Workday
Global Workforce
Report

The Hidden Talent Drain:
Reinvesting in Human
Potential to Unlock Your
AI Advantage

workday™

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Executive Summary: A talent crisis hiding in plain sight.

Recent headlines point to a cooling labor market, but Workday data tells a more nuanced story. Across global job openings in Workday, headcount, requisitions, and offers are still growing—just at a slower pace.

The real shift is happening inside organizations. Promotion rates have fallen in 10 out of 11 industries, and internal mobility is stalling. That means fewer opportunities for people to advance without leaving, which erodes engagement and makes it harder to keep top performers.

Insights from Workday Peakon Employee Voice, Workday People Analytics, Workday Recruiting, and HiredScore (a Workday company) point to a triple threat for talent retention—and it's one leaders can't afford to ignore.

The best people are walking out the door: High performers are increasingly leaving in search of growth, signaling a silent but devastating drain of your most valuable people.

Career growth has hit a dead end: Traditional promotion pathways are disappearing, leaving top talent feeling stuck and undervalued.

AI strategy is getting lost in translation: Leaders are failing to clearly communicate their AI strategies, causing anxiety about job security and a lack of confidence in the future.

AI is rewriting the rules of work and putting pressure on a timeless truth: an organization's people are its greatest advantage. Investing in people and transparent communication has always been a sign of great leadership. Now, it's essential for navigating the uncertainty of rapid change.

As AI reshapes career paths, a human-centric approach to skills and career development isn't just a nice to have—it's the key to keeping top talent, staying ahead of the competition, and delivering results.

Based on the average number of job openings reported by the Bureau of Labor Statistics, we can infer that our customers processed 33% of U.S. job openings in the first half of 2025. The size and quality of our indicators give Workday one of the most accurate and real-time views of hiring trends playing out in the market today.

Three red flags that your talent strategy is at risk.

Our research underscores a fundamental breakdown in the implicit social contract between employers and employees:

1. Your best people are walking out the door.

High performers—the people driving your biggest wins—are leaving at a rising rate. Their exit hits harder than losing any other group.

- Retail: **+64% YoY**
- Healthcare: **+28% YoY**
- Professional Services: **+14% YoY**

More than half (57%) of job seekers say they feel stuck in today's market—with no clear next step. Without visible growth paths and clear opportunities, that frustration will spread fast.

Industry median attrition:

+14 **% YoY**

2. Career growth has hit a dead end.

Internal hiring is down 8% year over year. Fewer promotions and lateral moves mean fewer ways for people to advance their careers. When growth stalls, so does engagement—and your top talent starts looking elsewhere.
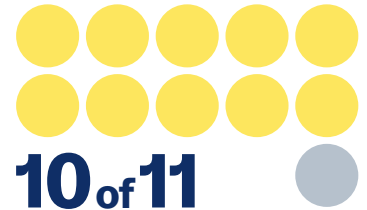
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industries report a decline in internal promotions.

3. Your AI strategy is lost in translation.

Nearly half of employee comments about AI related to strategy carry a negative tone. Employees cite poor communication, uneven adoption, and added pressure.

Strategic communication is now the second-lowest-scoring driver of engagement—proof that a lack of clarity is eroding confidence and slowing transformation.
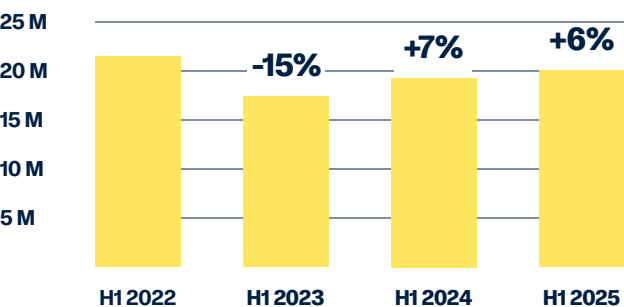
44%

of employee comments that mention strategy and AI are linked to negative sentiment.

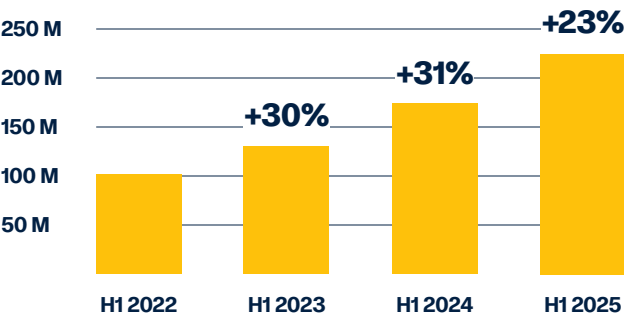# Labor market growth masks internal hiring challenges.

