



# Workforce Report

**icims**® Insights

JANUARY 2026

*2026 Predictions and Trends*

Award-winning  
data program





# Big picture: January Insights

**On the move.** 2025 closed with more labor market activity than usual for year-end, with job openings on the rise in December.

**New year, new you.** In our year-end job seeker survey, 45% of respondents said they plan to look for a new role in 2026, up from 42% last year.

**What's next.** Leading analysts Kyle Lagunas, Jess Von Bank, Madeline Laurano, and Ben Eubanks share bold predictions for how AI innovation will reshape talent acquisition this year.

## BY THE NUMBERS:



Job openings rose 6% month over month in December and 8% year over year — bucking the typical seasonal slowdown.



Nearly one-third of workers (31%) say changing jobs in today's market feels too risky



87% of TA leaders surveyed say their biggest concerns in adopting AI in 2026 are legal approval and compliance.

**iCIMS Insights Workforce Reports** monitor monthly labor market activity based on hundreds of millions of applicants and millions of users. Organizations can use this data as a measuring stick to anticipate and adapt to ever-changing workforce dynamics.

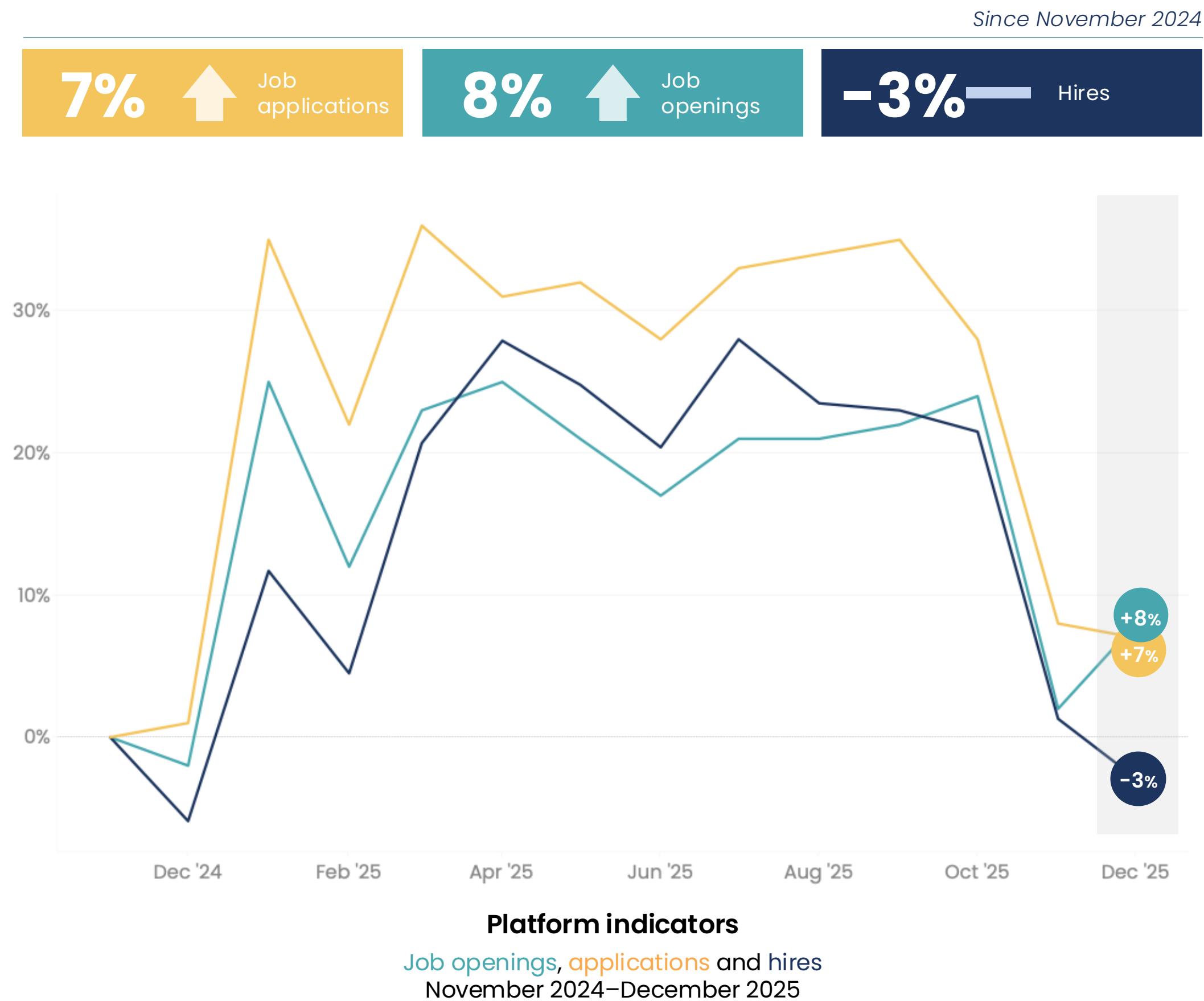


# End-of-year activity bucks seasonal slowdown trend

## iCIMS Insights quick take:

The labor market stayed active into year-end, marked by rising opening and increased job seeker engagement.

- Of note:** Job openings rose 6% month over month in December and 8% year over year — bucking the typical seasonal slowdown. The concern is how long the friction between rising openings and lower hiring rates can be sustained.
- By industry:** Sectors that saw some of the biggest increases in openings month over month included Manufacturing (2%), Healthcare (8%) and Transportation (12%).
- Market pulse:** Applications were up 7% from the year before, coinciding with the unemployment rate hitting its highest level in four years in November.



