CANADA WORKPLACE TRENDS FOR 2026

The future of work is taking shape

Always Designing for People®

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Introduction

The workplace of 2026 will be defined by a new era: one that's intelligent, interconnected and human-centric. Advances in artificial intelligence (AI) are influencing how work gets done, while people continue to expect organizations to prioritize well-being, fairness and trust. The challenge for HR leaders and business owners is clear: Strike a balance between innovation and compassion to foster agility, resilience and long-term growth.

This report highlights key trends and developments that will influence people, compliance and technology within the human capital management (HCM) space in 2026. From enhancing the **employee experience** to people's professional experiences with AI, to pay transparency, addressing evolving compliance challenges, to agentic AI and the deepening partnership between HR and IT, each section delivers actionable insights to prepare organizations for the workplace of tomorrow.

Use this guide as a framework to gain clarity on trends and explore solutions to implement now and throughout the year.

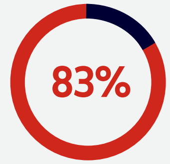
Category

People

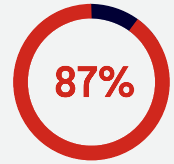
Employee experience setting the standard for 2026

As Canada moves into 2026, employers are placing an emphasis on enhancing the employee experience. There is a significant need to enhance foundational HR processes, as only 46% of employers rate their onboarding as very efficient, 43% feel the same about their hiring practices, and just 36% believe their offboarding processes are very efficient.[1] These inefficiencies can disrupt the overall employee experience and impact how people feel supported.

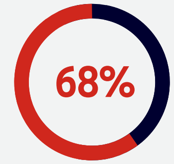
Sixty-one percent of Canadian businesses recognize that **compensation** is the leading factor in overall employee satisfaction, far exceeding flexible hours (39%).[1] When it comes to retention, pay remains the most dominant factor at 44%, with flexible hours being the second most important factor. Thirty-nine percent of Canadian businesses find both pay and flexible hours equally important. Although offering flexible work arrangements has become a standard practice, compensation remains the dominant concern that employees have when evaluating their workplace, with 29% at small organizations, 20% at midsized organizations and 38% at larger organizations reporting compensation as the dominant concern for employees. Combined with the fact that job security, workload and work-life balance remain secondary concerns for 17% of employees, employers are working to address a more complex mix of expectations.



of employers agree they have a responsibility to support employees' physical well-being.[1]



agree they have a responsibility to support employees' mental well-being.[1]



agree they have a responsibility to support employees' financial well-being.[1]

Employers are affirming their commitment to employee well-being

Well-being remains an important consideration for employers, with 87% believing they are responsible for supporting their employees' mental well-being.[1] However, fewer than half (46%) currently offer mental health benefits, primarily due to cost barriers, regardless of their business size. Even among employers who do offer mental health benefits, there is limited confidence they can access mental health care in practice. Only 35% of companies are confident they are providing their employees with access to affordable, high-quality mental health care.

To bridge this gap, organizations must build a culture that embodies their strong sense of responsibility. This involves not only recognizing the importance of access to resources and benefits but also actively implementing and strengthening programs that support physical, mental and financial wellness. Creating meaningful employee experiences means embedding well-being into everyday workforce practices, not just offering benefits in isolation.

Learn more:

What is an employee assistance program?

Organizations want deeper insight into employee sentiment

Employers recognize that improving the employee experience requires deeper insight into their workforce's sentiments, but many lack the tools to capture this critical feedback. Over half express low confidence in their ability to collect meaningful employee feedback or access reliable sentiment data.[1] This lack of understanding makes it harder to address concerns surrounding pay, workload or work-life balance, reinforcing the broader challenge of optimizing HR amidst rising expectations.

Turnover trends signal areas for HR improvement

Forty-one percent of small businesses in Canada report experiencing turnover in the past year.[1] This figure contrasts sharply with the 61% of midsized companies and 72% of large companies that experience turnover. Turnover is more prevalent in midsized and larger companies, driven by issues such as high workloads, understaffing and dissatisfaction with pay. This trend is particularly concerning among millennials, with 63% of all companies noting turnover within this demographic in the last six months (60% at small organizations compared to 70% at both midsized and large companies). Overall, 45% of companies faced turnover in the past year.