The labor market is still growing. Job openings increased 6% YoY, but momentum is slowing. Application growth is also slowing, signaling that the pool of new applicants might be drying up.

Hiring demand is up, but supply growth is slowing.
YoY growth in job requisitions, applications, and offers and agreements.

Job Requisitions YoY

	H1 2022	H1 2023	H1 2024	H1 2025
		-15%	+7%	+6%

(y-axis: 5 M, 10 M, 15 M, 20 M, 25 M)

Job Applications YoY

	H1 2022	H1 2023	H1 2024	H1 2025
		+30%	+31%	+23%

(y-axis: 50 M, 100 M, 150 M, 200 M, 250 M)

Job Offers & Agreements YoY

	H1 2022	H1 2023	H1 2024	H1 2025
		-9%	+9%	+4%

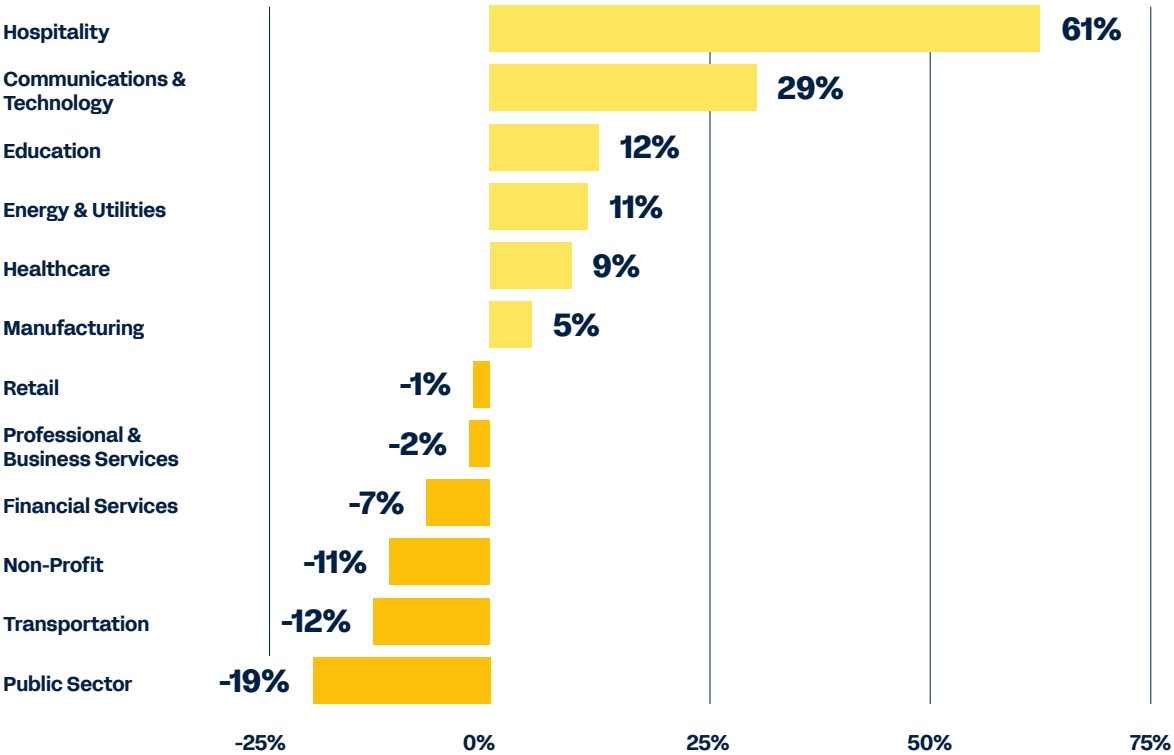(y-axis: 5 M, 10 M, 15 M)
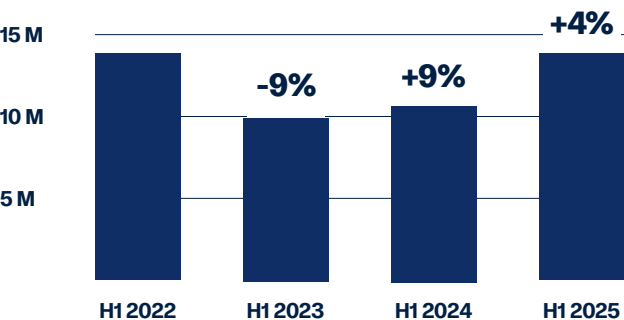
Source: Workday Recruiting

An increase in global hiring demand masks a divided market. Hospitality requisitions jumped 61% even as others contracted. Government policies have spurred a sharp downturn in the public (-19% YoY) and nonprofit (-11% YoY) sectors.

