

Unleashing the Human Edge: Global Talent Priorities for Stellar Performance

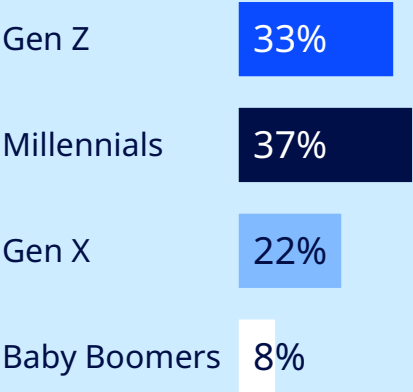
Insights from Mercer's Global Talent Trends 2026



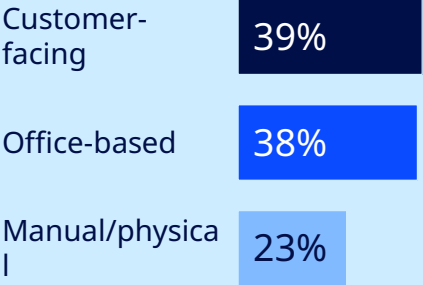
Mercer Global Talent Trends 2026: Insights from 11,800+ voices around the world

9,250 employees

Age group

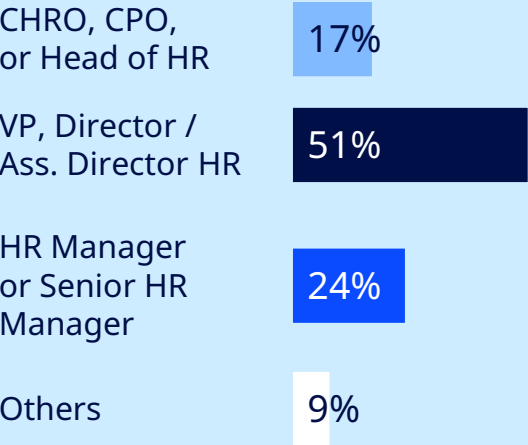


Work type



1,650 HR leaders

Job role

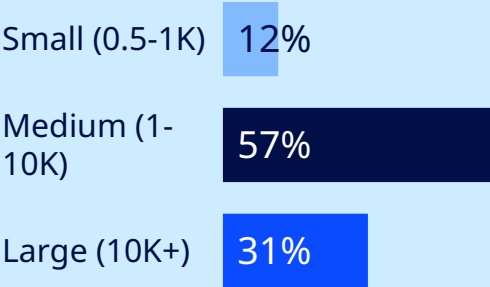


Industries

Automotive	Financial Services	Manufacturing
Chemicals	Higher Education	Media & Comms
Construction	Healthcare	Professional Services
Consumer Goods	Insurance	Retail
Energy	Life Sciences	Technology

825 C-suite executives

Organization size

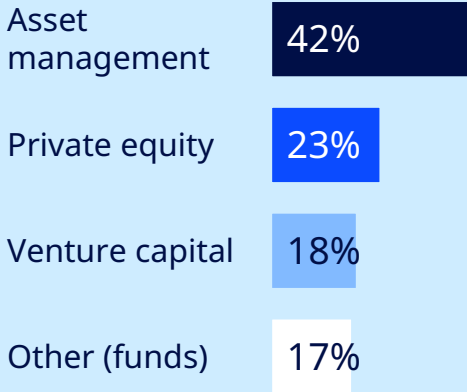


Geographies

Australia	France	Japan	South Africa	United Kingdom
Brazil	Germany	Mexico	Southeast Asia	United States
Canada	India	Middle East		
China	Italy	Nordics		

100 investors

Organization type



Talent scarcity and digital acceleration are the dominant forces shaping people plans across the Globe

Social and economic forces influencing People plans, according to executives

2026		2024		N = 825
#1			Talent scarcity	54%
#2	—	#2	Digital acceleration	52%
#3	▲	#4	Shifting economic interests	46%
#4	▲	#7	Cyber risk	44%
#5	▼	#1	Inflation, currency and capital concerns	41%
#6	▲	#15	Overall heightened risk environment	41%
#7			Changing consumer expectations	34%
#8	▲	#16	Net zero and environmental goals	29%
#9	▲	#12	Supply chain interruptions/challenges	28%
#10			Demographic shifts	24%
#11	▲	#13	Political unrest/war	22%
#12	▼	#6	New business entrants	14%

Talent scarcity and digital acceleration outweigh de-globalization and capital concerns as this year's dominant forces

Sri Lanka's Growth and Talent paradox

Growth is back, but it is fragile and exposed to global forces, and the talent to power it is leaving.

