SAP Report | PUBLIC

The Road Ahead: Predictions and Possibilities for the Future of Work

SAP SuccessFactors

Table of Contents

Introduction

The future of work will not be defined by a single path. Powerful driving forces – from AI and other technology advancements to macro-economic volatility and population demographic shifts – are reshaping work at an unprecedented pace and pushing us toward multiple possible futures. Against this backdrop of external disruption, a parallel challenge is emerging inside organizations, as employees grapple with a growing sense of disconnect from their employers. As highlighted in the 2025 HR Trends Report by the Future of Work Research Lab, many employees are questioning the very foundation of their relationship with their organizations as trust and loyalty continues to decline. According to our research, actively disconnected employees are 3.1x more likely to say their organization has failed to follow through on its promises. And the consequences are significant: those disconnected employees put in 16% less effort than their peers.

Driving forces shaping the future of work

AI & technology advancements

Rapid breakthroughs in AI and digital tools are reshaping how work gets done, from automating tasks to executing workflows independently.

Macro-economic volatility

Unstable markets, rising costs, and global tensions are creating uncertainty, leading many organizations to cut spending, delay investments, and focus on minimizing risk.

Population demographic shifts

Longer lifespans, declining birthrates, and multi-generational workforces are transforming talent supply, career paths, and employee expectations.

This is our starting point: a landscape defined as much by external forces as internal turmoil. In this environment, HR has a rare and urgent opportunity to act as the architect of what comes next – shaping not just processes, but the very meaning, experience, and value of work. To do so requires a clear view of the possibilities ahead and the different paths organizations might take to get there. That is what this report provides: a tangible look at emerging possibilities over the next five years, grounded in data and foresight, organized into three pillars:

- **Pillar I: The Future of Working** explores how AI will reshape the very nature of jobs and tasks, disrupting and redesigning roles while also impacting how humans think and collaborate.
- **Pillar II: The Future of the Workforce** examines who will perform this new work, highlighting the implications of demographic shifts, the evolving profile of a "successful worker," and specific workforce segments and roles that will be particularly disrupted.
- **Pillar III: The Future of Work Practices** considers how HR practices will adapt as AI fundamentally alters how talent is identified, managed, evaluated, and rewarded.

Methodology

Our future of work predictions were developed through a multi-step process combining early signal detection, structured foresight techniques, and empirical validation.

We analyzed early signs of change based on our review of **357 business press commentary and secondary research articles** related to social, economic, and workforce dynamics, validated them through a **global survey of 8,058 employees**, and applied the Future Wheels methodology to map first-, second-, and higher-order consequences.

Across the three pillars, we outline a total of ten predictions. Each prediction is paired with two scenarios ("Future 1" and "Future 2") that illustrate diverging paths the future might take. We then intentionally follow Future 2 forward, as it represents the path we see as most transformative for workplaces and workers alike – though also the most ambitious and demanding.

This is HR's opportunity: to turn these possible futures from provocation to practice and to shape a future of work where both people and organizations can thrive.

Pillar I:
The Future of Working

Explores how AI will reshape the very nature of work, disrupting roles and impacting how humans think and collaborate

AI Impact Approaches

To date, the broad promise of AI's impact on business outcomes has been largely realized in one way: time savings. How will this efficiency-first approach evolve in the future?

Future 1
AI Upgrade:
AI scales into a future of productivity

Future 2
AI Overhaul:
AI shifts towards a future of expanded outcomes

Work Redesigned

Today, most organizations are introducing AI incrementally, but exponential change will require fundamentally reconsidering what work should be done and how. The inevitability of work redesign is clear, but how will it unfold?

Future 1
AI Maximalist:
Organizations prioritize around AI's ever-expanding capabilities

Future 2
Symbiotic Strategist:
Organizations prioritize realizing human potential

Digital Hearts, Human Needs

AI's interdependent working relationship with humans is continuing to evolve as the technology advances. How will organizations define the relationship between humans and AI at work?

Future 1
The Synthetic Teammate:
AI is seen as an anthropomorphized teammate

Future 2
The Fit-for-Purpose Tool-mate:
AI is seen as an unbiased collaborator

The Great Cognitive Shift

Humans are increasingly relying on AI for critical thinking work.
How will working with AI on cognitively demanding tasks re-shape how humans think?

Future 1
The Offload Effect:
AI is used to offload critical thinking

Future 2
The Amplification Effect:
AI is used to amplify human cognition

AI Impact Approaches: AI Upgrade vs. AI Overhaul

To date, the broad promise of AI's impact on business outcomes has largely been realized in one way: time savings. AI adoption remains concentrated in narrow use cases that deliver time savings and faster execution of existing tasks. According to our research, employees now save an average of **75 minutes per day** using AI at work – an increase of **23 minutes** from the start of 2025 – and C-suite executives consistently rank efficiency as their top desired outcome. **The question now: how will this efficiency-first approach evolve in the future?**

Future 1: AI Upgrade

In this future, AI increases sheer output. Business impact is measured in productivity gains, faster production with greater consistency, rather than in new kinds of value. Existing workflows remain largely intact, but AI is used to augment them, allowing organizations to produce more within existing structures and roles.

This future has clear advantages. Employees themselves endorse productivity as their top priority when using AI: our research found that two thirds say it is their primary goal, and on average, they expect AI will make them nearly 3x more productive in the next five years. In industries where scale, speed, and standardization dominate, these gains can be transformative. However, this future also has limits; namely, that by keeping productivity as the primary measure of success, organizations risk overlooking AI's potential to create new forms of value beyond "more of the same."

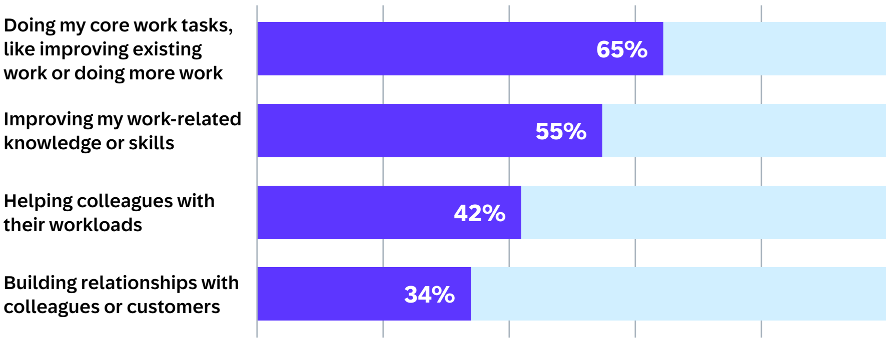
Future 2: AI Overhaul

In this future, organizations move beyond using AI to simply boost existing means of production and instead apply it to re-imagine outcomes. Rather than just producing more, AI is leveraged to create transformative solutions and generate alternative outputs that were previously too costly, slow, or complex to deliver, or were simply not imagined in a pre-AI world. Business impact is no longer measured only in productivity gains, but in a broader set of value drivers that strengthen organizational performance, innovation, and growth.