The data indicates common organizational challenges, with turnover most frequently reported in operations (33%), administration (30%) and client services (28%).[1] The key contributors to turnover include high workloads (26%), understaffing (24%) and dissatisfaction with pay (24%), with these factors becoming more pronounced in larger organizations. Notably, concerns around leadership and management (31%) surpass pay dissatisfaction in larger organizations. While misalignment of values contributes to turnover, it appears to be less impactful as company size increases (17% of small businesses cite this as a reason, compared to just 13% of large businesses).

These turnover trends highlight the importance of strengthening the employee experience, particularly in larger organizations.[1] Addressing the root causes of turnover will be crucial in retaining talent as the workforce continues to evolve. With millennials likely to seek other opportunities when dissatisfied, companies risk losing valuable skills and knowledge if they do not prioritize improving the employee experience. Investing in HR strategies that enhance employee engagement and support can lead to greater organizational stability and success. Investing in the foundational elements of the employee experience is becoming essential, not optional, for long-term retention.

Learn more:

How to reduce employee turnover

How employers can enhance the employee experience

1. **Regularly review and update compensation and benefits** packages to align with employee expectations and remain competitive within the industry.
2. **Offer flexible work options where possible** and provide clarity and consistency for roles that require on-site work.
3. **Enhance mental health and well-being resources,** ensuring they are easy for employees to navigate and use.
4. **Optimize HR processes**, such as hiring, onboarding and feedback collection, to create smoother employee interactions from the start.
5. **Improve access to employee sentiment and HR data** to gain deeper insights into workforce needs and respond proactively to emerging concerns.
6. **Build a positive work culture** to promote open communication and team-building activities to enhance trust and employee engagement.

Organizations are assessing their skills inventories

A strong work ethic emerges as the defining skill that employers prioritize when searching for new hires. When asked about the skills businesses in Canada are prioritizing, 66% of employers identify a strong work ethic, followed by attention to detail (41%), time management (38%), problem-solving abilities (35%), and teamwork (33%).[1]

Yet, there is a notable gap between the skills employers seek and what is available in the talent pool. A concerning 38% of employers struggle to find a strong work ethic in applicants. This challenge extends to other critical skills as well, with 24% struggling to find detail-oriented individuals, 24% facing difficulties in identifying proficient time managers, and 22% unable to locate effective leaders and critical thinkers. Organizations are aware of the need to prioritize these skills, with nearly half (45%) reporting customer expectations as a driving force. Other important factors include a focus on employee retention (27%), evolving industry standards (25%) and a need for innovation (23%).

Despite the clear connection between skills development and improved employee performance, companies face challenges in providing these opportunities. Nine out of 10 respondents agree on the critical role that skills development plays in boosting job performance and career advancement.[1] Yet, nearly half of the respondents face challenges in facilitating these development opportunities.

When it comes to AI skills, 75% of larger companies in Canada and 61% of midsized companies recognize their essential role in maintaining competitiveness.[1] However, only 13% of large companies and a mere 5% of midsized companies actively prioritize hiring for AI competencies.

Smaller organizations reflect an even lower sense of urgency, with just 47% considering AI skills essential and only 5% prioritizing their recruitment. These findings highlight an opportunity for Canadian organizations to invest in developing AI skills within their current workforce, thereby enhancing their overall competitiveness and adaptability in an ever-evolving market landscape.

AI in talent management and skills development

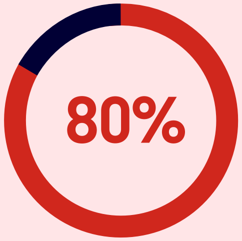
Organizations understand AI's potential to enhance **talent management** strategies. Forty-seven percent of businesses believe that AI can enhance skills development.[1] However, there is a disconnect, as only 19% of organizations are currently using AI for employee skills development. Forty percent of organizations agree that AI can assist in onboarding and offboarding processes, with 38% agreeing it can play a role in attracting and retaining talent.

There is a strong consensus against the idea that generative AI will replace traditional employee skills development and training methods. Sixty-six percent of organizations disagree with this shift, and this sentiment is consistent across segments, with 66% of small organizations and 64% of midsized organizations sharing this perspective.[1] Larger organizations are somewhat more open to the possibility, with only 46% rejecting the future replacement of traditional training methods.