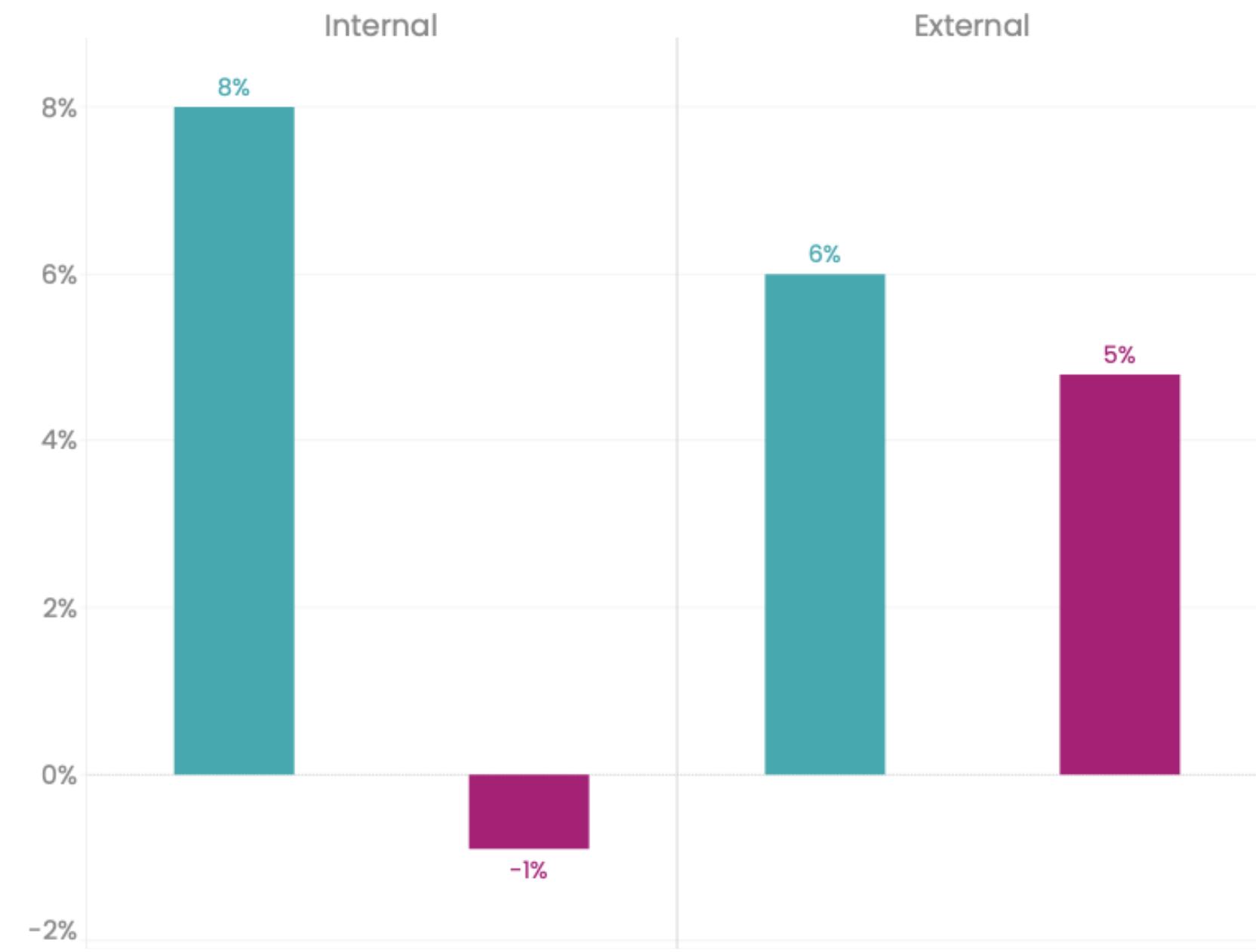


# Workers are staying close when looking for new roles

## iCIMS Insights quick take:

The appeal of finding a job with current employers grew in 2025.

- **Looking inward:** Internal applications rose 8% year over year in December, while internal hires dipped 1%. This indicates increased interest in internal mobility amid more cautious promotion and transfer decisions.
- **Risk averse:** This gap aligns with the “job-hugging” trend. Employees are exploring options and signaling ambition while choosing stability over risk.
- **Outside pull:** Externally, applications increased 6% year over year and hires rose 5%, indicating continued demand for outside talent even as internal movement slowed.



**Internal vs. external applications and hires**  
December 2024–December 2025.

“ As companies continue to find ways to maximize productivity and efficiency of their internal teams, internal hiring trends will be ones to watch in 2026.