The benefits of this path are significant: organizations gain a competitive advantage through better alignment of their outputs to market demands alongside an ability to unlock new forms of value from AI. Meanwhile, employees also benefit from AI that raises the standard of their work and enables them to deliver outcomes that were, until now, out of reach. But this path is not without challenges: such an overhaul will require bold leadership, cultural resilience, and a willingness to navigate deep uncertainty.

Today, employees who save time at work are most often told to spend that extra time doing ***more*** – not doing anything ***different***. *(See figure to the right.)*

According to your company, how are you supposed to spend the time that you save by using AI at work?



NEW

Navigating the agentic revolution: How autonomous AI is reshaping human-AI dynamics at work

Read the report →

Work Redesigned: AI Maximalist vs. Symbiotic Strategist

Pursuing the novel business outcomes that could be achieved through the AI overhaul future will require that organizations embrace deeper transformation and redesign work itself. Today, most organizations are introducing AI incrementally, layering it onto existing roles and workflows. But exponential change will not come from tinkering at the edges; it will require fundamentally reconsidering what work should be done and how. According to our research, employees already recognize the imminent nature of this shift: on average, they estimate that **42% of their tasks** could be performed by AI today. And, unsurprisingly, those who see the most potential for AI to do their job feel the most job insecurity: for every additional **10% of their job** that employees think AI could do, their AI-induced job insecurity **increases by 25%**. **The inevitability of work redesign is clear. The question now: how will it unfold?**

Future 1: AI Maximalist

In this future, work redesign is based on a simple principle: if AI can do it, AI should do it. Roles are structured around automation first, with humans handling not only the tasks that remain, but also the new responsibilities that emerge once AI assumes core parts of work. For example, AI agents may orchestrate workflows across systems and transactions while humans step in to oversee, validate, and refine their outputs. The logic of this future is driven by a goal of maximizing what AI can do, leaving people to fill the gaps even if people are not best suited for or motivated by that work.

However, this approach does have advantages. Proponents of an AI-maximalist model argue it will yield real benefits, and employees themselves show trust in their organizations to navigate this shift: according to our research, 80% believe their employer will make good decisions about what work should be given to AI. But a model that frames human contribution as merely "what remains" inevitably risks eroding trust, undermining motivation, and increasing job insecurity. By prioritizing AI's potential above all else, organizations may achieve short-term gains but compromise the long-term sustainability of their workforce in the process.

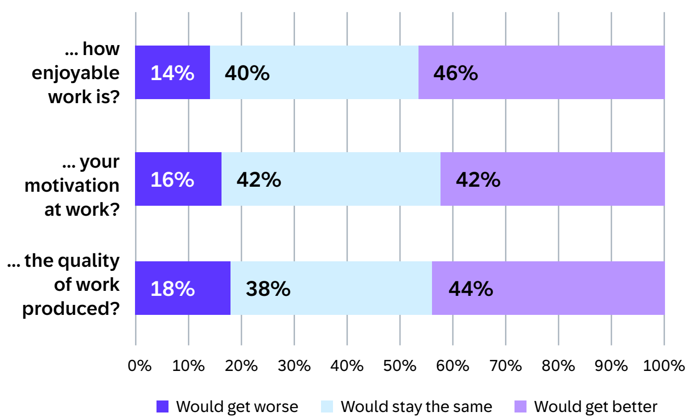
Future 2: Symbiotic Strategist

In this future, work redesign is guided by both AI and human potential through a principle called *strategic symbiosis*, where humans and AI combine strengths to create a mutually beneficial relationship that generates outcomes greater than what they could achieve alone. Here, organizations no longer ask only "what can AI do"? but also "what makes work motivating and meaningful for people"? Roles are reimagined to enhance the core elements of good work design that organizational psychologists have studied for decades – skill variety, task identity, task significance, autonomy, and feedback – while AI further augments these elements and takes over tasks of lower interest and value to human workers.

This approach recognizes that even as AI replaces certain facets of work, jobs can be intentionally designed to unlock intrinsic motivation through work that is meaningful and energizing. According to our research, four in five employees believe AI will help them focus on more valuable work, and when asked how they most want work to be redesigned, the second-most common response was "working on projects I'm passionate about[1]." Strategic symbiosis builds on this sentiment, using AI to shift employees' focus to the work that really matters to them and their business. The result is not just happier, more engaged employees, but workers positioned to deliver greater impact.

Most employees expect that, if AI were to take over parts of their job, **their experiences at work would improve.**
(See figure to the right.)

How do you think AI taking over core parts of your current job would impact…



[1] The most common response was "work fewer or more flexible hours."

Digital Hearts, Human Needs: The Synthetic Teammate vs. The Fit-for-Purpose Tool-mate

As organizations redesign work to optimize AI and human potential, we can anticipate that AI's role in this interdependent working relationship will continue to change as the technology's capabilities advance. A clear example of this is the extent to which AI can replicate empathic communication. Already, **40% of surveyed employees** report turning to AI for emotional support, and **more than half** of those say they feel more supported by AI than by their coworkers. **The question now: how will organizations define the relationship between humans and AI at work?**

Future 1: The Synthetic Teammate

In this future, AI is treated as an equal member of the team, even appearing on the organizational chart. Some employees already have an appetite for such a shift: according to our survey, 39% say they would prefer to interact with an AI agent over a human coworker to get advice, 30% to vent when stressed or frustrated, 23% to share a laugh on a tough day, and 22% to celebrate successes. The allure likely lies in an endlessly available and non-judgmental companion: personalized, empathetic, and finely attuned to individual needs. In an era of rising loneliness and disconnection at work, such companionship could be very appealing.

But this future also carries risks. An overly humanized teammate could quickly lose value if it becomes too accommodating, telling employees what they want to hear rather than offering constructive feedback. Further, not all employees will accept AI as an "equal," and some may feel threatened or devalued by the blurring of these boundaries. In sum, treating AI as a personified teammate may meet certain needs in the short term but risks introducing new problems around identity, trust, and authenticity at work.

Future 2: The Fit-for-Purpose Tool-mate

In this future, AI is positioned not as a peer but as a "fit-for-purpose" collaborator: more than a simple instrument, yet deliberately distinct from human team members. Its role is to augment human thinking, offer unbiased insights, and enhance work products, while clear organizational governance and guardrails ensure its contributions remain bounded and transparent. This model reflects a growing recognition that AI does not fit neatly into either extreme of teammate or tool but instead occupies a new space in between: a "tool-mate."

That said, when it comes to conceptualizing AI as a tool-mate, many are not there yet. In a recent poll, 63 HR leaders rated their perception of AI as far closer to "tool" than "teammate" (rating of 8.1 on a 10-point scale). But viewing AI as a tool alone is short-sighted – it overlooks how AI will actually operate in the workplace and how organizations will need to use it to unlock its full potential. HR's role will be to help employees and leaders shift into this new mental model, one that recognizes AI's distinct contributions without raising it to a level of "human." If they succeed, the payoff is a future that preserves the best of both worlds: AI as a capable, always-on collaborator while human identity is maintained at the center of work.