GROWTH IS BACK, BUT SLOWING

5.0%

GDP growth in 2025, slowing to 4.2% in Q2 2026

BUT EXPOSED TO GLOBAL FORCES

44% → 20% → 10%

US tariff on our exports, reset three times since April 2025

AND THE TALENT BASE IS THINNING

~310k

Left for foreign jobs in 2025, three in four of them skilled

US\$8.1B

Record remittances in 2025, up 22.8%

4 in 10

migrant workers went to Kuwait and the UAE, tying jobs and remittances to the Gulf

~791k

Skilled workers who have left over the past four years

The People Priority Divide: HR vs. Leaders vs. Investors

2026 People priorities

HR is being pulled toward the skills imperative created by AI...

...but leaders and investors seek growth through AI.

HR top 10 priorities		C-suite	Investors
#1	68% Enhancing the EX/EVP to attract and retain top talent	#4	#3
#2	57% Designing talent processes around skills	#9	#21
#3	52% Rolling out new HR technology or optimizing our existing platforms	#16	#10
#4	48% Improving our HR/People analytics capabilities	#2	#1
#5	46% Redesigning work to incorporate AI and automation	#1	#2
#6	45% Delivering on our pay equity goals	#15	#11
#7	43% Redesigning our work operating model for increased agility	#12	#16
#8	42% Improving people managers' skills (e.g., performance management, feedback, etc.)	#5	#6
#9	42% Reducing stress-related illnesses and employee burnout	#13	#14
#10	41% Improving our workforce planning	#6	#9

Most aligned

Which of the following People initiatives do you believe will deliver the greatest ROI in 2026?

C-suite top 3

- 1. Redesign work for AI
- 2. Improve HR analytics
- 3. Improving human-AI leadership

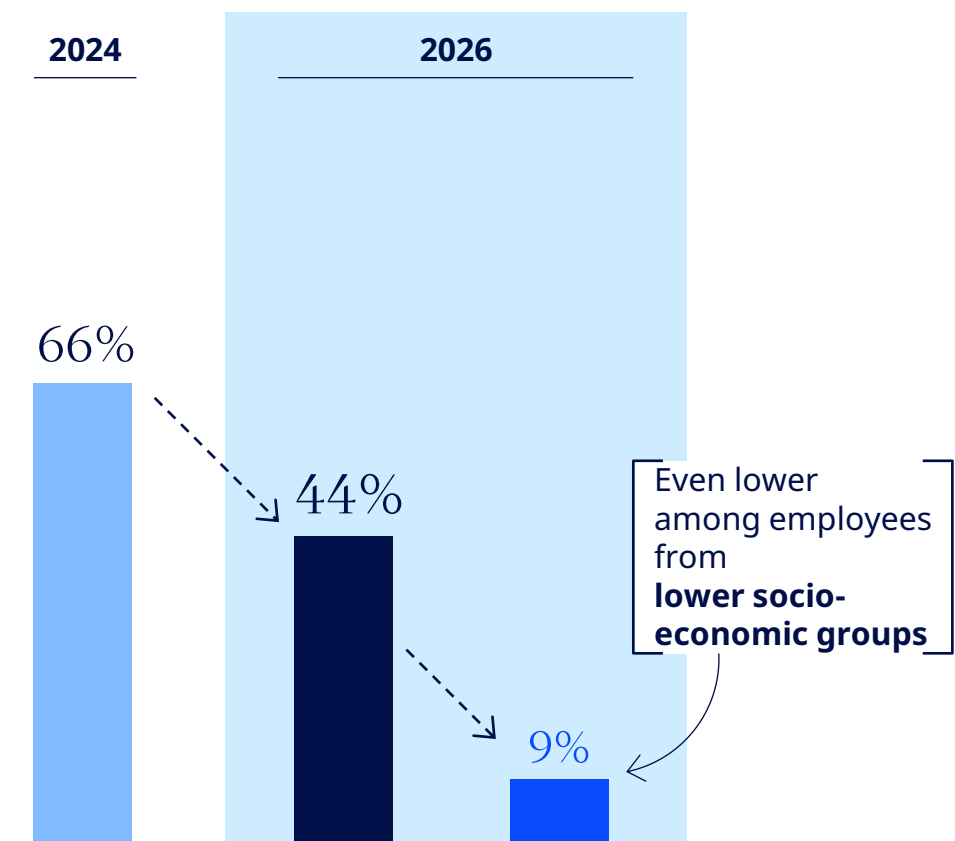
Which talent priorities would you expect leading firms to be investing in to deliver the greatest ROI?