**TRENT COTTON**  
Head of Talent Acquisition Insights,  
iCIMS

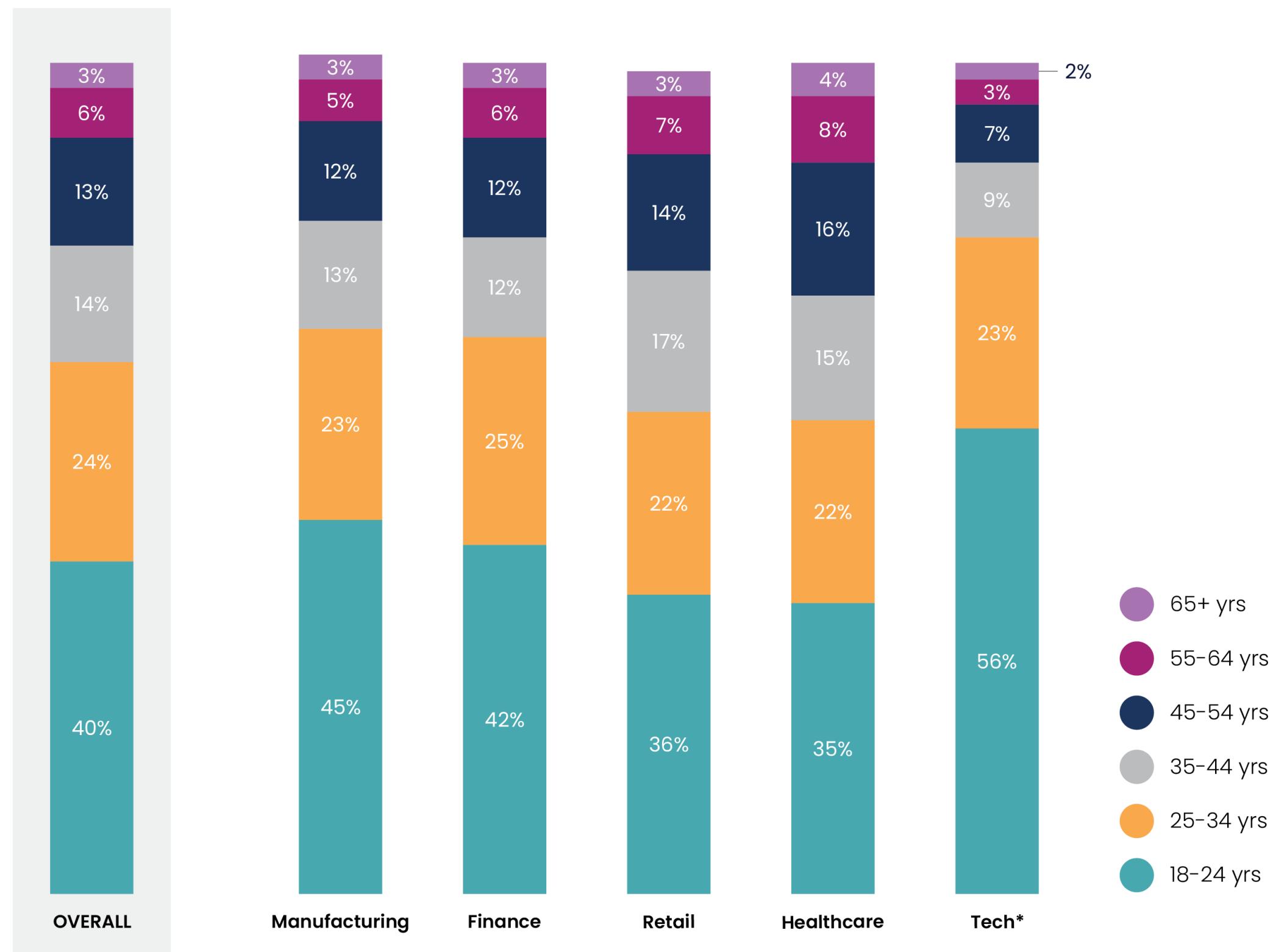


# One market, very different age signals

## iCIMS Insights quick take:

Applicant age trends reveal a more cautious early-career job market, with healthcare and tech showing sharply

- Entry-level cool down:** Applicants under 25 dropped to 40% (down from 44% last year), while mid-career and later-career shares held steady — suggesting a slowdown for entry-level talent, even as experienced candidates maintain their presence.
- Multigen mix:** Healthcare continues to attract experienced talent (28% of applicants age 45+), alongside growing momentum among younger workers. Under-25 applicants rose from 32% to 35%.
- Tech talk:** Applicant demand for tech roles is heavily youth-skewed, with 56% under age 25 and 79% under 35, while workers 45+ accounted for the smallest share of applicants among all sectors.



**Applicants by age and industry**  
December 2025



# 2026 predictions: A look ahead

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Looking ahead to 2026, we bring together analyst forecasts with new iCIMS research, drawing on a December job seeker survey and insights from TA leaders on how AI is shaping hiring priorities and decisions.





# What's next for AI and TA tech in 2026?



**“ The defining trend of 2026 will be the attempted rise of the supercompany; organizations trying to centralize, standardize, automate and scale their way out of volatility and irrelevance.**

2026 won't be about better talent strategy. It will be about a bigger attempt at control.”

**JESS VON BANK, Mercer**



**“ The real opportunity isn't just about chasing new features or flashy innovation in HR tech. **It's about asking: what will actually help us get the work done?** The challenge is that most companies haven't clearly defined what that work is. Until we define the work, technology can't solve the problem — and that's the biggest gap I see today.”**

**MADELINE LAURANO, Aptitude Research**



**“ Defensible hiring is becoming the new standard.**

As AI integrates into screening and interviewing, TA teams will focus on explainability, documentation and fraud prevention. Kyle & Co research shows that while nearly half of organizations are increasing AI investment, few have mature governance.”

**KYLE LAGUNAS, Kyle & Co.**



**“ We're going to see companies shift back to analog screening practices to help them prevent fraud and confirm candidate capabilities.** Much noise has been made in recent years about the costs of candidate ghosting, but the cost of hiring a fraudster who slipped in using AI to game the interview process is dramatically higher in terms of team morale, wasted time and compensation resources.”