On a continuum from "teammate" to "tool," how do you view AI agents?

Employees who answer "teammate" are more likely to be:
- Younger
- Desk-based
- Located in APAC
- An individual contributor
- More AI literate

Employees who answer "tool" are more likely to be:
- Older
- Deskless
- At a smaller organization
- A people manager
- Less AI literate

Perceptions of AI agents as a "teammate" or a "tool" vary widely.

The Great Cognitive Shift: The Offload Effect vs. The Amplification Effect

As AI becomes embedded as a collaborator and tool-mate, humans will inevitably treat and value it as a true thinking partner. Already, our research shows that **50% of employees** say they would prefer to brainstorm solutions with an AI agent over a human. As interactions with AI become more natural and fluid, its presence in our work will shape more than simply *what* we produce. **The question now: how will working with AI on cognitively demanding tasks re-shape *how* humans think?**

Future 1: The Offload Effect

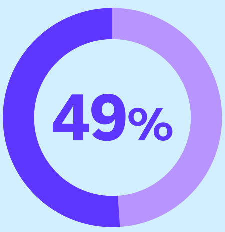
In this future, employees default to using AI for demanding "thinking work," treating it as the quickest, easiest solution amid mounting performance pressures and expanding workloads. With minimal human oversight, AI becomes the ultimate problem-solver: generating answers that are accepted at face value rather than critiqued or built upon. According to our research, 90% of employees say they have submitted entirely AI-generated content without any edits or revisions at work, and 56% do so once a week or more. For organizations, this offload effect may deliver immediate productivity gains, but at a potentially steep cost. Overreliance on AI for cognitive tasks risks dulling problem-solving skills and diminishing creativity, innovation, and diversity of thought within and across teams. In the longer term, it could erode the very human judgment and critical reasoning that organizations rely on in moments of complexity, ambiguity, and strategic decision-making.

Future 2: The Amplification Effect

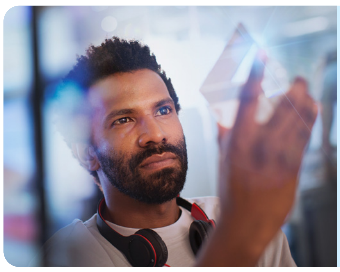
In this future, AI is intentionally positioned as a catalyst for deeper human thinking rather than a replacement for it. Organizations intentionally design friction and "cognitive speed bumps" into the AI user experience to prevent overreliance, prompting employees to question, refine, and build upon AI-generated insights. Instead of employees prompting AI to give them the easy answer, AI prompts employees in turn to generate a better solution together. The goal is not the offloading of cognitive work, but rather the cultivation of sharper human judgment, creativity, and problem-solving.

Our research indicates some encouraging signs this future may already be emerging: most employees report they have already used AI to think through problems in new ways (60%) and to be more creative and imaginative (67%). Harnessed appropriately, this approach allows organizations to strengthen cognitive capabilities in the present while laying the groundwork for long-term resilience.

Employees who use AI in ways that amplify their thinking are more productive and efficient.



of AI users are **cognitively amplified**.



Compared to their peers, when using AI at work, cognitively amplified AI users:

- **Save 22% more time**
- **Are 32% more productive**

Cognitively amplified AI users are more likely to be:

- Desk-based
- Managers
- University-educated
- In IT, management, HR, product development, or sales
- Millennials or Gen X

Preparing for the Future of Working

1. Be intentional and strategic when choosing what AI outcomes to prioritize, how work is redesigned, and how employees should work with AI. HR can do this by being a key stakeholder in AI governance efforts, leading redesign initiatives, and vetting vendors according to your organization's principles on AI.

2. Build cross-functional AI governance teams early to address fast-evolving questions. In stakeholder meetings, play out the downstream impacts of AI use – if a given choice is made now, how will the employees of this organization be impacted in a year? In three years? In five years?

3. Communicate expectations early and often around how AI is (and is not) expected to be used by employees and what the intended outcomes of that AI use will be. Incorporate those expectations into workflows and formal processes (e.g., goal setting and performance management). Begin measuring the impacts of AI and track progress over time.

Consider Your Technology

Building the "future of working" will require the ability to understand the current state, forecast the outcomes of redesign decisions, and effectively enact changes once those decisions are made. **Task intelligence** will help HR understand current workflows, including where and how employees are collaborating with AI. **Organizational modeling** technologies will help businesses to experiment with various scenarios while **strategic workforce planning** technologies will help to ensure successful execution.

Pillar II:
The Future of the Workforce

Examines the implications that AI work redesign and demographic shifts will have on the evolving profile of a "successful worker" throughout the career lifecycle

Early Talent in Peril

Entry-level opportunities are disappearing as AI absorbs routine tasks and economic pressures reduce headcount. How will opportunities for early talent evolve to ensure today's newcomers become the top talent of tomorrow?

Future 1
Growth Through Gigs:
Early talent builds their own portfolios through gig work

Future 2
Home-Grown Development:
Early talent is cultivated internally as the next generation of the workforce

People Leaders at a Crossroads

Managers today are overwhelmed by widening spans of control and heavy administrative burdens. Who, or what, will a people manager look like in the future?

Future 1
AI as Coach:
AI fully overtakes the role of the manager

Future 2
Manager as Mentor:
The manager role is redefined around the human elements of leadership

The Third Career Act

Due to a variety of factors, many workers are staying in the workforce longer than ever before. How will organizations shift to best leverage their most senior talent?

Future 1
The Fractional Advisor:
The third career act is re-imagined as the fluid fractional advisor

Future 2
The Organizational Memory Architect:
The third career act is re-imagined as a stable architect of institutional knowledge

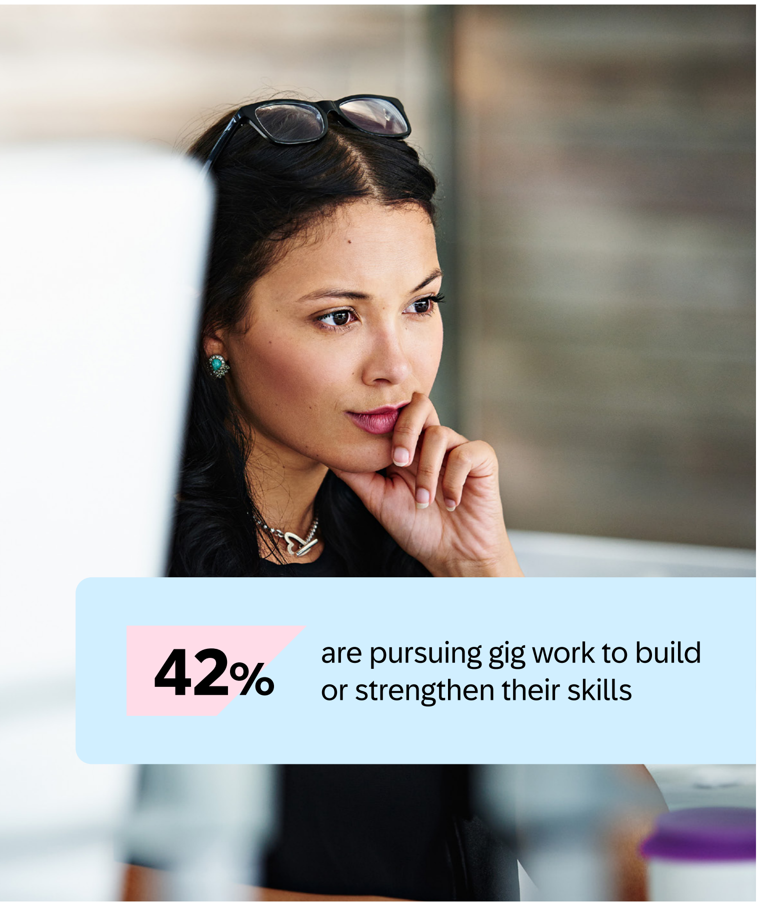
Early Talent in Peril: Growth Through Gigs vs. Home-Grown Development

