

THE 6 BIGGEST WORKFORCE TRENDS IN 2026

IN THIS GUIDE, WE TAKE A LOOK AT THE WORKFORCES OF 2026. LEARN HOW THESE NEW APPROACHES, PHILOSOPHIES AND TRENDS CAN HELP YOUR ORGANIZATION STAY AHEAD OF THE CURVE AND REMAIN COMPETITIVE.

The logo for Contrax, featuring the word "contrax" in a lowercase, sans-serif font. A green checkmark is positioned above the letter 'o'.



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INTRODUCTION

From the Great Resignation to quiet quitting to the normalization of hybrid work, the past few years have reshaped the language—and reality—of work. Now in 2026, the conversation has evolved again.

After a period of rapid change and uncertainty, organizations are no longer simply reacting to disruption—they're recalibrating. The workplace hasn't "returned to normal"; it has matured into a more performance-driven, tech-enabled, and accountability-focused environment shaped by AI adoption, cost discipline, and shifting employee expectations.

Today's workforce is defined less by buzzwords and more by measurable outcomes. Flexibility remains important, but it is increasingly balanced with productivity, engagement, and value creation. Leaders are under pressure to do more with leaner teams, optimize talent through automation and AI, and rethink how contingent and full-time talent work together in an evolving economic landscape.

In 2026, workforce strategy is no longer a support function—it's a competitive differentiator. With ongoing economic uncertainty, geopolitical pressures, immigration shifts, and rapid advancements in workforce technology, organizations must take a proactive and data-driven approach to talent planning.

With that in mind, we've developed this guide to the six most significant workforce trends shaping 2026. From AI-enabled workforce planning and the strategic use of contingent talent to global mobility shifts and evolving workforce management solutions, understanding these trends will position your organization to build resilience, control costs, and unlock sustainable growth in the year ahead.



ECONOMIC RECALIBRATION IN 2026: NAVIGATING SLOWER GROWTH AND STRATEGIC COST PRESSURE

It has been nearly two decades since the last major global financial crisis, and over that time the economy has moved through cycles of expansion, stimulus, disruption, recovery, and tightening. Following years of historically low interest rates and aggressive growth strategies, the market environment in 2026 looks very different.

While headlines no longer focus solely on an impending recession, organizations are operating in what many economists describe as a prolonged period of economic recalibration. Growth has slowed, capital is more expensive, and margin pressure has become the norm rather than the exception. Business leaders are planning cautiously, prioritizing resilience over rapid expansion.



“Global growth has slowed considerably, leaving the world economy in a fragile, low-velocity state where the risk of prolonged stagnation remains high.”

Persistent inflationary pressures, higher borrowing costs, global supply chain realignment, geopolitical instability, and ongoing labor market imbalances have created a complex operating environment. Wage expectations remain elevated, productivity scrutiny has intensified, and organizations are being forced to optimize their workforce structures to protect profitability.

Rather than preparing for a short-term downturn, companies in 2026 are adjusting to a “higher-for-longer” economic reality. The focus has shifted from expansion at all costs to disciplined workforce planning, smarter cost management, and strategic investment in automation and AI to drive sustainable efficiency.

In this environment, organizations that proactively align workforce strategy with economic conditions will be better positioned to maintain stability, protect margins, and capture growth opportunities as the next cycle emerges.

The World Bank has attributed the slowdown to the rapid and highly synchronized monetary tightening implemented across major economies. Elevated interest rates, reduced liquidity, and tighter credit conditions have collectively dampened global investment and consumer spending. The Bank has cautioned that in such a fragile environment, any additional economic shocks could further weaken growth momentum.

While a sharp global recession is not a certainty, the current climate reflects sustained economic pressure rather than a short-term dip. Slower growth, prolonged higher interest rates, cautious corporate spending, and softening labor markets are shaping business decisions. Inflation has moderated in some regions but cost structures remain elevated, forcing organizations to rethink capital allocation and workforce strategy.