**BEN EUBANKS, Lighthouse Research & Advisory**



# Opportunity, not urgency, will drive job changes in 2026

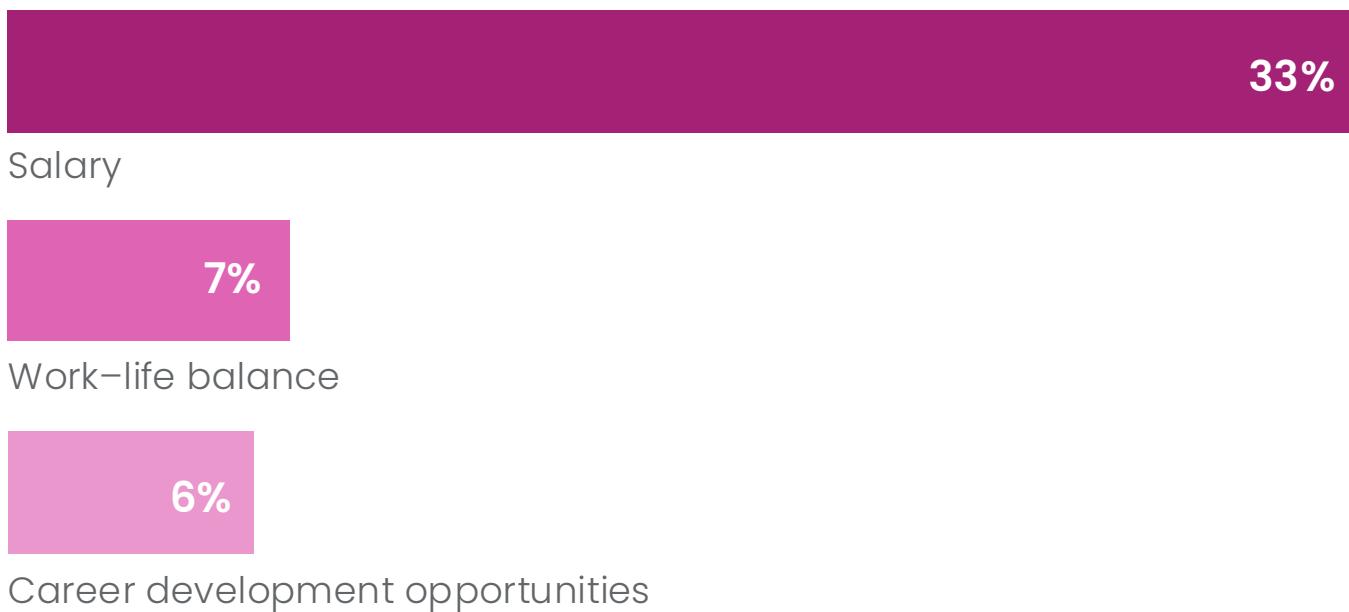
## iCIMS Insights quick take:

Job seekers are entering 2026 with cautious optimism, with many prioritizing smart moves over quick exits.

- Secure enough to stay put:** Most workers feel secure where they are, with 58% not concerned about being laid off in 2026 — the same number as last year.
- Risk-aware, not frozen:** Nearly one-third of workers (31%) say changing jobs in today's market feels too risky. Yet 45% plan to look for a new role in 2026, up from 42% last year. Workers may be "sheltering-in-place" today but remain open to the right next move.
- Waning optimism:** Over two-thirds of those surveyed are less optimistic about the job market improving in 2026 than last year.

## Why workers plan to look vs. stay in their jobs in 2026:

### Looking for a new job



### Planning to stay in current job



Recent trends in the labor market suggest we may see another shift in how and when workers make career moves. **We could see an evolution from 'job hugging' to 'job chaining' as employees remove themselves from the job market due to instability and uncertainty.** While this may help retention, it could also be short-term. If the job market changes positively, employee confidence could prompt them to reenter the market to seek better opportunities."

**TRENT COTTON**  
Head of Talent Acquisition Insights,  
iCIMS



# AI is changing work, not replacing the worker

## iCIMS Insights quick take:

In 2026, workers expect AI to change the job, not replace the human behind it.

- **AI is top of mind:** Nearly half of workers (47%) say AI/automation will be the biggest threat to job security in 2026, with Gen Z (51%) expressing the greatest concern.
- **Confidence still leads:** Even so, 56% believe they have skills AI can't replicate, with 38% confident this will remain true long-term and 18% feeling secure for now.
- **Tool, not takeover:** Close to half (48%) of workers view AI as a "tool" at work, not a replacement. Thirty-two percent say AI handles only a small slice of their daily work, and another 15% say AI can handle none of it.