As AI absorbs more entry-level work and economic pressures reduce headcount for new roles, the traditional on-ramps for early talent into the workforce are eroding. At the same time, universities are struggling to keep pace with rapidly shifting skill demands, rendering traditional degrees a less reliable pathway to employment than they once were. The result is a reduction in availability of entry-level roles, early signals of a growing unemployment rate for young workers, and ultimately, a sense that their future hangs in the balance. **The question now: how will opportunities for early talent evolve to ensure today's newcomers can become the top talent of tomorrow?**

Future 1: Growth Through Gigs

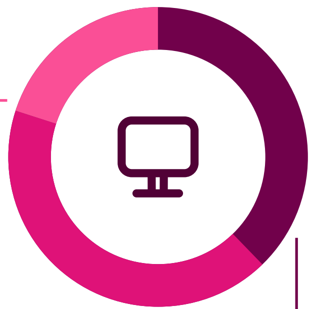
In this future, the entry-level job market collapses almost entirely. AI absorbs most simple tasks, leaving little space for traditional entry roles inside organizations. As a result, early talent doesn't enter companies in the ways that previous generations have. Instead, they build careers from the outside, turning to certifications and high-fidelity simulation trainings rather than university, and short-term contracts and gig assignments rather than entry-level permanent roles. Portfolios of work become the new resume, with expertise and experience earned through projects rather than organizational tenure.

On the one hand, this future creates a hyper-adaptive workforce, as young workers continuously upskill to stay relevant and develop in-demand capabilities. And younger workers understand the potential benefits of this approach: according to our research, 77% of younger workers say they would prefer full-time gig work if it didn't affect their income. On the other hand, the risks of this future are considerable: the standard talent pipelines in organizations destabilize, young workers face increasing stress and burnout from inconsistent work arrangements, and when organizations need to secure mid-level talent, they may struggle with those who lack the foundational skills and development that traditionally came from university and early career, full-time roles.



42% are pursuing gig work to build or strengthen their skills

Gen Z employees already want to do gig work as a way to build their skills.



19% would not consider engaging in gig work outside of a primary full-time job

43% are not engaging in gig work outside of a primary full-time job, but considering it

38% are engaging in gig work outside of a primary full-time job

Early Talent in Peril: Growth Through Gigs vs. Home-Grown Development

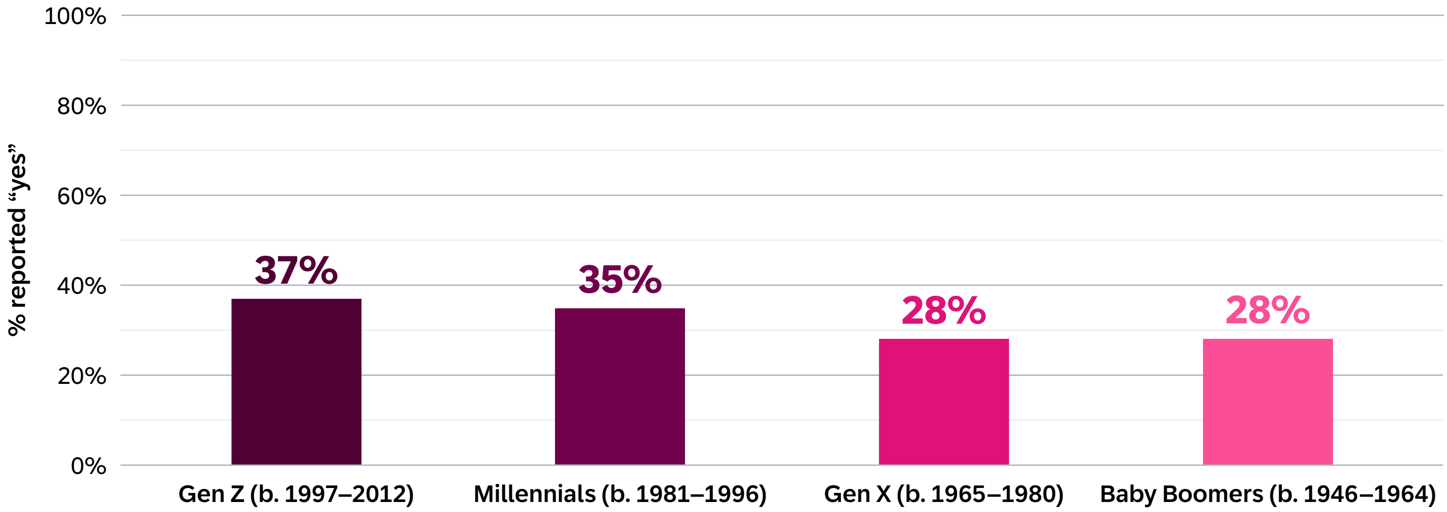
Future 2: Home-Grown Development

In this future, organizations recognize that even with fewer entry-level roles, there remains a need for a strong talent pipeline tailored to new work operating rhythms. As a result, they commit to bringing in select early-career workers and developing them from the ground up. Rather than hiring based on degrees, employers select for potential, learning agility, and organizational fit. From day one, early talent is placed into structured pathways that blend formal learning, rotational assignments, immersive development experiences, and hands-on projects designed to accelerate organizational learning. AI plays a central role by forecasting future skill demands, curating individualized development plans, and matching employees to opportunities that build both breadth and depth of capability.

The advantages of this future are compelling: organizations not only fill their pipelines, but also mold a workforce tailored to their long-term business needs. Loyalty deepens as employees see visible investment in their growth and retention; and organizations benefit from the adaptability of AI-native workers as they continuously re-deploy them based on business needs. Our survey data also suggest that early talent see the benefit of this approach: compared to other workforce segments, younger employees report greater concern about missing out on professional development if limited to gig work. At the same time, there are important considerations: building holistic development programs requires significant upfront investment, patience for longer-term payoff, and cultural commitment to valuing potential as much as proven experience. Still, this model offers organizations a unique opportunity to not just secure, but shape, the next generation of their workforce.