If a downturn deepens, it is unlikely to resemble the abrupt and highly visible recessions of 2001 or 2008. Instead of a dramatic collapse, the present cycle is characterized by gradual deceleration—longer, more muted, and defined by persistent margin pressure rather than immediate crisis. For many businesses, the challenge is not surviving a sudden shock, but navigating sustained economic restraint while maintaining productivity and competitiveness.



THE CONTINGENT WORKFORCE CONTINUES TO EXPAND IN 2026

The shift toward contingent talent that accelerated during the Great Recession has become a defining feature of the modern labor market—one that is stronger and more strategic in 2026 than ever before. Rather than being a temporary response to downturns, flexible work arrangements are now core components of workforce strategy, helping organizations maintain agility, control costs, and access specialized skills in an uncertain economic environment.

In 2026, approximately 30 % of the U.S. private workforce is contingent or gig-based, and contingent talent is contributing hundreds of billions to the economy — with organizations saving significantly on labor costs compared to traditional employment models.

The broader contingent workforce ecosystem is large and growing. Globally, the contingent workforce management market — which includes technology, staffing, and services that support flexible talent models — is projected to expand from roughly US \$190 billion in 2024 to nearly US \$493 billion by 2033, reflecting sustained demand for AI-enabled and on-demand labor solutions.



How Leveraging the How Leveraging the Contingent Workforce Strengthens Resilience in 2026

Businesses that strategically integrate contingent talent into their workforce planning can gain a competitive edge, especially in a slower-growth, cost-conscious economy. Contingent Workforce Strengthens Resilience in 2026

1 – Optimize Costs and Protect Profitability: With enhanced visibility of contingent talent, organizations can prevent uncontrolled spend, eliminate inefficiencies, and ensure that hiring decisions align with strategic priorities. By controlling costs across contractors, freelancers, and temporary staff, companies can maintain profitability while continuing to invest in growth—even in a challenging economic environment.

2 – Enhance Agility and Responsiveness: Economic conditions in 2026 are dynamic, and businesses need the flexibility to adjust quickly to market shifts. A robust contingent workforce program allows organizations to scale talent up or down, access specialized skills on demand, and respond rapidly to project or client needs. This agility ensures that companies remain competitive and can seize opportunities without over committing resources during periods of uncertainty.

Today, the majority of organizations (around 85 %) use contingent workers to fill critical skill gaps quickly, particularly for roles involving AI, cyber-security, data analytics, and other specialized functions where full-time talent is scarce.

This growth is driven by multiple factors:

Speed and flexibility: Employers use contingent talent to scale quickly and adapt to shifting project demands — especially in technology, digital transformation, and innovation programs.

Cost and operational efficiency: Contingent engagement often reduces benefit and overhead costs while delivering expertise on shorter time horizons.

Global and remote talent adoption: Digital platforms and remote work have expanded access to a worldwide pool of independent professionals, blurring traditional geographic constraints.

Strategic workforce planning: Employers increasingly view contingent workforce programs as long-term capabilities, not stopgaps, integrating them alongside full-time employees in hybrid workforce models.

By recognizing the value of contingent talent — and investing in the systems to manage it effectively — organizations can become more resilient, responsive, and competitive in a labor market defined by change and skill scarcity.



REMOTE HYBRID WORK IS A STRATEGIC IMPERATIVE IN 2026

Over the past several years, the move toward remote and hybrid work has accelerated beyond a temporary response to disruption—it has become a defining feature of the modern workplace. Today, a significant portion of the global workforce expects flexibility: research shows that roughly 65–70% of employees aged 22–65 now work remotely at least part of the time, while an increasing number of companies operate fully remote or hybrid models.

Top talent is actively seeking organizations that offer flexible work options. In a labor market still constrained by skills shortages and heightened competition for specialized roles, businesses that fail to meet these expectations risk losing their best employees.

To attract new talent and retain high-performing team members in 2026, companies must provide adaptable work arrangements that blend in-office collaboration with remote work opportunities. Flexible work is no longer just a perk—it drives employee engagement, productivity, and loyalty.