A divided market: Some industries rise as others fall.

YoY requisition growth by industry.

Industry	Growth
Hospitality	61%
Communications & Technology	29%
Education	12%
Energy & Utilities	11%
Healthcare	9%
Manufacturing	5%
Retail	-1%
Professional & Business Services	-2%
Financial Services	-7%
Non-Profit	-11%
Transportation	-12%
Public Sector	-19%

-25%   0%   25%   50%   75%

Source: Workday Recruiting

Slow hiring suggests a skills strategy gap.

Requisitions are up in many industries, but hiring is lagging—and it's a symptom of a deeper problem. **Over half of roles (57%) take more than 30 days to fill and 25% take over 60 days**.

This isn't caution; it's a strategic gap. **Organizations are struggling to define the skills they need and find the right talent** while overlooking their best option: the people they already have.

This inefficiency extends to candidates, too. **"Ghosting" is a major challenge for nearly half of job seekers** (48%) who never heard back after applying or interviewing.

Soaring volume and phantom candidates threaten the hiring pipeline.

Top hiring challenges within the next 12 months:
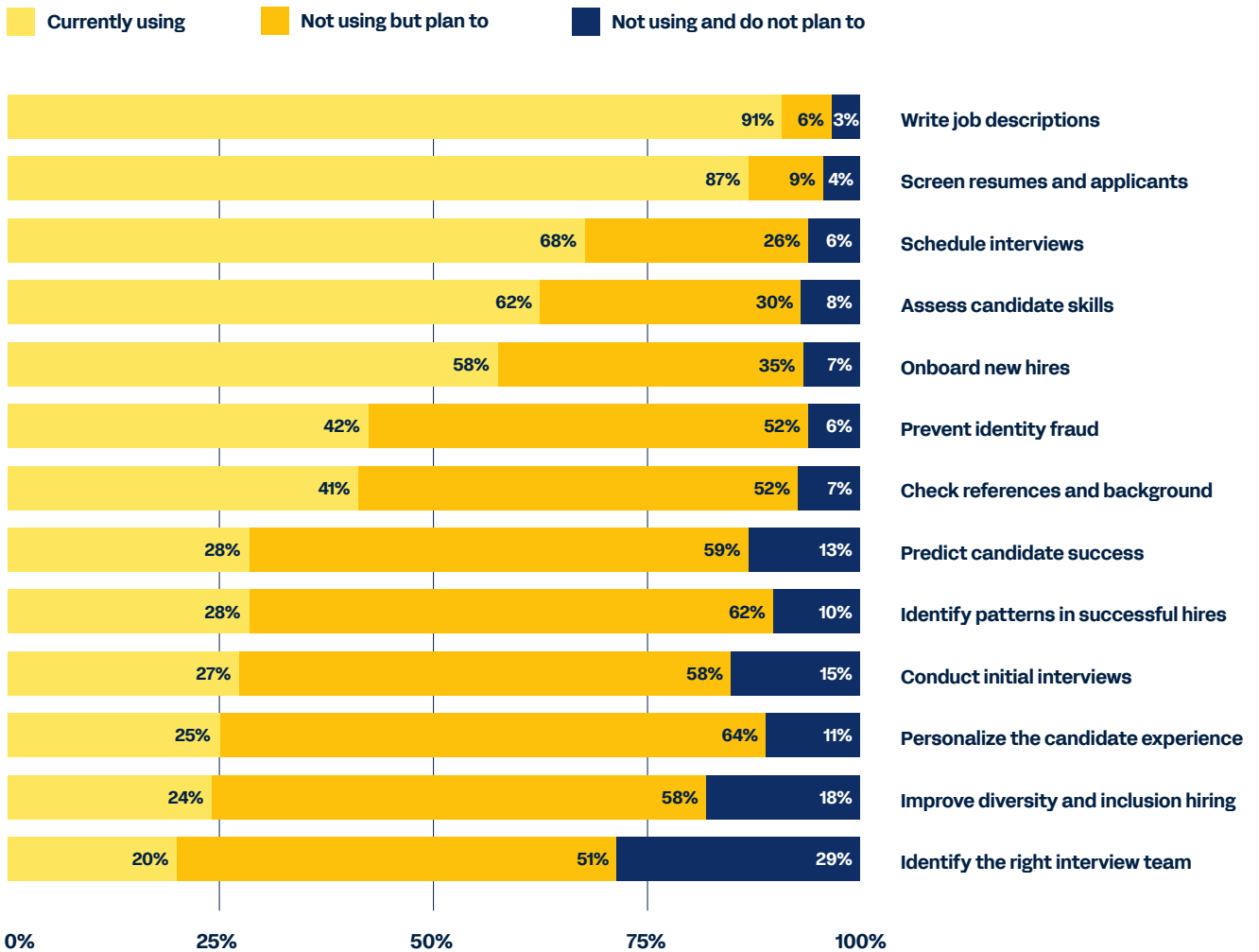
39% managing high volumes of applicants