Early-career employees are most concerned about the negative impact gig work could have on their **career development or career progression**. *(See figure below.)*

Would a potential negative impact on your career trajectory deter you from pursuing freelance or gig work instead of a full-time role?



People Leaders at a Crossroads: AI as Coach vs. Manager as Mentor

As the structure of early talent development is reimagined, new questions emerge about how young workers should be supported and guided. Historically, this responsibility fell naturally to people managers. But today, economic pressures and ongoing restructuring have widened spans of control, leaving managers accountable for more employees than ever before, while layers of management continue to thin, resulting in fewer managers overall. At the same time, AI is already supporting significant portions of the manager's responsibilities – according to our research, managers now use AI to help them complete, on average, **38% of their tasks**. Conversations are already underway about a future where AI takes over the administrative load, freeing human managers to focus exclusively on people leadership. **The question now: who, or what, will a people manager be in the future?**

Future 1: AI as Coach

In this future, AI absorbs not only the operational responsibilities, but also the coaching aspect of management. Traditional manager roles disappear, and career paths are entirely redesigned now that the managerial track is no longer available for advancement. With the AI coach modeled on the most effective human coaches and infused with the organization's strategy and objectives, it delivers consistent feedback, guidance, and support, personalized to each employee and aligned to their organization's cultural values. In the best case, everyone gets an always-on, custom coach. In the worst, AI simply spreads the flaws of poor leadership at scale.

Overall, there are clear benefits to this future. Employees, for one, already show some readiness for this shift: according to our research, 57% feel they would be just as successful if they had an AI manager instead of a human manager, 52% would prefer to receive coaching from AI, and 47% have already turned to AI for professional development support. Organizations could also reduce labor costs, eliminate manager bias, and finally provide democratized access to coaching. But this future raises critical questions: What happens to existing people managers – how are they retrained and redeployed? Without layers of management, how will the C-suite identify and prepare future successors? And what happens to employees who struggle without the trust and connection that a human manager provides? This future promises personalized professional development, but at the possible expense of human connection.

People Leaders at a Crossroads: AI as Coach vs. Manager as Mentor

Future 2: Manager as Mentor

In this future, AI handles all operational and administrative tasks, freeing up human managers to take on the role of "manager mentor," where they focus exclusively on coaching, guidance, and cultural stewardship. While this might feel like where we are already heading now and in the short-term future, the key shift is that manager mentors no longer oversee direct reports or advance to their position based on past individual performance. Instead, they are selected specifically for their ability to mentor, transfer knowledge, and shape the careers of others. Untethered from fixed reporting lines, manager mentors more fluidly deploy to where they are most needed across the organization, whether supporting an individual employee, a project team, or even an entire work team. This model becomes especially relevant in a future like that described above, where early talent increasingly takes on "roaming" assignments and will inevitably require more diverse and ongoing mentorship to navigate varied roles over time.

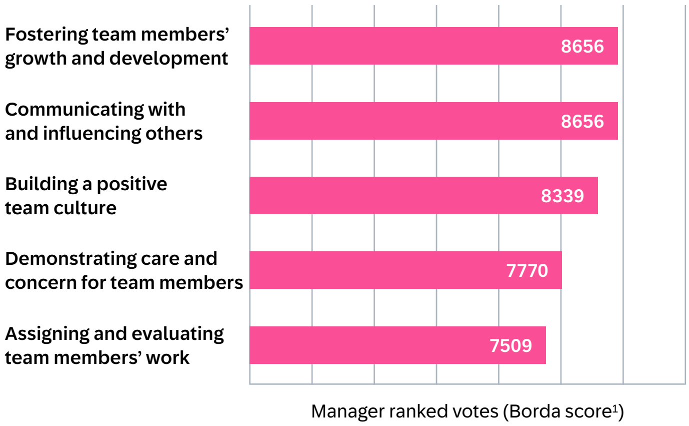
To make this future a reality will require significant transformation: organizations will need to redefine how they select and develop manager mentors, retrain or redeploy existing people managers who are unsuited for this reimagined role, and grapple with obstacles such as employees who may hesitate to seek help if mentoring is only available on demand rather than through an ongoing relationship. Furthermore, the confidence gap that existing people managers may experience in transitioning into the manager mentor role cannot be overstated, and in fact may be the crux of bringing this future to life. According to our research, 35% of managers would not feel confident performing their role as a manager if AI took over all administrative tasks. Nonetheless, the advantages of this future are compelling: more connection, dedicated development support, and boosted career outcomes. Ultimately, this future promises a more human-centered workplace, but it will take deliberate effort and investment to make it a reality.

AI is starting to give managers more time to focus on team members' growth and development.

52% of managers say AI tools have decreased their workload as a manager.

80% of managers believe that decreases in their workload due to AI will help them focus on more valuable work.

This is how managers most want to spend their extra time:



[1]Borda scores reflect managers' (N = 2,652) preferences scaled to individual-level rankings and added across the sample, with higher scores indicating greater preference.

The Third Career Act: The Fractional Advisor vs. The Organizational Memory Architect

If organizations re-imagine both career entry points (i.e., early talent) and the traditional mid-career inflection point (i.e., people managers), they must also re-evaluate what comes next. The reality is that people are staying in the workforce longer than ever before – driven by increasing life expectancy, shifting statutory retirement ages, financial pressures, or simply the desire for purpose and engagement beyond traditional retirement. Our own research shows that older workers' turnover intentions are **47% lower** compared to that of younger workers. Yet, senior level, career-expert roles are often targeted in restructuring and early retirement buyouts due to cost concerns and assumptions about AI reskilling and change readiness. With decades of institutional knowledge, accumulated expertise, and lived experience, late-career workers bring strengths that neither younger employees nor AI can easily replace. But without a clear strategy for this stage of the career arc, organizations risk losing critical knowledge, underutilizing their most experienced talent, and sowing disengagement among senior employees. **The question now: how will organizations leverage senior workers in their "third act"?**

Future 1: The Fractional Advisor

In this future, organizations continue to value the deep expertise and industry knowledge of older workers but access it through fluid, project-based contributions rather than traditional long-term positions. The third career phase shifts towards fractional leadership roles, advisory assignments, or episodic expert "gigs," interspersed with periods of temporary retirement. These contributions may take place within a single company or be spread across multiple organizations. In either case, the defining feature of this career phase is flexibility paired with meaningful, high-impact work. While fractional executive roles already exist at the C-suite level, this future extends the model to a much broader range of expert and leadership positions – scaled intentionally through structured initiatives, redesigned practices, and enabling technologies rather than applied as ad-hoc solutions for specific gaps. Our survey data suggest this shift may be well-received: older workers report wanting to pursue gig work for flexibility and the opportunity to work on things they are passionate about, compared to younger workers who are more motivated by the opportunity to build new skills.