Investors' top 3

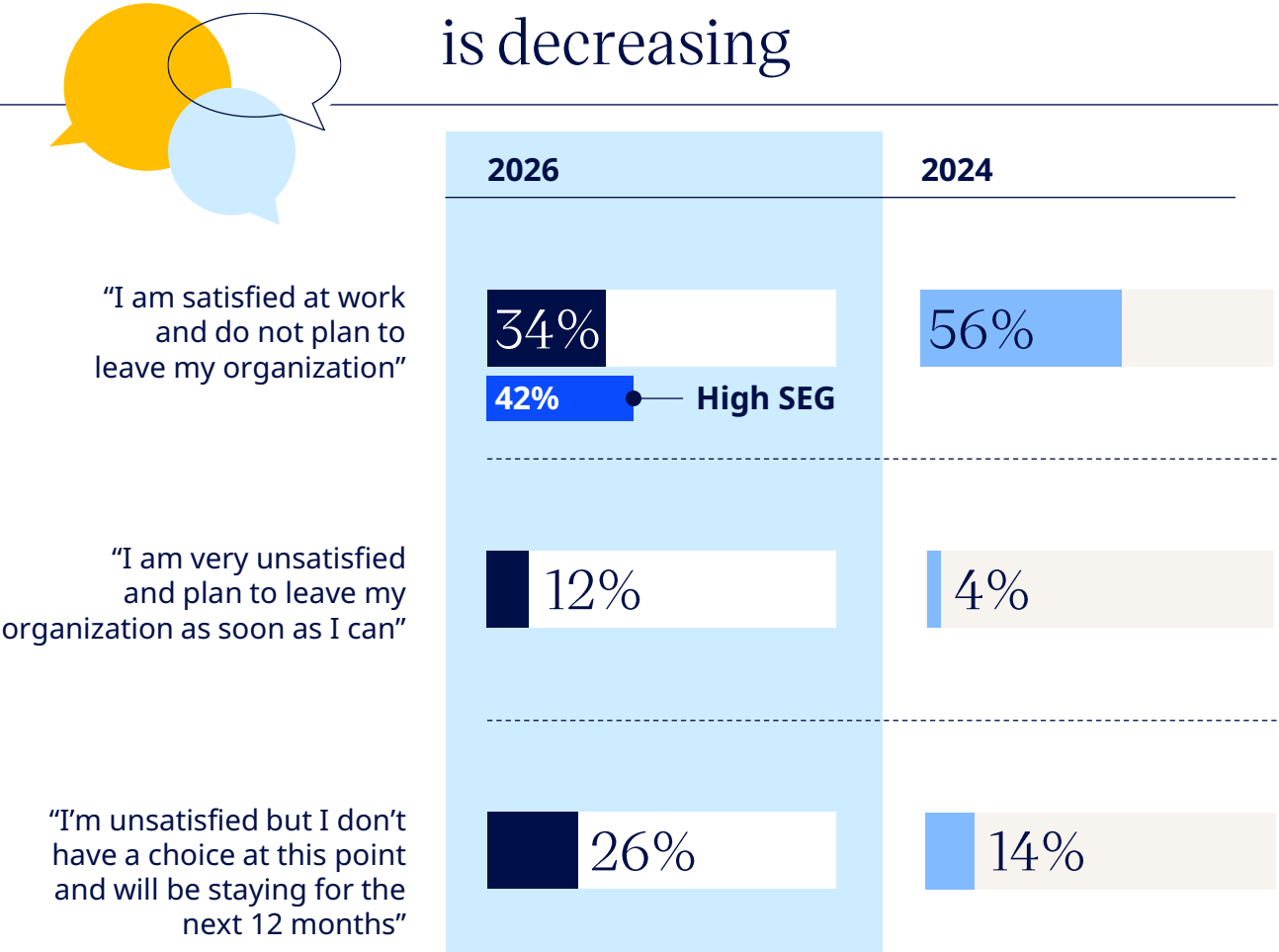
- 1. Improve HR analytics
- 2. Redesign work for AI
- 3. Enhance EX/EVP

Lowest level of employee thriving in Global Talent Trends' history

Only 44% of employees are thriving...