Beyond boosting satisfaction and retention, remote and hybrid models also offer tangible business benefits, including:

- ✓ **Reduced operational costs:** Lower overhead from office space and on-site resources.
- ✓ **Access to a wider talent pool:** Ability to recruit from global markets without geographic limitations.
- ✓ **Increased resilience:** Teams can continue to operate seamlessly during disruptions, whether economic, environmental, or technological.
- ✓ **Enhanced innovation and productivity:** Flexible arrangements enable employees to work when and where they perform best.



4 Key Considerations for Managing a Global Contingent Workforce in 2026

1 – Centralize Your Contingent Workforce Strategy

Without a centralized strategy, managing a global contingent workforce can lead to lost visibility, uncontrolled spend, and inconsistent workforce quality. Hiring managers may pay varying rates to different suppliers or manage contingent talent independently, storing information across disconnected spreadsheets, emails, and systems. Centralizing your strategy ensures consistent policies, better cost control, and a clear, real-time view of your global workforce.

2 – Partner with a Contingent Workforce Specialist

Managing a dispersed, multi-country contingent workforce is complex and resource-intensive. It requires deep expertise in global labor regulations, vendor management, compliance, and workforce analytics. If your organization lacks the internal resources or experience, outsourcing to a specialist provider can deliver immediate efficiency, compliance, and ROI, while freeing internal teams to focus on core business priorities.

3 – Ensure Proper Classification Across Regions

Employment and tax regulations vary widely across countries, states, and cities. Misclassification of contingent workers can lead to legal exposure, fines, and reputational risk. Implement standardized, repeatable processes to correctly classify and engage contingent workers in each region, ensuring regulatory compliance and smooth re-engagement when needed.

4 – Pay Competitive, Market-Aligned Rates

Balancing cost control with access to top talent is critical. Overpaying wastes resources, but underpaying risks losing high-caliber contingent talent. In a global workforce, rates must align with local market conditions. Conduct market research and partner with trusted vendors to ensure your organization attracts the best talent efficiently, without compromising quality or overspending.

Leveraging Global Talent to Address Workforce Shortages in 2026

One of the strongest trends shaping workforce strategy today is the continued use of remote and distributed teams to overcome domestic labor shortages. Rather than relying solely on local talent, organizations are increasingly turning to global solutions to access skills that may be scarce in their home markets.

This shift has fueled rapid growth in Employer of Record (EOR) and global contingent workforce solutions. EOR providers allow companies to hire talent in foreign markets quickly and compliantly, without the complexities of setting up local entities. The global EOR market is projected to continue expanding, with estimates suggesting it could surpass USD \$3 billion by 2027, reflecting strong demand for cross-border talent solutions.

Companies that implement effective multi-country contingent workforce programs gain multiple advantages: greater flexibility, faster access to critical skills, and the ability to respond to changing market needs. In an environment of growing competition and persistent talent shortages, a global talent strategy is no longer optional—it is a strategic differentiator that enables organizations to maintain performance, drive innovation, and capture new revenue opportunities.

Address labor shortages globally: Remote and cross-border talent fills domestic skill gaps.

Leverage EOR solutions: Hire internationally without setting up local entities; market projected to exceed \$3B by 2027.

Boost flexibility and performance: Multi-country contingent workforce enables faster access to skills and adaptability to market changes.



RISING IMMIGRATION IN CANADA SUPPORTS WORKFORCE GROWTH IN 2026

During the pandemic, strict travel restrictions created significant immigration backlogs, worsening labor shortages in key industries around the world. By 2026, many countries are actively working to clear these backlogs, making immigration a critical lever for workforce and economic growth.

Canada has steadily increased its immigration targets, aiming to welcome 500,000 permanent residents in 2025, with immigration contributing nearly 100% of labor force growth. The government is focusing on sectors facing the greatest talent gaps, including healthcare, skilled trades, technology, and manufacturing. Similarly, the United States has seen record levels of naturalizations, helping to expand the working-age population, though policy reforms continue to shape how labor supply evolves.