This future offers some clear advantages: organizations gain flexible access to seasoned expertise without the cost of long-term headcount while older workers can extend their careers in ways that balance financial security with greater autonomy and personal fulfillment. Episodic exits and re-entries also create natural space for early career talent to enter and advance. But trade-offs exist: mentorship may weaken if senior employees disengage from sustained leadership roles, HR faces heavier administrative burdens due to constant onboarding and exiting, and perhaps most importantly, veteran employees who may have once acted as core brand representatives internally shift to more transactional contractors, challenging traditional notions of organizational identity and culture.

Older workers' top motivations to pursue episodic, gig-based careers.

65% of older workers said they would be motivated to do gig work to **increase their income**.

64% of older workers said they would be motivated to do gig work for **greater flexibility**.

43% of older workers said they would be motivated to do gig work to **pursue an interest or passion**.

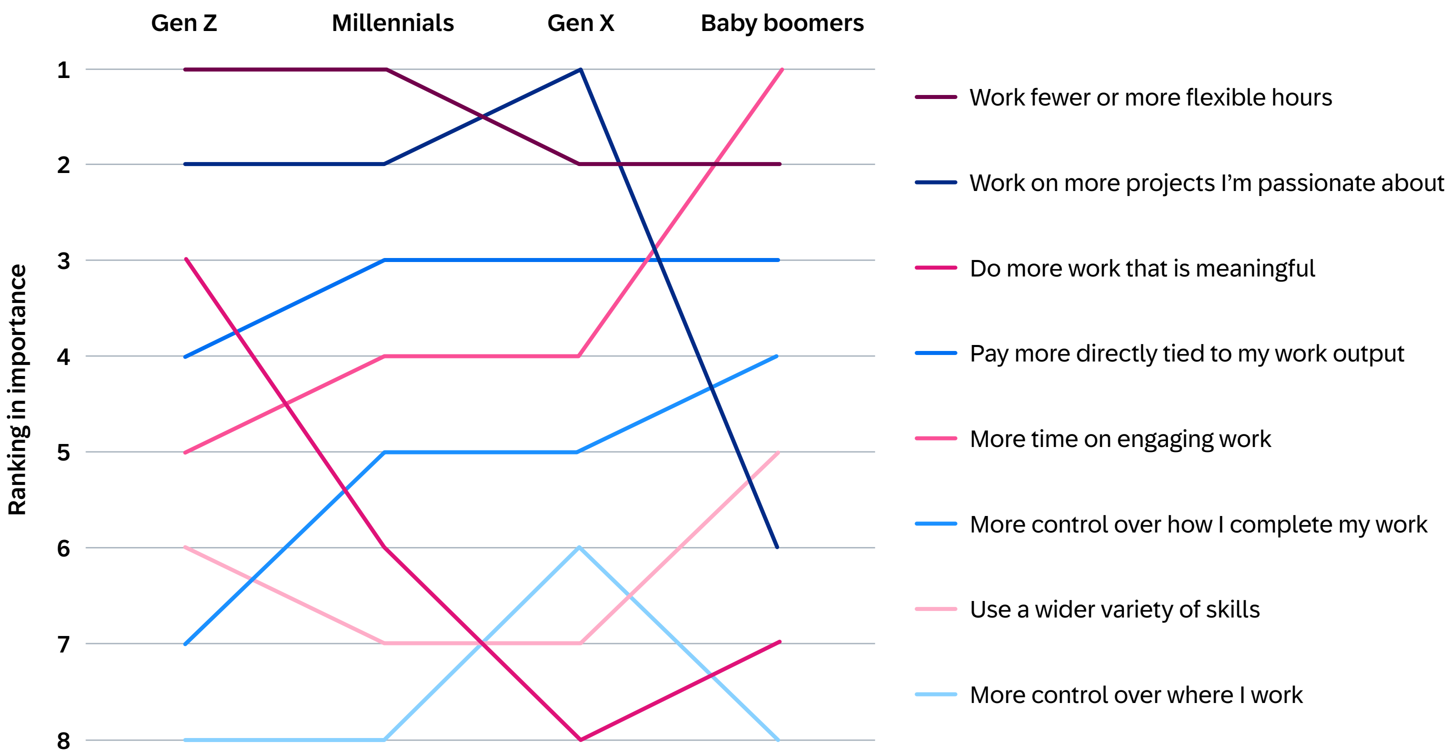
The Third Career Act: The Fractional Advisor vs. The Organizational Memory Architect

Future 2: The Organizational Memory Architect

In this future, institutional knowledge is treated as one of the organization's most valuable assets. Senior workers step into roles as "organizational memory architects," drawing on decades of experience across business cycles, technology transformations, and strategic pivots. They act as strategic consultants, offering historical context that helps leaders avoid repeating mistakes while surfacing patterns that younger peers might overlook. AI becomes a clear partner in this process, trained and modeled on their knowledge to capture and democratize their insights across the enterprise.

The payoffs of such a future are significant: organizations can avoid costly missteps and make more informed and grounded strategic decisions, while older workers gain a clear and valued role – one that leverages their expertise without necessarily demanding the pace or hours of earlier career stages. However, there are important considerations. Can companies afford to keep these highly experienced workers at senior pay levels, or will new compensation models be required? How will organizations ensure the right people – those who are able to remain forward-looking and solution-oriented rather than default to rejecting ideas simply because they have been tried before – are the ones to fulfill this role? Success will depend on thoughtful role design, selection criteria, and technology that helps channel long-held knowledge into innovation for the business, rather than inertia.

What employees need from their careers will change over their lifespan.



Preparing for the Future of the Workforce

1. As AI transforms work, HR will need to redefine what makes a "successful worker" across different phases of a career. Identify success criteria for key workforce groups and the capabilities that will predict that success, such as learning agility, resilience, and adaptability.

2. Once the profile of a successful worker is defined, assess the current state of these capabilities among your current workforce. Decide whether you will "build" these capabilities internally, "borrow" them by leveraging skilled gig workers, "buy" them through targeted recruitment efforts, or "bot" them by leveraging new AI functionalities.

3. Critically examine how your HR processes will need to adapt to maximize availability of those required capabilities. How will you select, develop, and engage your top talent in this future?

Consider Your Technology

Re-defining "success" in the future necessitates re-assessing what new capabilities will be needed across career phases and ways to enable the development of those new capabilities. **Skills intelligence technology** that examines internal skill gaps and external skill availability using labor market data will play a key role in identifying workforce deficiencies and informing future planning. Re-imagined **career development** technologies will be needed to provide transparency to the workforce about how roles are shifting and connecting them to reskilling and upskilling pathways.

Pillar III:
The Future of Work Practices

Examines how HR practices will need to adapt as AI fundamentally alters how talent is identified, managed, evaluated, and rewarded

Recruiting Reinvented

Recruiting is undoubtedly the most mature HR practice when it comes to AI, but candidates are now in lockstep. How will recruiting evolve in a future where all parties have access to advanced uses of AI?