...and work satisfaction is decreasing



Key Priorities for Driving exponential performance

Solving the human-machine equation

Redesign Work,
don't just deploy
AI



Build skills
before you buy



Reset the value
exchange



Lead with Talent
foresight



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foresight



SRI LANKA LENS

7.5% of Sri Lanka's white collar job ads now ask for AI skills, the highest in South Asia. Yet we rank lowest in the region on AI human complementarity. Our jobs are exposed to AI, not yet designed for it.

(Source: World Bank, South Asia Development Update Oct 2025.)

What organizations are looking for...

Yesterday

“How do we unlock a productivity gain with AI?”

Today

“How do we combine human and machine capability to drive exponential performance?”

Beyond efficiency: Redesign work, don't just deploy AI

AI as a catalyst for performance transformation

Investors

AI-human teaming is key to exponential growth

64%

"Company's AI-human collaboration strategy **influences my investment decisions**"

65%

"Companies that integrate human and AI are **better positioned for sustainable growth**"

Employees

83%

Agree that they are more productive and efficient when using AI tools

Top 3 most valuable AI processes

64%

Suggest learning and up/reskilling opportunities

59%

Help me collect/analyze continuous feedback

59%

Coach to help me improve my skills

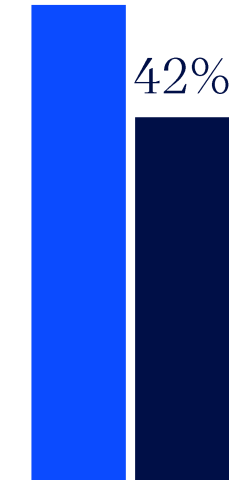
Misaligned →

C-suite/HR:

AI is a tool to increase productivity

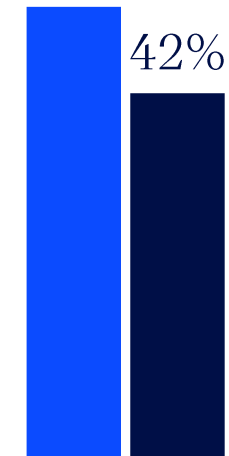
■ C-suite ■ HR

55%



Tool to augment workforce to increase productivity/efficiency

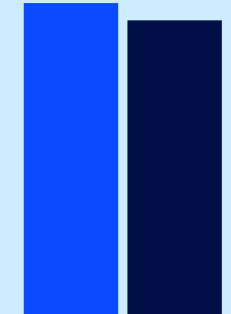
52%



Tool for automating routine tasks

Enables competitive advantage

36% 34%



Human capability amplifier that enables higher quality output

AI fails to deliver value without intentional work redesign

Redesigning for optimal human-machine teaming combination

Work redesign and human-machine teaming

Status quo

Adding AI to established workflows for modest gains in speed and productivity

+ Human

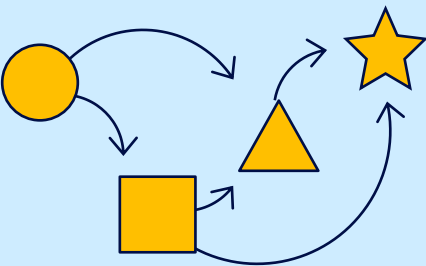
+ AI (tool)



AI value

Work is built **for** human-machine teams for maximum agility

Human+ AI



Perceived value

72% of investors agree that organizations embracing integration of human and AI capabilities create a stronger competitive advantage

Redesigning work to incorporate AI and automation is the People priority that will deliver the greatest ROI

C-suite

63%

Investors

67%

But only **46%** of HR identify this as a 2026 priority

Readiness gap

Only **51% of C-suite** say their organization is prepared for human-machine teaming (down 14 percentage points since 2024)

Only **32%** believe they can design and achieve an optimal human-machine skill mix today