For organizations, this trend offers multiple strategic advantages:

Expanded Talent Pool: Higher immigration increases the availability of skilled and semi-skilled workers across industries where domestic supply is tight.

Diversity and Innovation: A more global workforce brings a broader mix of perspectives, which can drive innovation, creativity, and problem-solving.

Regional Economic Growth: Immigration supports local economies by sustaining businesses, filling labor gaps, and enabling expansion.

Workforce Planning Flexibility: Businesses can plan longer-term, knowing that labor supply constraints are easing in key markets.

As countries continue to prioritize immigration and streamline processing, organizations that actively integrate global talent into their workforce strategies will gain a competitive edge. By tapping into a broader, more diverse labor pool, businesses can not only address ongoing skill shortages but also position themselves for growth in an increasingly competitive global economy.

U.S. IMMIGRATION TRENDS AND LABOR FORCE GROWTH IN 2026

Unlike many other countries that are expanding immigration to help alleviate labor shortages, the United States is experiencing a **notable slowdown in net immigration**, with implications for labor supply and economic growth. Recent estimates from the *Brookings Institution* indicate that **net migration in 2025 was likely close to zero or even negative**, the first such occurrence in decades, and that it may remain very low or negative through 2026.

New figures from the **U.S. Census Bureau** show that net international migration declined sharply from a peak of 2.7 million in 2024 to about 1.3 million in 2025, and projected trends suggest it could fall to roughly **321,000 in 2026** if current patterns continue.

This shift reflects changes in immigration policy and enforcement, including tighter visa processing, increased removals, and reduced legal pathways, which have collectively slowed the inflow of foreign-born workers. Economists note that reduced immigration is contributing to **slower population growth and tighter labor supply**, particularly in industries such as construction, healthcare, and manufacturing that historically relied on immigrant workers.

For U.S. businesses, these trends mean:

- Labor force growth is weaker:** Immigration has historically been a major driver of workforce expansion. With slower net migration, overall labor force growth is flattening.
- Ongoing talent constraints:** Industries that depend on immigrant labor may continue to face hiring challenges and wage pressure as labor supply tightens.
- Strategic workforce planning needed:** Companies increasingly need to diversify their talent strategies, combining domestic hiring with contingent and global talent solutions to sustain growth and productivity.

While the long-term economic impact of these trends will continue to evolve with policy changes, the current outlook suggests that immigration will **not be a major source of labor force growth in 2026** — a marked departure from recent decades and a significant factor for workforce planning in the U.S. context.

MID-MARKET WORKFORCE SOLUTIONS ARE EVOLVING IN 2026

As organizations increasingly rely on contingent workers to navigate economic pressures, labor shortages, and the need for business flexibility, mid-market companies are emerging as a growing and underserved segment in the contingent workforce space.

Historically, large MSPs and VMS providers have focused on high-spend clients, often overlooking companies with less than \$50 million — and particularly under \$30 million — in contingent workforce spend. This has left many mid-market organizations struggling to access high-quality service, strategic guidance, and experienced resources for their workforce programs.

The market is responding. Dynamic, customer-centric solutions are emerging to fill this gap, offering smaller and mid-spend companies access to sophisticated MSP and VMS capabilities that were previously unavailable. New staffing agencies are launching, and established providers are creating dedicated mid-market arms to capture this opportunity.

For businesses seeking contingent workforce support, choosing the right partner is critical. In 2026, organizations must prioritize providers with deep mid-market expertise and proven strategic capabilities, avoiding those who treat the segment as a secondary, opportunistic venture. The right partner can deliver greater service, better workforce outcomes, and a true competitive advantage.



THE EVOLUTION OF CONTINGENT WORKFORCE MANAGEMENT SOLUTIONS

Historically, managing contingent workers has been fragmented. Many organizations relied on spreadsheets or outdated vendor management systems, with no standardized, company-wide processes. This created two major challenges:

Limited Visibility and Control: Companies often lack insight into where contingent workers are being sourced, how vendors are performing, and whether processes are efficient.