Future 1
AI Arms Race:
Recruiting evolves into an efficiency standoff between employers and candidates

Future 2
Predicting Potential:
Recruiting transforms into a predictive system built to match talent with greater accuracy and intent

Performance Redefined

Performance management today remains anchored in rigid, annual cycles and cannot measure the true impact of contributions. How will performance management evolve as organizations re-imagine their definition of success?

Future 1
Measured by the Minute:
Organizations measure performance in ever-narrower metrics of activity

Future 2
Measured by the Magnitude:
Organizations elevate performance management towards broader measures of lasting impact

Pay Reimagined

Today, compensation is more closely tied to role and tenure rather than actual contributions.
How will organizations shift to reward employees in a way that motivates them to contribute outsized impact?

Future 1
Rewarding in Real Time:
Organizations reward based on outputs in real-time

Future 2
Investing in Impact:
Organizations reward in line with real, enduring impact

Recruiting Reinvented: AI Arms Race vs. Predicting Potential

Recruiting is undoubtedly the most mature HR practice when it comes to AI adoption today, with an abundance of AI-native vendors and use cases now embedded across nearly every stage of the hiring process. And candidates are in lockstep; according to our research, **39% of employees** have already used AI to help them apply for jobs and **99% of those have found it helpful** in doing so. While efficiency has been the primary outcome of interest thus far, others, such as expanding applicant pools, better matching, and improving the candidate experience have also been pursued – though with varying success. **The question now: how will recruiting evolve in a future where all parties have access to advanced uses of AI?**

Future 1: AI Arms Race

In this future, an AI arms race takes hold, turning recruiting into a full-scale automation contest. Employers double down on recruiting automation, leveraging AI agents that autonomously source and filter candidates, auto-score assessments, conduct interviews, and even flag deepfake video responses. Candidates counter with their own AI agents that auto-generate applications, craft personalized narratives, and even negotiate job offers on their behalf. According to our research, employees already anticipate this trajectory: 74% of survey respondents agreed they will need to use AI in the recruitment process in the future as a direct result of companies doing the same.

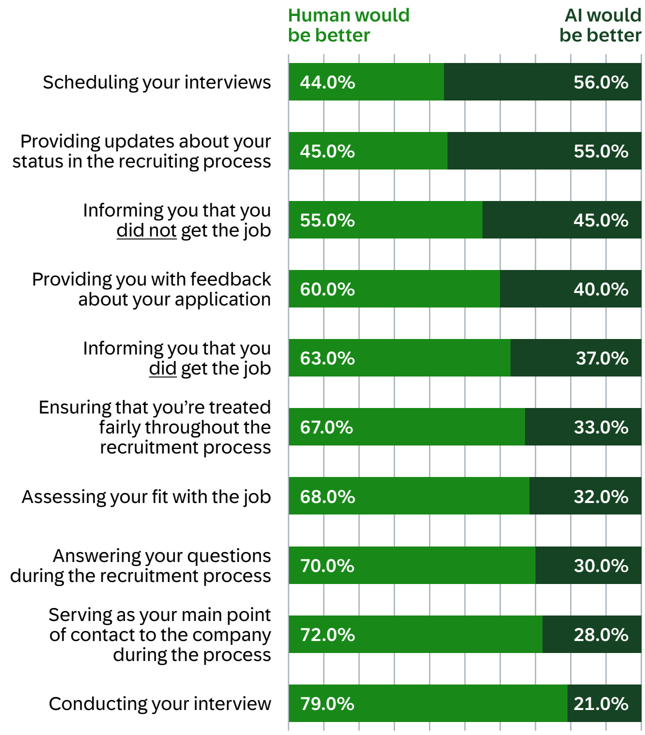
Followed to its end, the process devolves into agent-to-agent exchanges with humans only stepping in at the margins. Even so, there are benefits to this future: hiring moves faster, screening reaches wider pools, and fraud is easier to flag. But these inevitably come at a cost: with candidates feeling surveilled and employers questioning authenticity, trust on both sides steadily erodes. And the overall recruiting experience – once defined by conversation and human connection – grows increasingly transactional and impersonal.

Future 2: Predicting Potential

In this future, recruiting evolves into a predictive system built to maximize accuracy and mutual fit. Resumes fade away. For candidates, portable employment passports on a blockchain carry validated experiences, skills, and development histories across employers. For organizations, immersive simulations test judgment and decision-making under realistic conditions, while high-fidelity job previews provide full transparency into employee value proposition commitments including pay, benefits, and career opportunities.

If organizations look to fill skill gaps through internal development and AI augmentation over external hiring, the few hires they do make become far more consequential. At the same time, with work continuously redesigned, the profile of the "ideal candidate" changes. Employees must be redeployed multiple times over their tenure, so assessments must emphasize breadth of capability, learning agility, and adaptability as much as immediate skill fit. The promise of this future is a process more predictive than ever before, yielding hires who deliver impact today and sustain value over time. But challenges exist: predictive tools and credentialing systems demand significant investment and data quality, while contested definitions of "potential" and unequal access to digital credentials could create new inequities. Still, if managed well, this future reframes recruiting as mutual discovery – restoring trust, strengthening relationships, and making hiring not just faster, but smarter and more enduring.

Do you think a human or an AI would be better at the following parts of the recruiting process?



Employees have **diverse perspectives** on the **role AI should play** across the recruiting process.

Performance Redefined: Measured by the Minute vs. Measured by the Magnitude

As organizations make more selective and accurate hiring decisions based on mutual fit with the intention of long-term success in the business, they will need to next consider how that success will be measured and managed. Today, performance management remains anchored in rigid, annual cycles: goals are set once a year, revisited at midpoints, and tied to merit increases or bonuses delivered months after the fact. What gets measured (via a formal performance rating or not) is a mix of goal attainment, output metrics, and manager judgments of behavior and potential, but rarely the true impact of someone's contribution to the business. **The question now: how will organizations measure performance against their new definitions of success?**

Future 1: Measured by the Minute

In this future, AI pushes performance measurement down to the smallest unit of activity. Organizations track productivity on ultra-short horizons, focusing evaluation on daily tasks and immediate deliverables. AI systems monitor keystrokes, tasks completed, and time-stamped outputs. Feedback shifts from episodic manager check-ins to an always-on system, where every action is logged, analyzed, evaluated, and reacted to almost instantly.

The appeal of this future is precision and responsiveness. Employees know instantly where they stand – supporting the 34% of employees who, according to our research, say getting more feedback on their work is one of the top five ways they'd want their job to change. In turn, organizations can align rewards more closely to specific contributions. In theory, performance becomes a live, evolving scorecard. However, by narrowly focusing on and prioritizing output, organizations risk missing what matters most: real impact.