## What matters most to getting hired in 2026, according to job seekers:

29% Critical thinking/  
problem-solving

25% AI literacy and skills

## How workers see AI at work:



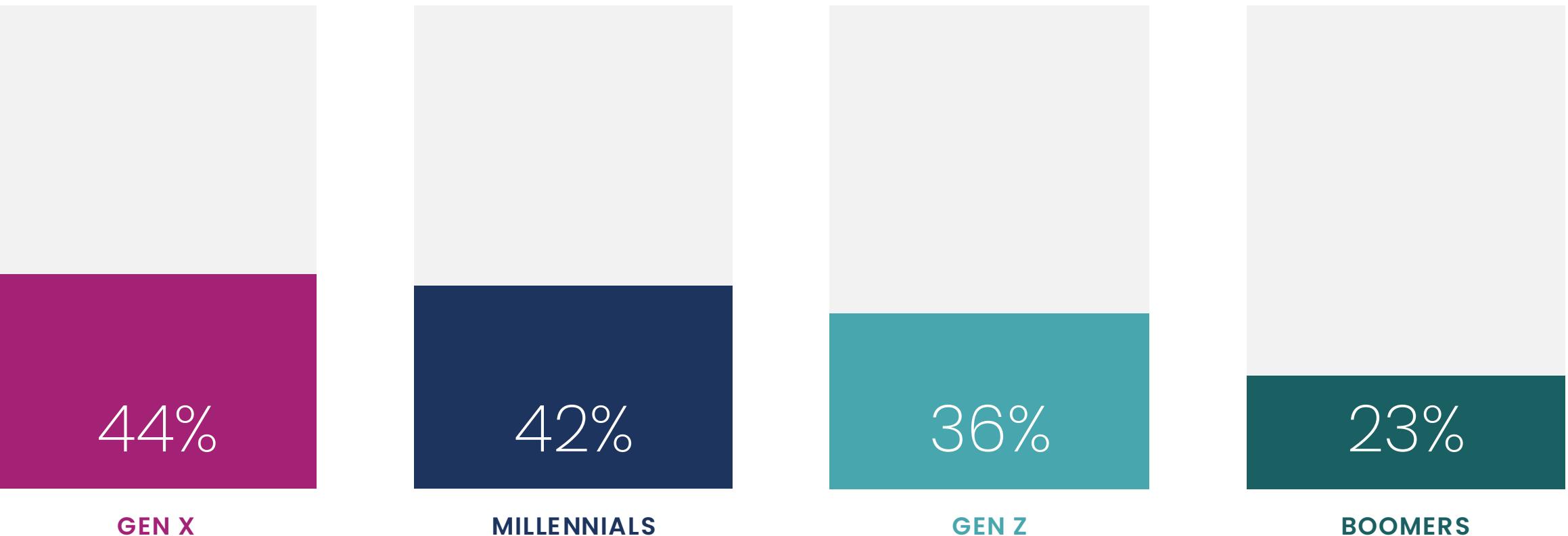
Tool 48%



Teammate 9%

## Human skills confidence by generation

Those who feel they have skills that are uniquely human and safe from AI





# Hiring in 2026 is about proof, not promises

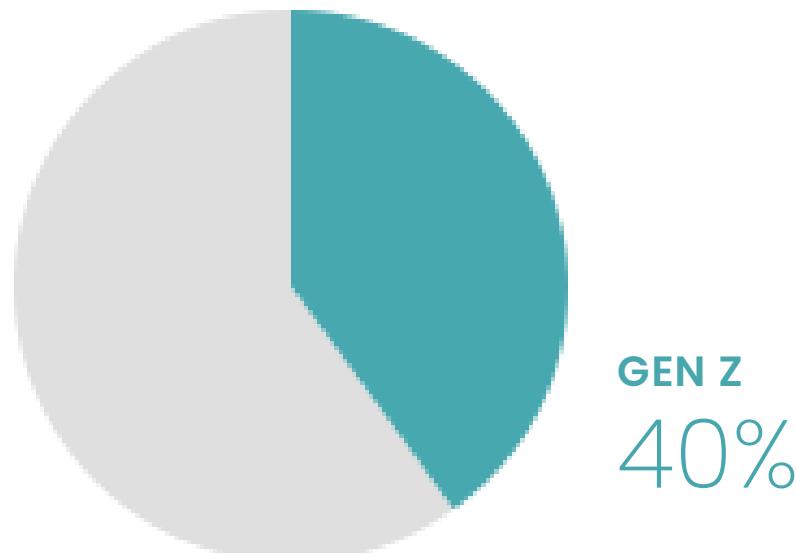
## iCIMS Insights quick take:

The 2026 hiring edge will go to TA teams that move fast, set expectations early and prioritize skills over credentials.