Rogue Spend: Without standardized rates or processes, hiring managers may overpay agencies, resulting in higher- than-market costs and inefficiencies.

Managed Services Providers (MSPs) have long addressed these challenges by taking on the full responsibility of contingent workforce management. In an MSP model, the provider handles program design, vendor management, hiring, onboarding, offboarding, billing, and more, often tailored to the client's needs. This allows organizations to focus on strategic initiatives, while the MSP manages day-to-day operational work.

However, not all organizations want or need a full MSP program. Over the past few years, contingent workforce management solutions have evolved significantly, providing a spectrum of options for companies seeking more flexibility. In 2026, organizations are increasingly adopting outsourced solutions that offer partial, modular, or technology-driven management, allowing them to maintain oversight and control without committing to a full-service MSP.

As a result, we expect to see more organizations manage their contingent workforce programs with innovative outsourced solutions, including hybrid MSP models, AI-enabled workforce platforms, and specialized vendor management services that combine automation with strategic guidance.

Supplier Consolidation and Streamlined Payments for 2026

The market for contingent workforce management is crowded, with numerous MSPs competing for a share of the mid- and large-market opportunities. For organizations navigating this landscape, managing multiple staffing agencies directly can be complex, time-consuming, and costly.

Supplier consolidation and sub-tiering strategies provide a modern solution. By consolidating suppliers and payment providers, organizations can:

Simplify operations: One point of contact, one process, and one consolidated invoice for all staffing partners

Maximize cost efficiency: Leverage bulk or preferred pricing and reduce rogue spend across multiple vendors

Increase visibility and control: Standardized workflows provide real-time insights into spend, performance, and workforce deployment

Stay competitive: With MSPs all vying for attention, strategically sub-tiering and consolidating suppliers ensures your organization works with the most effective partners, avoiding fragmented programs and inconsistent service

By taking a strategic approach to supplier consolidation and payment management, businesses save time, reduce costs, and ensure their contingent workforce aligns with broader business objectives—while navigating a competitive MSP market effectively.