32% ensuring a positive candidate experience

28% job fraud (phantom candidates)

Moving beyond automation to close the AI hiring gap.

How organizations use or plan to use AI for hiring.

Currently using   **Not using but plan to**   **Not using and do not plan to**

Task	Currently using	Not using but plan to	Not using and do not plan to
Write job descriptions	91%	6%	3%
Screen resumes and applicants	87%	9%	4%
Schedule interviews	68%	26%	6%
Assess candidate skills	62%	30%	8%
Onboard new hires	58%	35%	7%
Prevent identity fraud	42%	52%	6%
Check references and background	41%	52%	7%
Predict candidate success	28%	59%	13%
Identify patterns in successful hires	28%	62%	10%
Conduct initial interviews	27%	58%	15%
Personalize the candidate experience	25%	64%	11%
Improve diversity and inclusion hiring	24%	58%	18%
Identify the right interview team	20%	51%	29%

Source: Business leader survey, n=1,700

Many organizations use AI to crank through high-volume tasks—but that alone won't deliver strategic value. The real win isn't just speed; it's using AI to boost the ROI of every hire.

To do this, organizations must build human oversight into the later stages of their AI-powered recruitment experiences.

# Adopt a proactive talent strategy with human-centered AI.

Prioritize your own data over outside trends. Real-time visibility into promotions, attrition, and employee sentiment will reveal talent crises before they happen—allowing you to move from a reactive to a proactive talent strategy.

Redefine your AI hiring strategy. It's not only about screening resumes faster but also about anticipating future skills needs—and identifying which candidates (both internal and external) have the potential to adapt and grow. This is the key to predicting candidate success and building a resilient, future-proof workforce.