Achieving this is business-critical to solve embedded challenges and enhance the organization's mindset, skillset and toolset

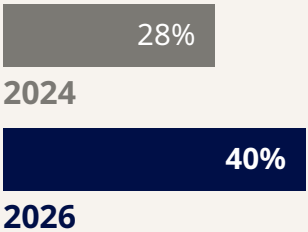
Work redesign needs a culture of AI enablement

Fear is holding back an effective AI-enabled culture ————— Opportunity to bridge the gap —————> HR needs to act

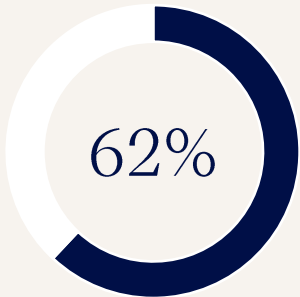
Tech-first
Less agile

Employees say:

“One of my biggest concerns about the future of work is job loss due to AI”



“Leaders underestimate the negative emotional and psychological impact of AI”



68%

HR leaders believe they are addressing the psychological and emotional impact of AI

Just 19%

explicitly factor **psychological and emotional impact** into digital implementation strategies

74%

of HR leaders agree intentional redesign of work is required to bridge inequalities in opportunity and advancement of AI

Work-first
More agile

77% **of investors** prefer companies committed to empowering employees through AI education

AI enablement is not just a tech challenge —it’s a work design challenge
Equity and trust accelerate adoption

Reality Check

Raise your hand if you've deployed AI tools in your organization in the last 12 months

Now keep your hand up ONLY if managers in your organization actually trust the AI recommendations enough to act on them

And finally — raise your hand if you've actually redesigned the WORK PROCESS around AI, not just plugged in the tool

This is exactly what Mercer found:

63% C-suite say work redesign is priority #1, but only 32% believe their workforce can actually pull off human-machine collaboration.

You're seeing that gap right now in this room



Key Priorities for Driving exponential performance

Solving the human-machine equation

Redesign Work,
don't just deploy AI



Build skills before
you buy



Reset the value
exchange



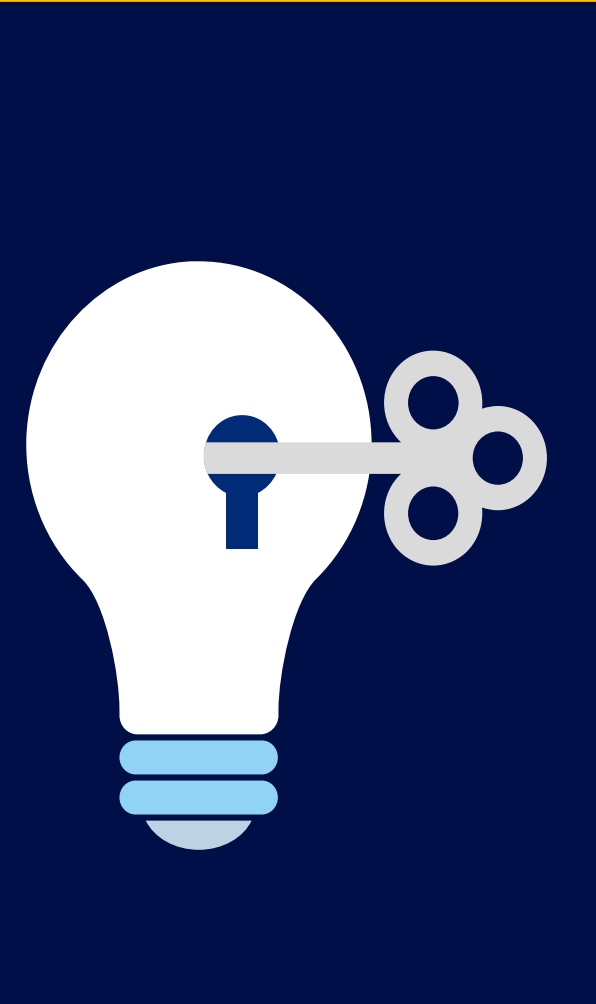
Lead with Talent
foresight



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You can't hire talent that has already left. Building skills in-house is now a continuity strategy, not a training budget.