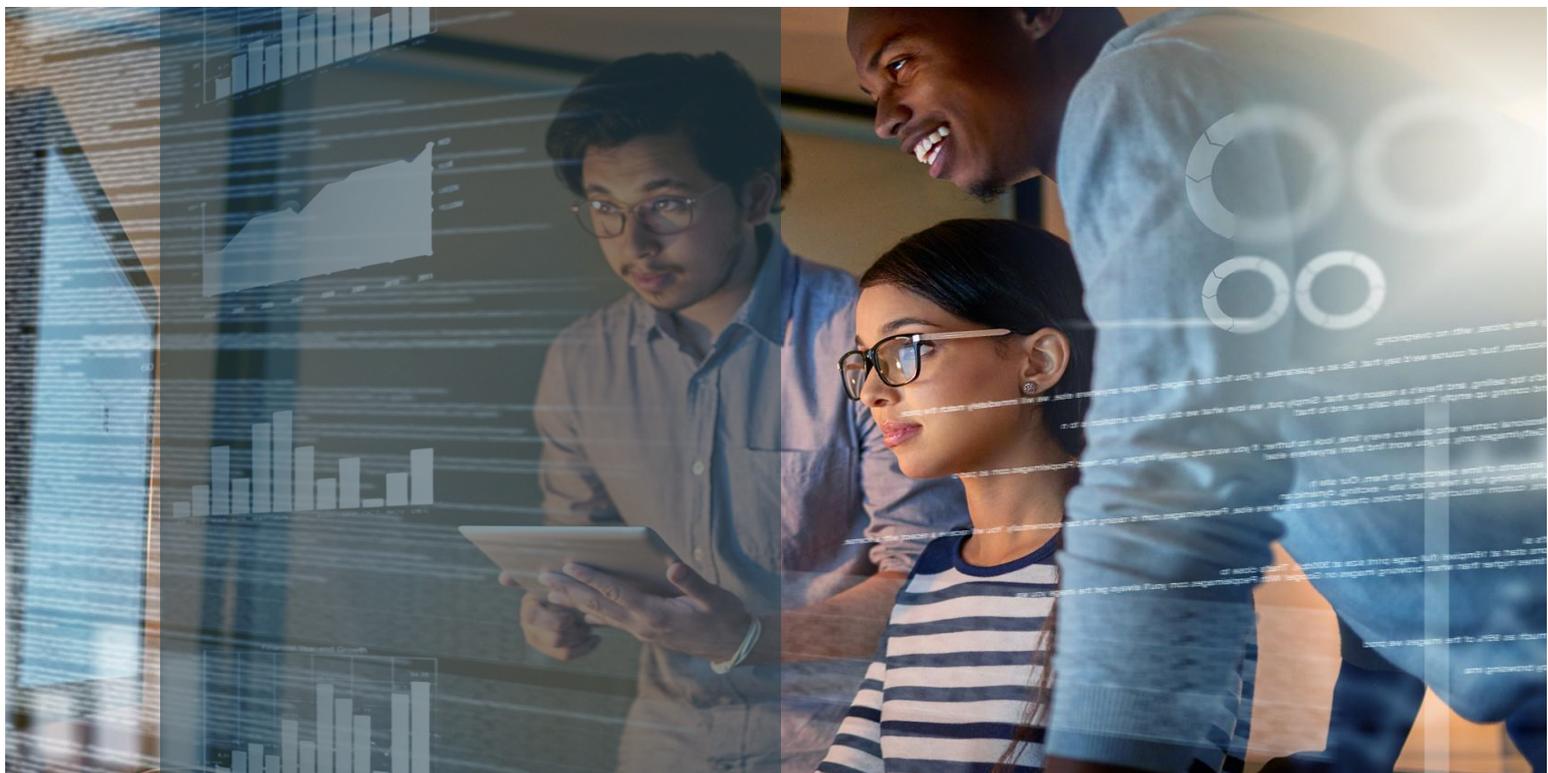
CONCLUSION

Acquiring top talent has never been more challenging. In today's competitive global economy, where labor shortages, economic recalibration, and rapid technological change are the norm, businesses must think strategically to stay ahead.

The organizations that succeed in 2026 will be those that combine a strong core of internal employees with a flexible, well-managed contingent workforce. By leveraging supplier consolidation, subtiering, global talent, and streamlined payment processes, businesses can achieve cost efficiency, workforce agility, and reliable access to critical skills.

Equally important is selecting the right partners and solutions—whether it's MSPs, vendor networks, or specialized workforce platforms. Companies that invest in effective contingent workforce management gain visibility, control, and strategic insight, enabling them to respond quickly to market changes, fill skill gaps, and optimize labor spend.

By taking a proactive, data-driven approach to managing internal and contingent talent, organizations will be better positioned to navigate economic uncertainty, overcome labor shortages, and capture growth opportunities—turning workforce strategy into a true competitive advantage in 2026 and beyond.



THE 6 BIGGEST WORKFORCE TRENDS IN 2026



Contrax is a trusted partner in supplier consolidation, sub-tiering, and workforce optimization. With unmatched expertise across contingent workforce programs, permanent hiring, SOW engagements, and procurement, our leadership team brings some of the deepest experience in North America.

Through our suite of solutions — including Supplier Consolidation, Sub-Tiering, and VMS-enabled workforce management — we help organizations streamline their supplier networks, standardize contracts, enforce compliance, and optimize payments, all while protecting existing relationships and maintaining a level playing field.

Using our Conexis platform, we centralize supplier onboarding, documentation, approvals, and reporting, giving organizations full visibility, control, and measurable results. Whether consolidating existing suppliers, sub-tiering new vendors, or managing permanent and contingent workforce programs, Contrax acts as a strategic, neutral partner that simplifies complexity and drives operational efficiency.

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