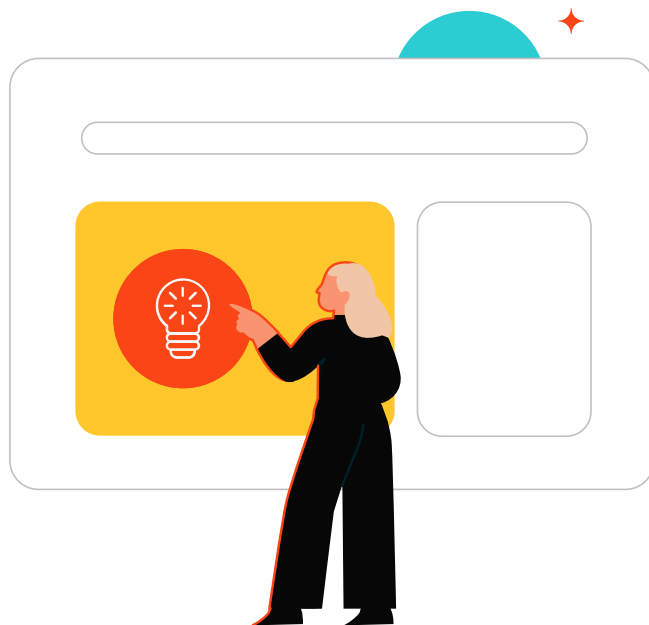




#### PREDICTION 4:

## The last divide between technical and people jobs will disappear

In 2026, the long-standing divide between “technical” and “people” jobs will disappear. Digital transformation blurred the line; AI has erased it entirely. Every role now demands both human and technical capability: digital fluency, systems thinking, and AI literacy alongside judgment, creativity, and leadership.