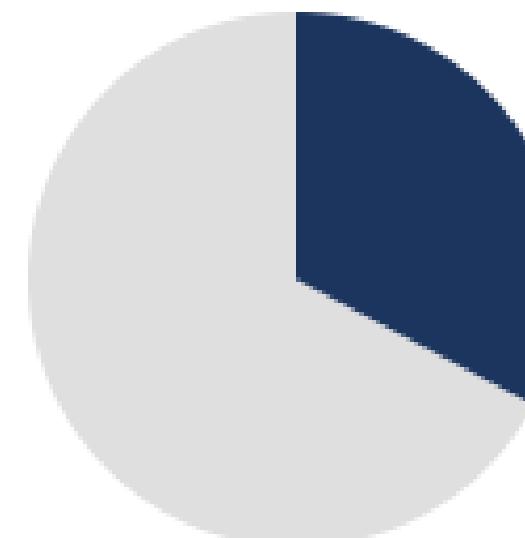
- **Candidates want to show, not tell:** Nearly one-third of workers (31%) say they would welcome a skills test or job simulation in the job application process to show employers what they can do. Another 45% are open to it when assessments are fast and relevant. Only 9% say skills tests would frustrate them.
- **AI is forcing a reset:** As AI reshapes how candidates apply and TA teams hire, organizations must rethink the experience to better reflect candidates' desire to demonstrate real skills.
- **Job seekers want it clear, fair and fast:** Clear role expectations (23%), transparent salary details (19%) and fast response times (18%) top the list of signals that a company values candidates, according to job seekers.

## Skills test enthusiasm by generation

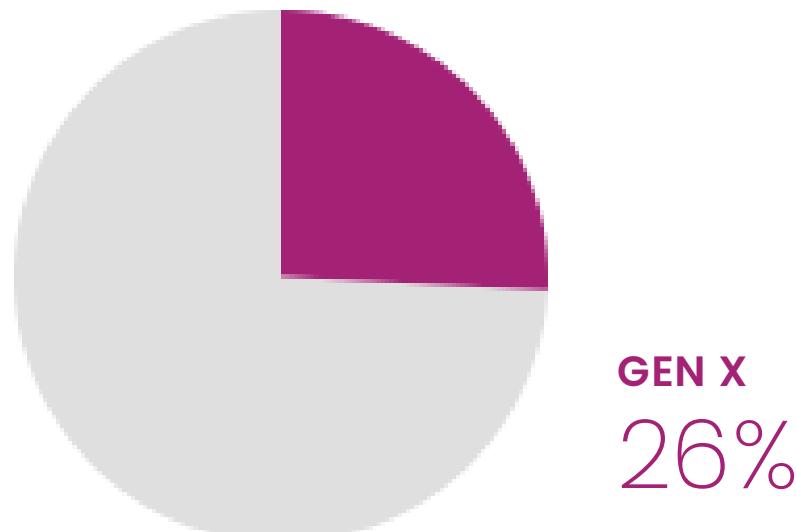
The following respondents would feel positive about being assessed through a skills test during a job application so they can show what they can do.



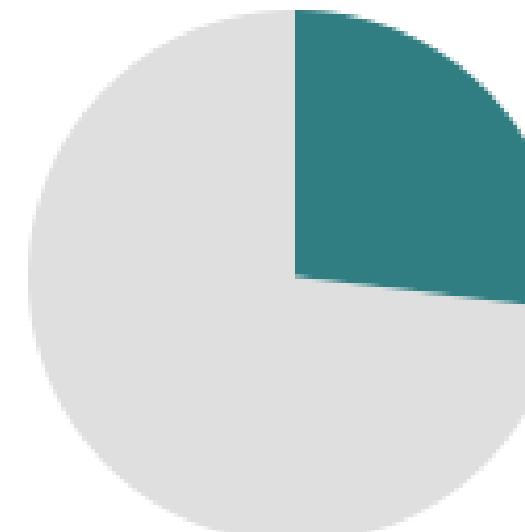
GEN Z  
40%



MILLENNIALS  
33%



GEN X  
26%



BOOMERS  
27%



# How are TA leaders navigating investments to win the best talent, faster?

We surveyed TA leaders on their 2026 priorities.

## What are your top 3 priorities for talent acquisition in 2026?



Improving the efficiency of my recruiters through AI and automation



Sourcing higher-quality candidates



Creating a better candidate experience to improve application conversion rates

## What are your biggest concerns in adopting AI in talent acquisition?



Legal approval & compliance



Candidate perception/trust



Potential hiring bias



**“In 2026, AI will shift from the edges of work to the core of workforce design.** As AI and agentic systems mature, leaders must rethink how teams are structured, identify skills that remain uniquely human and close critical capability gaps.”

**ERIC CONNORS**  
Chief Product Officer, iCIMS



**“In 2026, many organizations will realize they’ve underestimated the true cost of AI.** As AI moves from ‘theatre’ to reality, financial and infrastructure challenges will become impossible to ignore.”