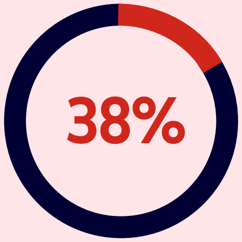
Learn more:

Reimagining work in the age of generative AI

As organizations navigate this evolving landscape, keeping a human in the loop and cultivating trust are the top priorities for AI. Eighty percent of small, midsized and large Canadian organizations agree on the importance of maintaining human oversight in AI applications, while 64% recognize the need to cultivate a sense of trust when using AI.[1] As technological innovation shapes the workplace, Canadian organizations remain committed to ensuring that work remains human-centric. However, it's notable that 38% of Canadian organizations have employees who are fearful of being displaced by AI. This emphasizes the need for a thoughtful integration of AI that maintains the human element, ensuring that employees feel valued and secure in their roles even as technology advances.



of small, midsized and large Canadian organizations agree on the importance of maintaining human oversight in AI applications.[1]



of Canadian organizations have employees who are fearful of being displaced by AI.[1]

Integrating AI while supporting employees

1. **Reinforce human oversight** by defining expectations for responsible AI use.
2. **Cultivate employee trust** by outlining guardrails and sharing how AI supports, not replaces, work.
3. **Introduce AI-enabled learning tools** to personalize skills development and close capability gaps.

"Leaders have a responsibility to communicate clearly about AI so people embrace it as an assistive tool instead of a replacement tool. Companies that get that right are going to be AI powerhouses."

— Andrea Wynter
Vice President, People, ADP Canada

Multi-generational workforces are driving more personalized support

With five distinct generations collaborating under one roof, organizations are witnessing a diverse range of work ethics and commitment levels.[1] Companies have identified the following as **key challenges in this dynamic environment:**

- **16% Work ethic and commitment**
- **10% Recruiting and retention difficulties**
- **7% Intergenerational respect**
- **7% Work-life balance expectations**
- **5% Technology adoption and literacy**

Addressing these issues not only requires awareness but also a tailored approach to support each generation effectively. By fostering an inclusive culture that values the contributions of all age groups, businesses can enhance collaboration and drive success in today's diverse workforce.

Managing distributed teams adds new people challenges

With 35% of businesses in Canada employing individuals outside of Canada, the complexity of managing worldwide employees arises.[1] The most common challenges faced are employee training and development (34%), followed by talent acquisition at 32% and retention at 27%.

Understanding these challenges is crucial for organizations looking to thrive in a global marketplace. Failure to address these core issues may result in decreased productivity and higher turnover rates, ultimately affecting the bottom line. By investing in tailored training and development programs, enhancing recruitment efforts, and fostering an inclusive culture, businesses can better engage with **remote employees**, ensuring that they feel valued and connected regardless of their geographical location.

Section references

1. ADP Canada, Canada workplace trends for 2026 survey, internal analysis, 2025

Category

Compliance

Countries are regulating the use of AI in employment decisions

As countries, including Canada and its provinces and territories, consider whether and how to regulate AI in employment decisions, differing approaches are emerging.[1] Some, such as the EU AI Act[2] and Colorado's AI Act[3], categorize AI use based on risk and how a particular use may impact people. Use of AI in certain types of impactful employment decisions, such as hiring, promotion, work assignments and discipline, is generally considered high risk. When a use is considered high risk, the laws provide more limitations on how AI may be used and often have requirements for transparency about using AI and auditing the outcomes of AI-assisted decisions.

As of January 2026, Ontario employers with 25 or more employees are required to state in publicly advertised job postings whether they use AI to screen, assess or select applicants. With new regulations on the horizon, it is essential for employers to be aware of, align with, and train any staff involved in the hiring process on how to comply.

Canadian employers are cautious about using AI for compliance requirements

Organizations are evaluating how AI can support rather than substitute human expertise, planning an emphasis on tools that are reliable, transparent and subject to human oversight. Only 21% of companies use AI for compliance tasks, and among those that do, 51% express a strong trust in AI's accuracy.[1] Among the businesses that have yet to adopt AI for compliance, only 10% are considering implementation in the future. Openness to AI adoption varies by organization size, with larger companies demonstrating greater openness at 19%, compared to only 10% of small businesses and 11% of midsized businesses.

express a strong trust in AI's accuracy[1]

The integration of AI in compliance increases as business size increases.[1] Thirty-five percent of large businesses use AI, compared to just 19% of small businesses and 27% of midsized organizations. However, significant distrust remains regarding the information provided by AI. Only 6% of organizations fully trust the information generated by AI, with this percentage increasing among larger organizations, 18% for large companies and 17% for midsized companies, compared to 3% for small businesses.