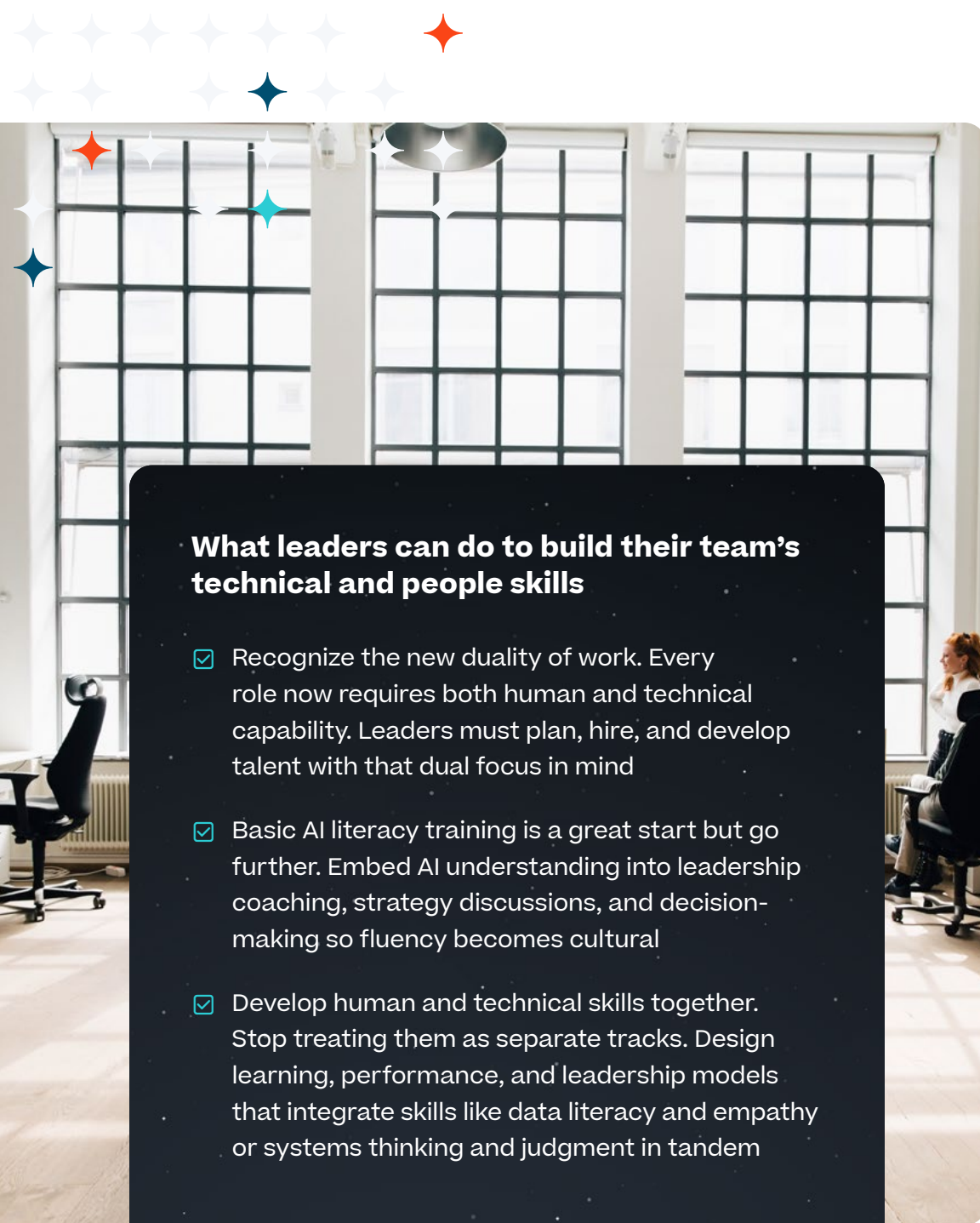


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AI is reshaping work at both ends. It’s automating the technical tasks we once delivered, while amplifying the uniquely human ones AI can’t replace. The future workforce won’t be technical or human-centered, it will be both.”

**Himanshu Baxi**

Chief Development Officer, Cornerstone



### What leaders can do to build their team's technical and people skills

- ☑ Recognize the new duality of work. Every role now requires both human and technical capability. Leaders must plan, hire, and develop talent with that dual focus in mind
- ☑ Basic AI literacy training is a great start but go further. Embed AI understanding into leadership coaching, strategy discussions, and decision-making so fluency becomes cultural
- ☑ Develop human and technical skills together. Stop treating them as separate tracks. Design learning, performance, and leadership models that integrate skills like data literacy and empathy or systems thinking and judgment in tandem

## Across industries, this convergence is visible in the data\*

- AI and machine learning skills have surged by +245% since 2023, overtaking communication as the most requested skill globally for the first time in a decade
- Traditional people roles like customer service now require data analytics (+22%), or educators' AI proficiency (+278%)
- Demand for emotional intelligence (+95%), resilience and flexibility (+42%), and leadership and social influence (+28%) has spiked as AI reshapes how engineers, analysts, and IT teams collaborate.

*\* Cornerstone 2026 Skills Economy Report*

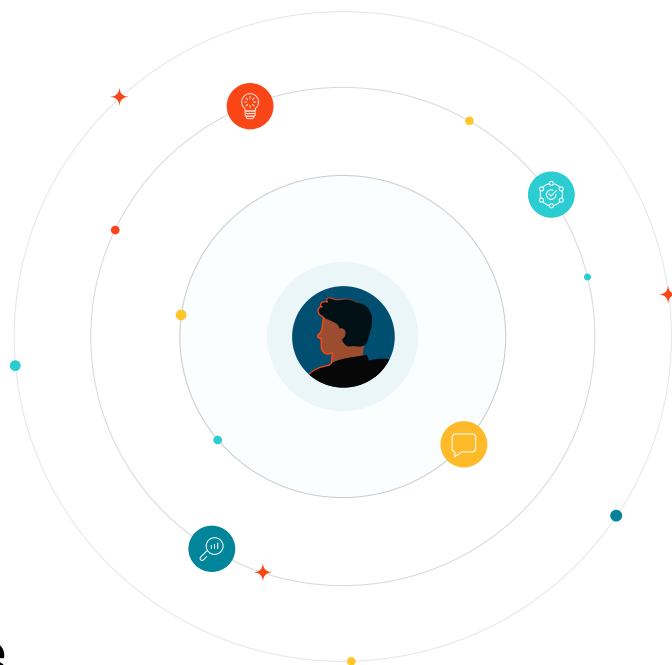
## How capability building will change

In 2026, success will depend on how effectively organizations develop technical and people capabilities together. Many organizations focus on implementing AI systems without teaching people how to use, question, or collaborate with them. Similarly, they are emphasizing uniquely human skills like judgment, critical thinking, and problem-solving but lack structured ways to build these skills. This means capability building must emphasize not only building these skills but building them simultaneously.

## PREDICTION 5:

# The next era of “in the flow of work” learning will redefine L&D

For the past decade, learning and development (L&D) innovation has focused on “in the flow of work” learning. The aim was to embed learning into productivity tools, making it easier to access content without leaving the workflow. But in 2026, learning and productivity will evolve to orchestrate each other, completely redefining L&D.



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The rise of AI agents that can navigate both learning and productivity tools makes it possible to link what employees are learning with what they’re working on in real time. This alignment turns every learning journey into a working journey and every work project into structured skill development.”