**DANIEL JOPLIN**  
Chief AI Officer,  
iCIMS

# 3 of the biggest talent acquisition trends to watch for in 2026

## 1. Your next hire might not be human

AI agents are quickly moving from experiment to workforce strategy. Unlike traditional AI tools, these autonomous agents can execute tasks without constant prompting — and yes, while they never take PTO, they do sometimes need human oversight. Already, 52% of talent leaders plan to add AI agents to their teams in 2026, signaling a fundamental shift in how work gets done and how teams are structured.

## 2. Critical thinking is the real AI advantage

As organizations rush to hire talent fluent in the latest AI technologies, the real differentiator is emerging elsewhere. The most valuable employees will be those who can evaluate AI output, recognize its limitations and know when to trust the results — and when to challenge or override them. In an AI-enabled workplace, judgment, context and critical thinking become the skills that matter most.

## 3. Entry-level cuts today create pipeline gaps tomorrow

Entry-level and back-office roles are more than operational support — they're where employees learn the business, absorb culture and build the institutional knowledge that fuels future leadership. When these roles disappear, so does the internal talent pipeline. The result: greater reliance on external hires who must learn the organization from scratch, slowing momentum and increasing risk over time.



### 2026 PREDICTION

#### **"In 2026, we'll see a fundamental shift in how we define 'work.'**

The shift away from rigid job titles or fixed departments has started.

**People leaders will need to redesign how human workers and digital workers contribute together** and build a new shared language around roles, skills and accountability. The organizations that lead will **recognize this as a major change management moment and build flexible work structures** where people and intelligent systems can collaborate seamlessly and shape outcomes together."

**LAURA COCCARO**  
Chief People Officer,  
icims



### 2026 PREDICTION

"In the new year, job seekers' competitive edge won't come from how fast they can submit an application. **It will come from the authentic value they bring to the process.** Recruiters are getting better at spotting what's AI-generated and what's not, and that scrutiny will only grow in the year ahead. AI can be incredibly helpful for practicing interview responses or reviewing resumes, but it can't replace a candidate's authentic voice. **Recruiters will be looking for job seekers who show up with personality and purpose."**

**STEPHANIE SANSONE**  
Director, Talent Acquisition,  
icims



## FROM INSIGHTS TO IMPACT

# Tailored takeaways for business, HR and talent leaders

Whether you lead people, run operations or shape strategy, you can use these insights to align teams, reduce friction and move faster on your goals.

## FOR THE Talent Leaders

- **Build candidate trust in AI processes:** Communicate clearly how AI is used in hiring and train recruiters to address candidate concerns.
- **Leverage internal talent pools:** Build structured programs to identify, upskill and redeploy existing employees into critical roles, reducing reliance on external hires and accelerating time to fill.

## FOR THE CHROs

- **Integrate AI agents into workforce strategy:** Pilot autonomous AI agents for repetitive tasks while establishing governance for oversight and compliance.
- **Prioritize critical thinking in talent development:** Shift learning programs toward judgment and decision-making to complement technical AI skills. This is also a valuable retention tool of your top talent.

## FOR THE CXOs

- **Enable cross-functional collaboration:** Partner across HR, tech and business units to speed AI integration and enhance candidate experience.
- **Monitor talent metrics at the executive level:** Track retention drivers (work-life balance, salary, benefits) and recruiting KPIs to anticipate risks and adjust strategies proactively.



# Want more great insights?

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## iCIMS State of Frontline Hiring

Frontline roles are the backbone of our workforce, but hiring for them continues to be challenging. Based on fresh data from over 2,000 frontline workers and hiring managers across healthcare, hospitality, manufacturing and retail, our [State of Frontline Hiring Report](#) uncovers why companies are struggling to fill roles.

## iCIMS State of the CHRO Report

The role of HR has never been more strategic. Learn how 1,000 CHROs and chief people officers are navigating the shift and how 500 CIOs see HR navigating TA tech in [iCIMS State of the CHRO Report](#).

## iCIMS Talent Experience Report

Explore what candidates want right now and how talent acquisition pros are delivering those experiences in our second annual [Talent Experience Report](#).



# About iCIMS

iCIMS is a leading provider of talent acquisition technology that enables organizations everywhere to build winning workforces.

Visit [www.icims.com](http://www.icims.com) to learn more.



## Data Breakthrough Awards:

2025 Business Intelligence Solution Provider of the Year

Workforce data is vital to driving business forward.

### iCIMS Insights provides data that is:

- Current
- Cross-industry
- Dual-focused on employer and job seeker intentions and activity

### Data derived from:



3.1M+ global platform users



200M+ applications



630M+ candidate profiles



5M+ hires