Future 2: Measured by the Magnitude

In this future, organizations redefine performance by the extent and endurance of employees' impact. AI synthesizes signals across projects and networks to build a multidimensional view of contributions – not just what was delivered, but how it shaped outcomes, enabled others, and endured over time. Organizational network analysis (ONA) quantifies influence, revealing not only interpersonal connections, but the extent to which individuals amplify team performance, accelerate knowledge flow, and strengthen collaboration across the enterprise. Regular AI feedback keeps employees aligned to the goals and priorities that maximize this influence. Performance, therefore, becomes less a record of discrete activities and more a narrative of impact that unfolds across broader horizons and even entire career trajectories.

The benefits of this future are transformative. Employees are valued for lasting contributions rather than immediate deliverable completion, creating stronger reasons to stay and grow within the organization. And employers benefit from a model that aligns performance with desired strategic outcomes, not just quantifiable outputs. But realizing this vision will require new foundations: AI systems capable of capturing nuance beyond metrics, governance frameworks that ensure fairness across longer horizons, and cultural shifts that reframe performance from "what you did today" to "what difference you made doing it."

When it comes to what causes turnover, employees feeling their company values their work is...

2.3x more predictive than their belief that they matter to people at work.

2.5x more predictive than how satisfied they are with their compensation.

5.5x more predictive than how connected they feel to others at work.

Showing employees their performance is valued is **most effective at preventing turnover**.

Pay Reimagined: Rewarding in Real Time vs. Investing in Impact

If performance is redefined around the magnitude of impact rather than the minutiae of output, then rewards must evolve in tandem. Today, compensation remains bound by rigid pay bands and annual cycles, with increases tied more to role, tenure, or market benchmarks than actual contributions. At the extreme, executive base pay can be hundreds of times more than that of a company's frontline workers – not because their impact has been calculated as such but because, to date, hierarchy has been equated with value. It is critical that organizations get rewards right: according to our research, employees say that, on average, pay accounts for **71% of their motivation** at work. **The question now: how will organizations reward employees for their influence, motivating them to continue their lasting impact?**

Future 1: Rewarding in Real Time

In this future, rewards reflect the constantly shifting value of employees' impact. Just as performance is measured by the magnitude of contributions, so too are rewards tied to their real-time relevance. AI continuously tracks outcomes, market shifts, and strategic priorities of the business, adjusting pay to reflect where value is being created in the moment. Spot bonuses, micro-adjustments, or instant recognition awards flow to employees who apply new skills, deliver spikes of "outsized impact," or contribute to critical initiatives in real-time. Pay levels themselves fluctuate like a stock price – rising and falling monthly, weekly, or even daily as conditions change.

The advantages of this future are compelling. Organizations gain agility by directly linking rewards to shifting business needs, while employees receive clear signals about which behaviors, projects, and deliverables create the most value. As a result, rewards become a more direct lever for business strategy execution, steering the workforce toward priority outcomes faster than traditional annual goal setting and cascading can achieve. The trade-offs, however, may be significant: volatility and uncertainty in pay could undermine financial well-being, strain planning for both employees and employers, and erode trust if the system feels unpredictable or opaque.

Future 2: Investing in Impact

In this future, rewards become long-term investments that reflect the enduring impact of employees' contributions. AI curates "impact portfolios" that track value created across projects, innovations, and collaborations over years, rather than weeks, months, or days. Instead of immediate pay bumps, employees earn dividends: long-term equity stakes tied to outcomes they helped generate and accelerated access to career-shaping opportunities. Rewards are not about what someone earns today, but the compounding value they create for tomorrow.

The benefits of this future could be profound: compensation aligns with sustained value creation, incentivizing employees to think and act like long-term stakeholders in the business; hierarchical pay gaps narrow as frontline workers driving outsized impact are recognized commensurate to senior leaders, and equity-based rewards and ownership opportunities that were once largely reserved for those leaders extend deeper into the workforce. Loyalty strengthens and turnover minimizes, as employees receive literal ownership in the future they are helping to build. However, there are risks to consider: defining and weighting "impact" over long time horizons is complex and could introduce bias if not carefully governed, employees who want immediate recognition may find delayed rewards frustrating and unsatisfying, and organizations may ultimately sacrifice short-term agility for longer-term stability. Still, for companies willing to invest in this future, the payoff could be a workforce more deeply tied – both financially and psychologically – to the organization's long-term success.

Paying employees based on their contributions leads to **better pay satisfaction**, which leads to even **more positive outcomes** in turn.

Employees who are paid based on their contributions are 1.2x more likely to be highly satisfied with their pay. Employees with high pay satisfaction are:

1.2x	1.3x	1.3x	2.1x
less likely to experience burnout.	more likely to feel valued by their company.	more likely to trust their company's leaders.	more likely to experience good financial well-being.

Preparing for the Future of Work Practices

1. Examine how you currently assess "mutual fit" as part of your recruiting process. Experiment with higher fidelity recruiting tools like work samples, immersive simulations, and structured assessments in addition to traditional resumes.

2. Evaluate how you measure performance today and explore ways to capture the true impact of employees' contributions to the business. Pilot more frequent goal setting and check-ins that go beyond activity tracking to explicitly connect individual work to business priorities.

3. Consider how rewards in your organization reflect lasting contributions. Identify KPIs that signal enduring impact and experiment with an "impact credit" system where employees accumulate credits that can be redeemed as long-term rewards like equity or development opportunities.

Consider Your Technology

To gain a deeper understanding of who in your business is contributing, what the scale of their impact is, and how to reward them, accurate data about what tasks people are working on and who they are working with becomes essential. **Task intelligence and ONA** technologies will become increasingly important to understanding contribution and impact of each individual. **Compensation intelligence** technologies that can benchmark and assess the monetary value of contributions will also ensure the ability to effectively reward top talent.

Conclusion

Across the data and research we compiled as the basis of this predictions report, one theme consistently emerged: inconsistency. Workers and organizations alike sit at very different starting points and are moving along very different trajectories towards the future of work. It is this considerable variability in current beliefs, perceptions, and intentions that validates there is not one single "future of work," but rather many possible futures. And it is this same variability that creates both the space and responsibility for HR to play an outsized role in shaping what comes next. While we continue to believe there is not one virtuous path, we do believe that HR can proactively guide organizations toward futures that are more mutually beneficial for employers *and* employees.

The future of work is not waiting to happen to us – it is ours to create. The unique moment we find ourselves in offers HR the chance to be more than stewards of process, but architects of possibility. The question is no longer which future will arrive, but which one we will build with intention.

About the Future of Work Research Lab

The Future of Work Research Lab is comprised of organizational scientists who are experts on the world of work. The team leads organizational research for SAP SuccessFactors to identify emerging trends in the future of work and HR. Through an original research agenda, they generate valuable insights that guide human capital management strategies, practices, and technology recommendations. Using a diverse array of research methodologies, the team delves into organizational dynamics, trends, priorities, problems, and needs across a diverse set of personas. The team's domain expertise spans the following: macro topics such as organizational culture and change, employee experience, and leadership; HR practice areas such as talent acquisition, compensation, learning and development, and talent management; and technology and data topics such as AI and analytics.

Visit our library to learn more and access all our previous research.