A significant 88% of organizations acknowledge the value of retaining a compliance expert, internal or external, to complement the information they receive from AI.[1] In other words, a critical need for human oversight remains. It is important to take a balanced approach where AI acts as an ally to human expertise, ensuring compliance processes remain robust and trustworthy. As larger organizations adopt this strategy, they may gain a competitive edge, setting a precedent that smaller firms will eventually need to follow to navigate the complexities of compliance effectively.

A clear opportunity to implement an AI ethics policy

Seventy percent of Canadian businesses don't have an AI ethics policy. Nearly half (46%) agree that ethical management of AI and AI systems is a priority, yet only 22% have taken the step to establish an AI ethics policy.[1] This gap highlights a clear opportunity to standardize AI ethics guidelines across their workforce, fostering a culture where responsible AI use is not just encouraged but practiced. By addressing this gap, companies can ensure ethical considerations are woven into their operations and can position themselves as leaders in ethical AI management, serving as a vital differentiator.

It's important for employers to understand where AI is used in employment decisions, involve humans in decision making and audit outcomes to ensure organizational practices comply with employment laws as well as specific laws related to the use of AI.

How employers can navigate cautious AI adoption in compliance

1. **Inventory and document** all AI tools used in hiring and HR.
2. **Create an AI ethics policy** to guide responsible use.
3. **Establish clear governance** by identifying who reviews AI outputs and monitors compliance accuracy.
4. **Test and log AI** for bias, explainability and compliance.
5. **Update vendor contracts** with audit and transparency clauses.
6. **Build trust with your workforce** through communicating how AI is used and how human experts remain involved.

Pay transparency requirements are expanding across the country and globally

New **pay transparency** requirements will be in effect for EU member states beginning June 2026. Pursuant to the EU Pay Transparency Directive[4] and each member state's law that implements the directive, employers must provide information to EU applicants and employees about pay, advancement and the objective, gender-neutral criteria the employer uses to determine both. Larger employers will also be required to audit gender pay equity and report pay gaps, with additional requirements for employers with gaps over 5%. Some EU member states are considering even lower pay-gap thresholds that trigger a duty to investigate and remediate the gaps.

Pay transparency activity in Canadian provinces

Several Canadian jurisdictions, including the federal government, Ontario, British Columbia (BC), Prince Edward Island (PEI), Nova Scotia and Newfoundland and Labrador, have enacted and enforced laws on pay transparency and pay equity. Specific requirements vary across regions, but a clear trend is emerging — pay transparency is here to stay. These laws aim to reduce pay gaps by mandating employers to state salary information in job postings, banning the use of compensation history in hiring and protecting employees from retaliation for discussing their pay.

Beginning January 2026, employers in Ontario are required to include compensation or a compensation range in publicly posted job positions. Along with this pay transparency legislation, employers must also adhere to the following:

- **Vacancy disclosure:** must state if the position is an existing vacancy or a new role
- **AI disclosure:** must disclose if AI is used in the hiring or screening process
- **Notification of hiring decisions:** Must inform the candidate of hiring decisions within 45 days of the last interview

Employers can expect more pay transparency activity at the provincial level. As pay transparency initiatives continue to gain momentum, it's essential for employers to stay informed about the latest requirements in any location where they have employees or seek to recruit talent.

Learn more:

Pay equity laws in Canada

Addressing pay transparency requirements

1. **Publish salary ranges in job postings as required.** Consider disclosing this information as a standard practice when the organization recruits broadly and when disclosure requirements may apply.

2. **Review salary ranges and regularly audit pay equity** to assess compliance and market factors.