Build skills before you buy them



When talent leaves faster than it can be hired, reskilling becomes both a retention strategy and a business continuity strategy; not a training budget line.

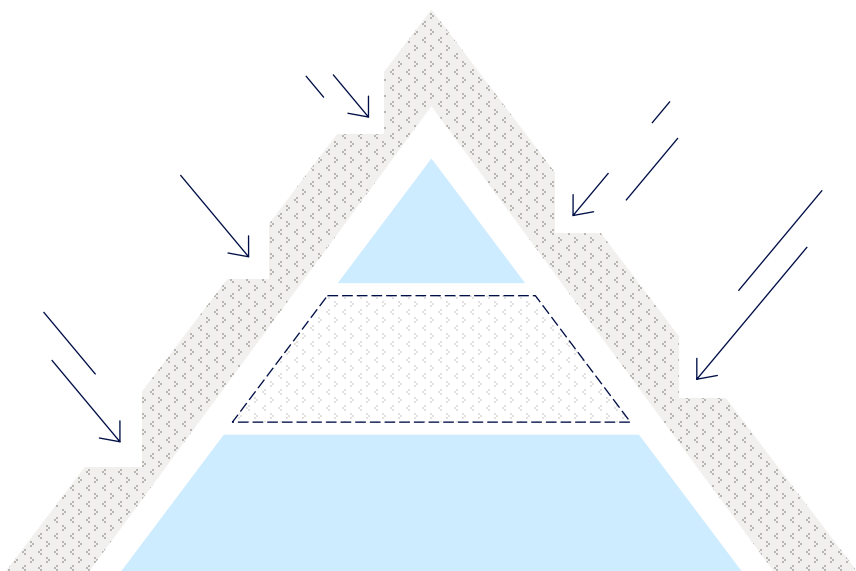
30%

wage premium for AI-skilled jobs across South Asia (World Bank, 2025)

Every skill built in-house is a skill the Gulf, Australia, and the UK are already bidding for

Talent agility demands skills-based pathways

Talent pipelines are being eroded and innovation in talent management, lags innovation in talent acquisition



Employee voice

46%

“Career progression is based on **tenure, not skills**”

1 in 4 say

“My company **doesn’t know my potential** for more complex or senior roles”

Only 26%

“Horizontal and lateral moves are prevalent”

31%

“I am considering leaving my employer due to **lack of career progression**”

HR voice

36%

Clear understanding of **talent development needs**

37%

Say their high-potential and succession planning works

Just 35%

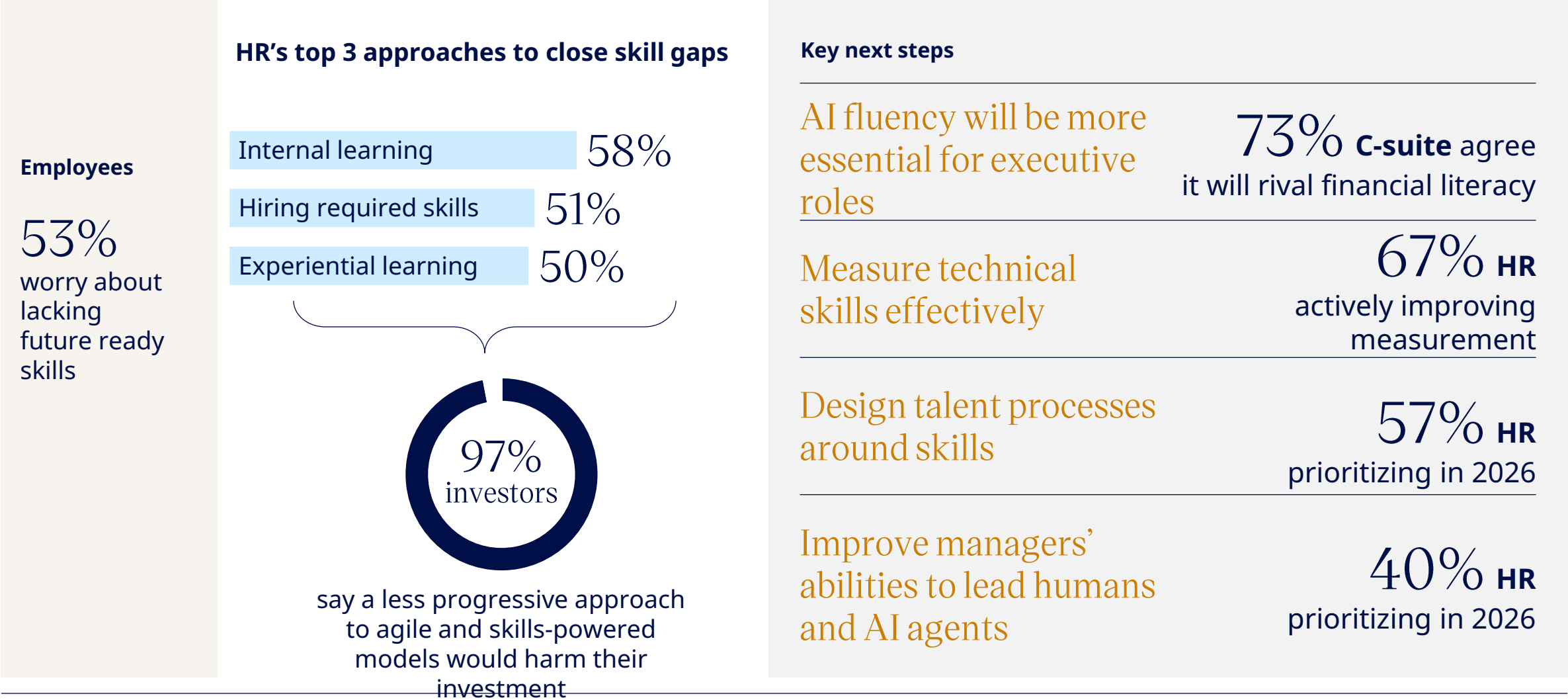
Agree talent data helps identify the **right person for a role**