Build a human-centric candidate experience. Empower recruiters and hiring managers with AI tools that free them to follow up—ensuring every candidate feels seen and valued.
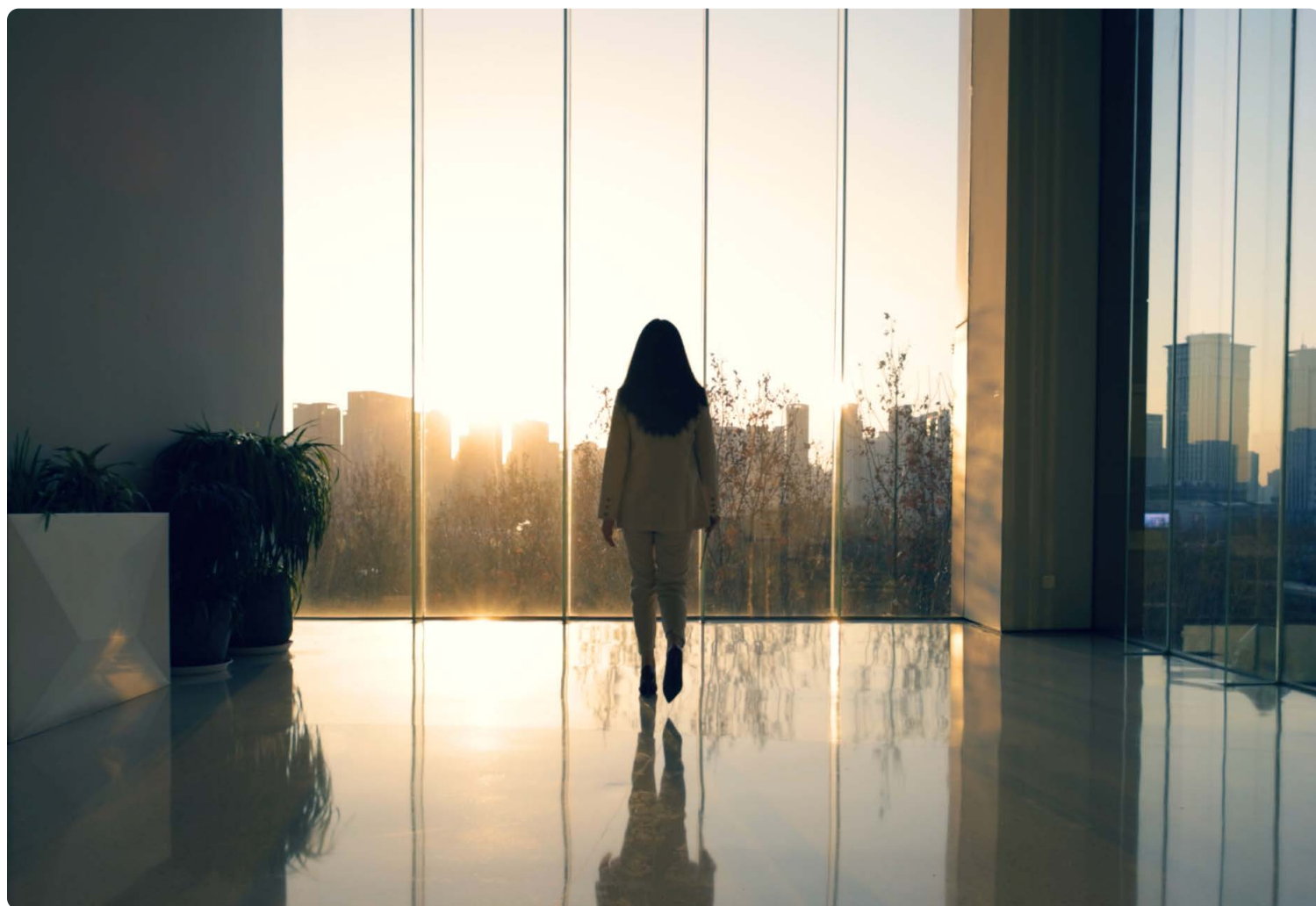
The promotion recession is driving a high-performer exodus.

Employees crave growth. Leaders know it drives retention. Yet the dots aren't connecting. According to our research, high-performer attrition is climbing fast, up 64% in retail and 28% in healthcare.

Top-performing retail workers lead the employee exodus.
YoY high-performer attrition rate by industry.

■ H1 2024   ■ H1 2025
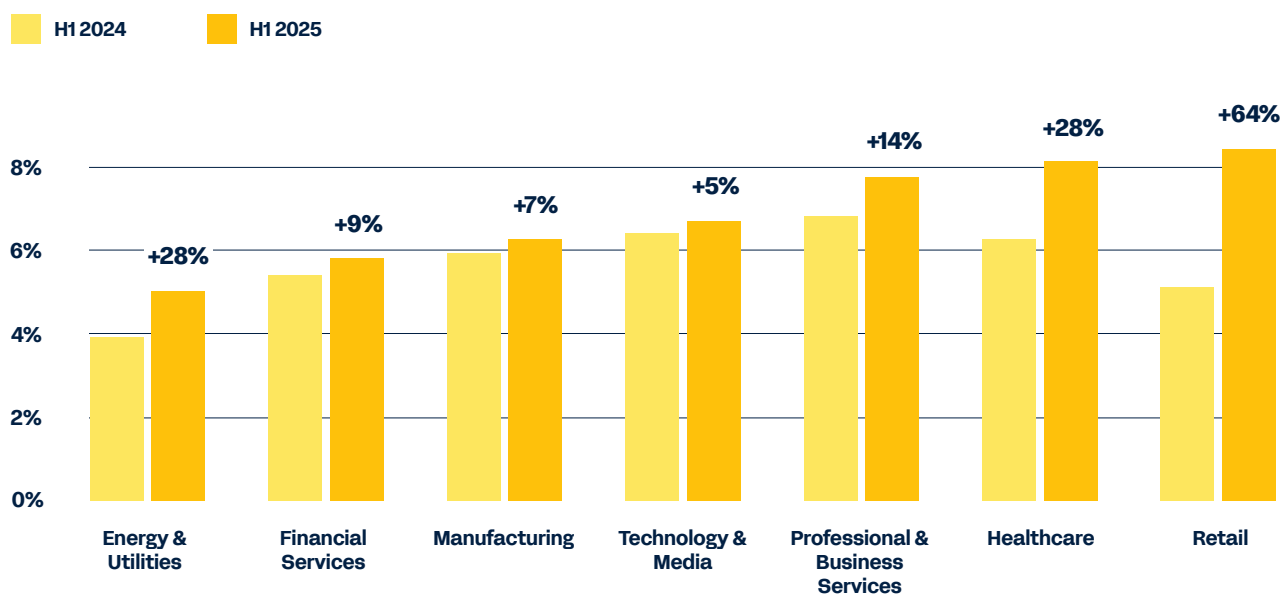
Source: Workday People Analytics