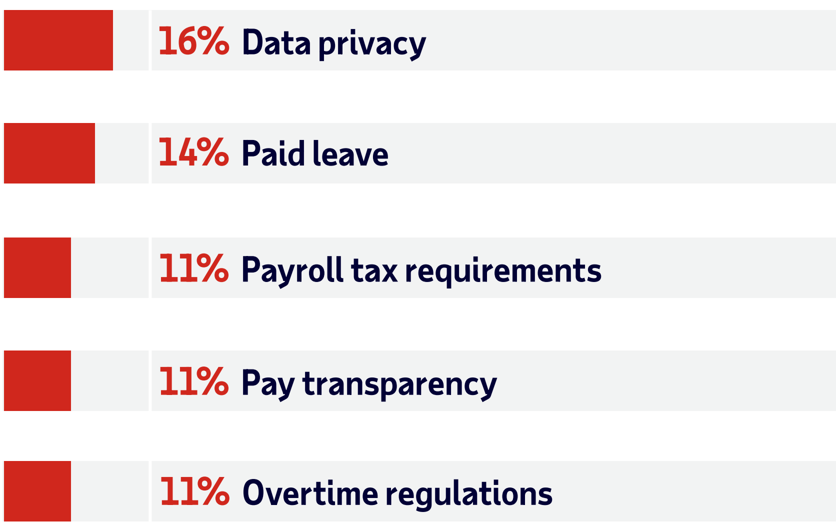
3. **Train HR professionals**, recruiters and managers on compliance requirements and provide updates regularly.

4. **Use people analytics and compensation management tools** to benchmark pay, evaluate pay gaps and assist with setting pay ranges.

Data privacy, paid leave and payroll taxes are top compliance hurdles

Compliance challenges tend to increase as companies grow. Almost half (49%) of small businesses report they do not encounter compliance challenges, compared to 40% of midsized companies and 30% of large organizations.[1] This suggests that larger organizations face more complex compliance requirements.

Among those that do face compliance challenges, organizations in Canada identified the following **top five hurdles:**



The strategies for addressing compliance challenges also vary by company size.[1] Small businesses are more likely to conduct their own research, with 44% opting for this approach. Midsized companies are close behind, with 39% doing their own homework. Both small and midsized companies seek partnerships with HR or payroll providers and rely on technology platforms as their second most trusted method for managing compliance challenges.

In contrast, large organizations typically address compliance issues by collaborating with non-legal professionals within their teams (43%) or partnering with their HR or payroll providers (35%).[1] This indicates a shift in approach as companies grow, with larger organizations leaning more on internal and professional collaborations to navigate complex compliance landscapes.

Learn more:

Pay equity laws in Canada Keep up with ADP Canada's compliance resources all in one place in our **compliance hub.**

Addressing evolving compliance challenges

1. **Proactively monitor regulatory changes:** Stay ahead of compliance challenges by regularly reviewing updates related to key areas such as data privacy, paid leave and payroll taxes.

2. **Use trusted resources or partners:** When internal expertise or capacity is limited, turn to reliable partners, such as HR or payroll providers, for guidance.

3. **Standardize compliance processes:** Implement standardized compliance processes and documentation to minimize errors and ensure consistency across the organization.

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1. ADP Canada, Canada workplace trends for 2026 survey, internal analysis, 2025
2. European Parliament and Council of the European Union, EU AI Act, 2024
3. Colorado General Assembly, Colorado Artificial Intelligence Act, 2024
4. European Parliament and Council of the European Union, Pay Transparency Directive, 2023

Category

Technology

Agentic AI is emerging as a core HCM capability

Agentic AI is being used in some capacity at businesses of all sizes, complementing prior and ongoing advancements in AI. ADP Canada's 2025 HR trends survey reveals that usage increases with business size, with 17% of small businesses reporting they use agentic AI, compared to 26% of midsized businesses and 36% of large businesses.[1] While small businesses report low usage, 68% of small businesses say they're familiar with agentic AI, compared to 61% of midsized businesses and 65% of large businesses. A separate 2025 survey of global HR executives reveals that chief human resources officers (CHROs) anticipate a 327% increase in agent adoption within their organizations by 2027, with 80% projecting that, within five years, most workforces will have people and AI agents collaborating.[2]

What is agentic AI?

Agentic AI refers to systems or collections of AI agents that autonomously think, plan and act to achieve multistep goals with minimal human oversight. They can interact with external systems and adapt based on feedback and environmental conditions. Unlike other forms of AI, which often require step-by-step guidance, agentic AI can break down complex objectives into subtasks and adapt to dynamic environments. It's this ability to problem-solve and reason that gives agentic AI its potential to deliver value in organizational processes and workflows. Overall, agentic AI can help HR, payroll, finance, benefits, recruiting and other key departments automate work processes, facilitate data sharing and enhance collaboration, supporting cross-functional decision making and efficiency. By 2028, Gartner predicts that 33% of enterprise software applications will include agentic AI — up from less than 1% in 2024 — with at least 15% of day-to-day work decisions being made autonomously through AI agents.[3]