38%

Have learning pathways linked to skills and jobs

Future-proofing talent: Why skills intelligence matters now

Continuous insights into changing skills demand and workforce gaps as AI evolves will be key



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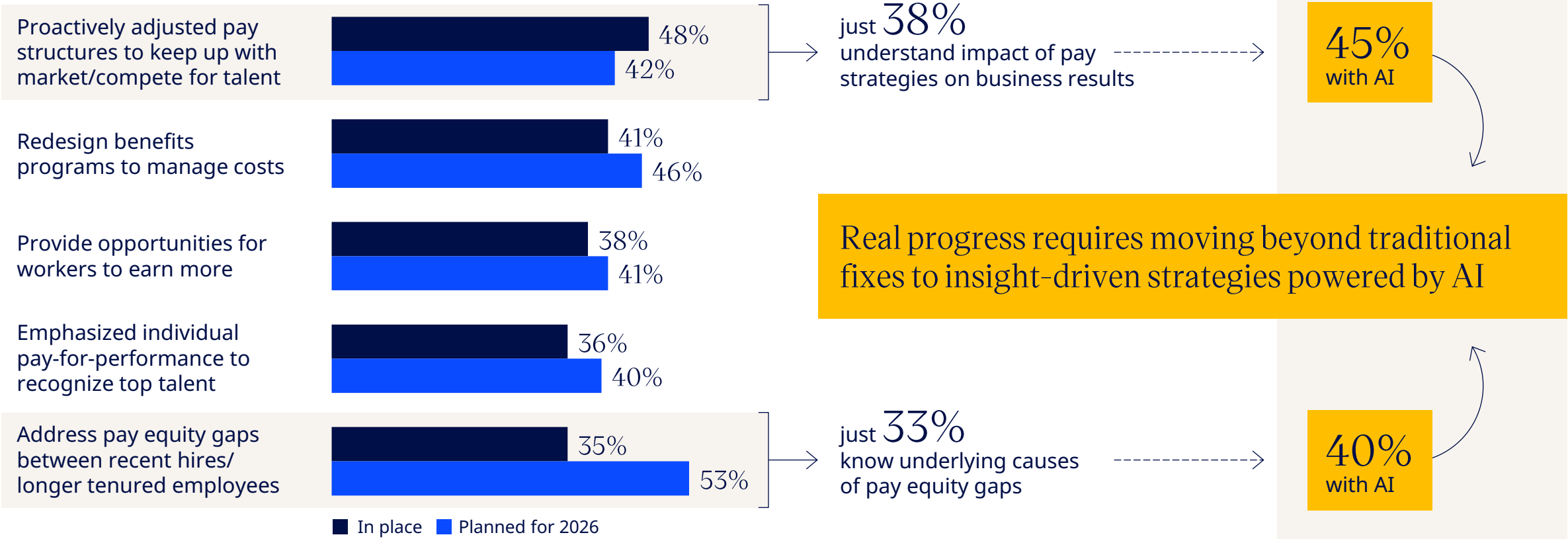
After the 2022 cost-of-living shock and 2023 tax changes, pay alone can't match an offer from abroad. Growth, flexibility and fairness are levers we own.