**Vincent Belliveau**

Chief International Officer, Cornerstone



## How AI agents will redefine L&D

The boundaries between the learning system and productivity system will fade into the background. The same agent that recommends learning will help apply it, track the outcome, and feed results back into both performance and capability models.

### Examples of what the next era of “in the flow of work” will look like:

- As a marketing specialist completes a course on AI-driven campaign analytics, an AI agent automatically recommends an opportunity to analyze predictive targeting from an existing campaign. The agent pulls relevant documents from productivity apps and tracks skill application in real time.
- In a cross-functional product team, an AI agent reviews each member’s skills, development goals, and availability, and dynamically assigns project tasks accordingly. It also recommends additional stakeholders who can provide expert advice and feedback loops.
- As a sales rep finishes microlearning on objection handling, an AI agent in their CRM flags a live opportunity to apply it. It surfaces relevant playbooks, tracks skill use during the call, and updates learning recommendations based on performance outcomes.



## This new model will solve the biggest challenges that have limited L&D's impact

- **No more time gap** – Learning and working happen simultaneously. Employees learn through work, guided by intelligent agents that blend performance tasks with skill-building steps
- **No more measurement gap** – Productivity data becomes learning data. As employees complete work, AI measures how skills are built, applied, and improved in real time
- **No more impact gap** – Learning outcomes connect directly to business outcomes, shortening the path from capability building to value creation.

### What leaders can do to harness the next era of “in the flow of work” learning

- ☑️ Redefine learning as part of work design. Treat every workflow as both a productivity and capability-building opportunity
- ☑️ Invest in AI orchestration, not just integration. Learning and productivity systems must share context so AI agents can connect what people learn to what they do
- ☑️ Re-think learning in the flow of work as a joint workflow where skill building and day-to-day work become the same process



## CONCLUSION

# Every leader's first 3 steps to succeed through the human + AI workforce transformation

The human + AI workforce transformation is already here. It's already redefining how organizations plan, develop, and deploy talent. And as we enter 2026, here are concrete, role-specific first steps to help leaders across the organization stay ahead and stay relevant.

### FOR CEOS AND BUSINESS LEADERS

- ✦ Assess your real-time visibility of skills, capacity, and labor trends, and invest in data infrastructure to close gaps
- ✦ Evaluate how connected your AI, workforce, and scenario planning strategies are, and the opportunities to have them more closely linked
- ✦ Identify what workforce capabilities you may need to pivot as your business strategy changes and assess how quickly you could make those shifts if needed

### FOR CHROS AND PEOPLE LEADERS

- ✦ Identify what skills and labor market data you track and what gaps prevent visibility into capability supply and demand
- ✦ Open a discussion with your CIO/CTO about how to implement AI as a part of your workforce capability strategy
- ✦ Pick a high-impact job family and redefine its tasks, workflows, and skills with AI capability

The success of any organization in 2026 is going to be built on AI. But a simple reliance on AI negates any company's most strategic resource: its human workforce. Those who want to move faster than their competitors will redesign their workforce to maximize human + AI capability. And if you're ready to move faster, unite your workforce with Cornerstone.

Plan and develop your people for more by leveraging agentic AI, powered by best-in-class workforce data, that orchestrates increased productivity and growth. 2026 can be the year you redefine what human + AI potential can be before everyone else defines it for you.

For more on how AI is reshaping work in 2026, be sure to [explore the 2026 Cornerstone Skills Economy Report](#).

### FOR CIOs AND TECHNOLOGY LEADERS

- ✦ Create a decision tree that helps define where AI can provide workforce capacity and where human capability and judgement is still required
- ✦ Explore joint ownership with your CHRO of workforce planning, capability deployment, and productivity measurement
- ✦ Reconsider how to orchestrate workforce development and productivity workflows together via agentic AI to improve work context and effectiveness

### FOR L&D AND CAPABILITY BUILDERS

- ✦ Include guidance on how to use, question, and collaborate with AI systems in every aspect of learning, including a focus on leadership development
- ✦ Identify where learning can create a significant impact on productivity and how you would measure that. Start by looking at top business priorities where skill gaps are a concern
- ✦ Run an experiment where learning and productivity are a joint workflow. Collaborate with IT to identify agentic AI that can link one learning track, one project, and one output directly

**Cornerstone Galaxy, the complete AI-powered workforce agility platform, allows organizations to identify skills gaps and development opportunities, retain and engage top talent, and provide multimodal learning experiences to meet the diverse needs of the modern workforce.**

**Schedule A Demo**