Today, organizations are harnessing agentic AI in several ways, including:

- Automating onboarding processes where digital agents guide new hires through requirements
- Simplifying validations and error detection in data-heavy workflows, like payroll, to support accuracy and reduce manual effort
- Proactively generating insights from HR data with clear recommendations on actions and next steps to drive outcomes

Creating business value with agentic AI

To harness the full potential of agentic AI, it's crucial to align its deployment with your organization's strategic goals. Start by identifying the outcomes you wish to achieve, such as attracting talent, enhancing HR efficiency, maximizing employee retention or managing labour costs. This approach helps you focus on delivering tangible business value rather than getting sidetracked by the technology itself. Remember, a clear strategy can guide the implementation of agentic AI in a way that effectively addresses your unique business needs.

Next, explore workflows ripe for automation or effort reduction, identifying areas where agentic AI can streamline processes and improve decision making. Unlike earlier automation tools that required exhaustive scenario definitions, agentic AI's advanced reasoning capabilities allow it to adapt to a variety of situations and complexities. By combining the strengths of human intuition and the analytical prowess of agentic AI, organizations can foster a collaborative environment that enhances overall efficiency, paving the way for sustainable success.

Addressing agentic AI in the workplace

1. Frame agentic AI as a helper that needs human oversight and governance.

2. Anchor adoption in real, pain-point-driven use cases.

3. Build a culture of shared responsibility. Agentic AI changes work dynamics by reshaping roles, not replacing them.

4. Consider the human and compliance impact of implementing any type of AI.

Ethical management of employee and company data is rising in importance

Seventy-seven percent of organizations prioritize managing employee and company data ethically, with this emphasis intensifying as business size grows. Most organizations are confident that their employee and company data are managed in an ethical manner, with 14% of businesses being extremely confident, 41% being very confident, and 33% being somewhat confident.[1]

Regarding polices and guidelines for the ethical management of data, 59% of organizations have established such frameworks, with a notable increase among larger businesses.[1] Eighty-four percent of large companies have implemented ethical management policies, while only 56% of small businesses and 72% of midsized companies have done the same.

When it comes to the ethical management of AI and AI systems, slightly less than half (48%) of organizations consider it a priority.[1] This priority scales with business size: 73% of large businesses view it as important, compared to 45% of small businesses and 57% of midsized companies.

Governance considerations: Security and high-quality data

As agentic AI interacts with company data, robust governance and protections are nonnegotiable. In fact, poor governance could lead to the premature termination of agentic AI pilots or initiatives. Gartner predicts that over 40% of agentic AI projects will be cancelled by the end of 2027 due to inadequate governance ("risk controls"), escalating costs and unclear business value.[4] The principle of "garbage in, garbage out" takes on greater urgency when AI can scale not just content creation and analysis but also autonomous decision making. These findings indicate an opportunity to incorporate agentic AI into existing governance frameworks.

Learn more:

[AI and data ethics: 5 principles to consider]

Prioritizing information security as companies grow

Most companies, 82%, express at least some level of concern regarding threats to information security.[1] Their primary concern is with data breaches, which rank first at 68%. Other concerns include traditional cyberattacks (55%) such as phishing, malware and ransomware, followed by the potential for AI to be leveraged for malicious attacks (45%).

Additionally, 39% of companies are concerned about unauthorized access to company data, while 33% are worried about employee data being accessed without authorization.[1] Compliance with data privacy laws and regulations is also a concern for 30% of organizations. These concerns intensify as businesses grow, suggesting that larger organizations face increased scrutiny and pressure in managing their information security.

These findings highlight the critical need for companies to prioritize information security, especially as they grow. As threats evolve, businesses must implement robust security measures, comprehensive training for employees, and stay informed about regulatory compliance to protect sensitive data and maintain trust among stakeholders.

Strengthening data ethics and information security

1. **Create clear and comprehensive data governance standards** outlining how employee information is collected, stored and used.
2. **Implement role-based access controls** to safeguard sensitive information.
3. **Perform regular security audits and risk assessments** to identify vulnerabilities as the organization scales.
4. **Provide ongoing privacy and security training** to all employees, not just IT teams.
5. **Use secure, compliant HR and payroll systems** to reduce risks and maintain data integrity.
6. **Develop response plans** for data breaches or cyber incidents to ensure quick and transparent actions when necessary.