Most companies remain focused on traditional value exchange

What worked yesterday

- ☒ Change pay structures
- ☒ Redesign benefits
-
- ☒ Understanding drivers

Leading firms



Focus on the right thrive factors for the right people

What employees want

What helps employees thrive at work*

Close the gap

bring employees into the redesign journey

What HR is prioritizing

Areas of investment HR believes would make the **biggest difference to workers'** day-to-day experience**



Why do people stay?

What actually keeps people in their jobs?

2026		2024			
#1	▲	#3	Positive and respectful work culture	52%	
#2	▲	#5	Control over when and where I work	40%	
#3	▼	#2	Fair pay	37%	
#4	▲	#11	Inspiring and trustworthy leadership	35%	
#5	▼	#1	Job security / I trust my employer will find me a job, even if my role changes	34%	
#6	▲	#20	My manager	33%	
#7	▲	#9	Confidence in the organization's strategy / future vision	30%	
#8	▼	#7	Manageable workload	29%	
#9	▲	#13	Organization's brand / reputation	28%	
#10	▼	#4	Opportunity to continuously develop and learn	28%	



Culture, flexibility,
and leadership now top
retention drivers

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SRI LANKA LENS

Half of working age Sri Lankans are outside the labour force. AI driven talent intelligence can surface skills and pools that traditional hiring never sees.

Empowering leaders with AI-driven talent insights

Improving HR/People analytics capabilities is a critical priority to deliver ROI

Investors #1

C-Suite #2

Only 27% of C-suites say HR effectively advises them on human capital risks and opportunities

Why does this matter? → How can we address this?

Top 5 workforce challenges for HR

#1	Difficulty attracting talent with vital digital skills	59%
#2	Rising labor costs	52%
#3	Loss of talent due to burnout/long-term sick leave	44%
#4	Lower than desired engagement	#4 Decreased productivity 43%
#5	Difficulty scaling up/reskilling efforts	39%

Market signals & Workforce signals

Align strategies to react fast

People

Tech

Business

Analytics

Talent – not tech – is the true force multiplier
Companies that fail to act risk falling behind

Talent data exists, but leaders still lack critical insight

Talent foresight is an organization’s best risk mitigation strategy



C-suites: Top 10 useful insights

#1	Productivity gains from AI
#2	Quantifying AI shifting skills premiums/gaps
#3	Leadership behaviors linked to thriving teams
#4	Impact of pay strategies on business results
#5	Effectiveness of HR to meet business needs
#6	Drivers of thriving employees
#7	ROI of pay/benefits
#8	Impact of work redesign on job satisfaction
#9	HR preparedness to drive AI
#10	Optimal workforce size/shape

HR: Top 10 insights available today

#1	Productivity of individual teams and departments
#2	High-ROI pay, benefits and retirement investments by employee group
#3	Effectiveness of HR to meet employees needs
#4	Effectiveness of HR to meet business needs
#5	Extent of pay inequities across the workforce
#6	Adoption rate of newly implemented technologies
#7	Leadership behaviors linked to thriving teams
#8	Productivity gains from AI
#9	How we compare to competitors on EVP
#10	Drivers of thriving employees

	(2024)		(2026)
	51%	▲	59%
			54%
			52%
			49%
	48%	▼	47%
			47%
	51%	▼	46%
	44%	▬	44%
			41%
	48%	▼	41%

(Minimal progress in 2-4 yrs)

From planning to prepared

Businesses need to shift from planning activities and feeling prepared to being truly ready for what's next



Talent intelligence plus strong leadership is essential to plan and act with certainty

THANK YOU

We are leaders in risk, strategy and people. One company, with four global businesses, united by a shared purpose to build the confidence to thrive through the power of perspective.