HR and IT are increasingly reliant upon each other

The relationship between HR and IT is becoming more interdependent as AI reshapes the workplace, with several major companies already merging their HR and IT functions.[5] In a 2025 survey of 1,100 IT leaders, 64% predicted a complete merger will happen within five years, while 31% predict HR and IT will not merge but become far more collaborative during that same period.[6]

A complementary exchange of specialized expertise

As agentic AI is adopted across the workforce, human and agent interactions will be critical for delivering work, requiring HR and IT to work closely together to ensure work is done effectively and that the business moves forward. For HR leaders, success will increasingly hinge on IT's expertise in selecting, implementing and managing complex technologies. At the same time, IT will rely on HR to provide insight into how these tools affect people in terms of adoption and their impact on humans.

"Technology is shaping workforce management. The leading priority is aligning innovation with strong data governance, security practices and ethical use of emerging tools. Keeping a human in the loop is essential as it helps make people-centered decisions. The future will depend on how effectively leaders balance driving innovation and upholding responsibility."

— Carlos Gonzalez

Vice President and General Manager of major and national account services, ADP Canada

HR and IT's partnership isn't just tactical; it's strategic. Both functions carry responsibility for safeguarding company data, incorporating people data into business strategy and influencing how leadership responds to AI transformation. When HR and IT align, organizations are better positioned to balance innovation with trust, ensuring AI adoption adds value while supporting the people who make business possible.

Addressing the integration of HR and IT

1. **Establish shared strategic goals and alignment** between HR and IT, as well as joint governance for data, AI and security decisions.
2. **Standardize integrations** across HR, payroll and enterprise systems.
3. **Build shared accountability** for the employee experience and digital tools.
4. **Use platforms with APIs and analytics** that integrate HR and IT priorities.
5. **Upskill people and systems** by building AI literacy and knowledge to maintain and evolve existing infrastructure.

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3. Gartner, Capitalize on the AI Agent Opportunity, February, 2025
4. Gartner predicts over 40% of agentic AI projects will be canceled by end of 2027, June 2025
5. BBC, Why firms are merging their HR and IT departments, 2025
6. Nexthink, IT's New Mandate: The Experience Silo: HR, IT, and the Digital Workplace, 2025

From far and wide: provincial benchmarks

Employee concerns

Respondents with operations in Québec are slightly less likely to say job security and stability are employee concerns (12%) compared to the 17% national average. Respondents in British Columbia and Alberta are more likely to be concerned about these issues (19%).

Employee turnover

Leadership and management are the main factors driving turnover in the last year, with Québec (66%), Ontario (52%) and Atlantic Canada (52%) tracking above the national average of 49%.[1]

AI and skills development

Do you expect AI and generative AI to replace traditional employee skills development and training methods (i.e. human-led, online courses)?

Percentage of respondents who said yes:

Atlantic	26%
Québec	19%
Ontario	23%
Man/Sask	11%
AB/BC	20%

"Running a growing business today requires owners to embrace change and innovation. It's about supporting our teams intentionally, adapting to evolving compliance expectations and exploring how technology can enhance operations. These trends mirror the conversations we're having every day as business leaders."

— Mohamed Basma
General Manager of small business services, ADP Canada

Section references

1. ADP Canada, Canada workplace trends for 2026 survey, internal analysis, 2025

Easy, smart and human, in practice

The forces shaping 2026 demand more than insight; they require thoughtful action. Across people, compliance and technology domains, leaders must navigate heightened complexity while maintaining a human touch. Sustainable growth will come to those who can drive innovation without deprioritizing people, respond to regulation without sacrificing agility and deploy interconnected intelligence without losing trust.

ADP Canada offers solutions designed for this moment. With tools that are easy, smart and human by design, ADP Canada helps organizations turn insight into action, instilling confidence in leaders worldwide as they build resilient, intelligent, people-centric workplaces.

Discover ADP's solutions

Survey Methodology

Commissioned by ADP Canada, Earnscliffe Strategies conducted an online survey with 1,008 Canadian businesses. The sample was drawn from Leger's panel of Canadians. The survey was in the field from September 4 to 16, 2025. Respondents were asked about their perceptions on current and future HR trends, data security, advances in AI and economic and business outlook.

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