Meanwhile, **"Growth" ranks among the three lowest engagement drivers**—proof of a gap between what employees need and what organizations deliver, even as scores stay flat year over year.

Leaders underestimate growth as a retention driver.
What leaders say matters for retaining top talent within the next 12 months.

High performers thrive on challenges—but when effort isn't rewarded with opportunity, they feel stuck and start questioning their future.
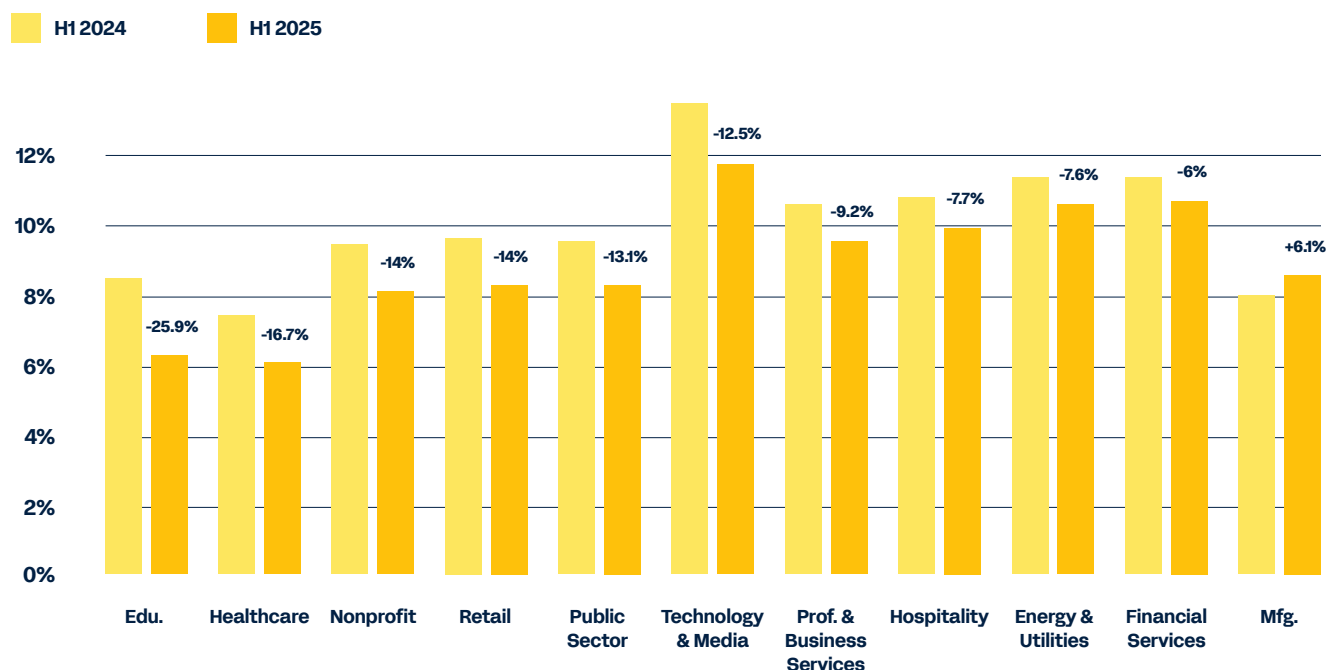
24% skills development opportunities

21% investing in AI tools and upskilling

Among industries, 10 in 11 see a promotion recession.

YoY promotion rate change by industry.

Legend: H1 2024 · H1 2025

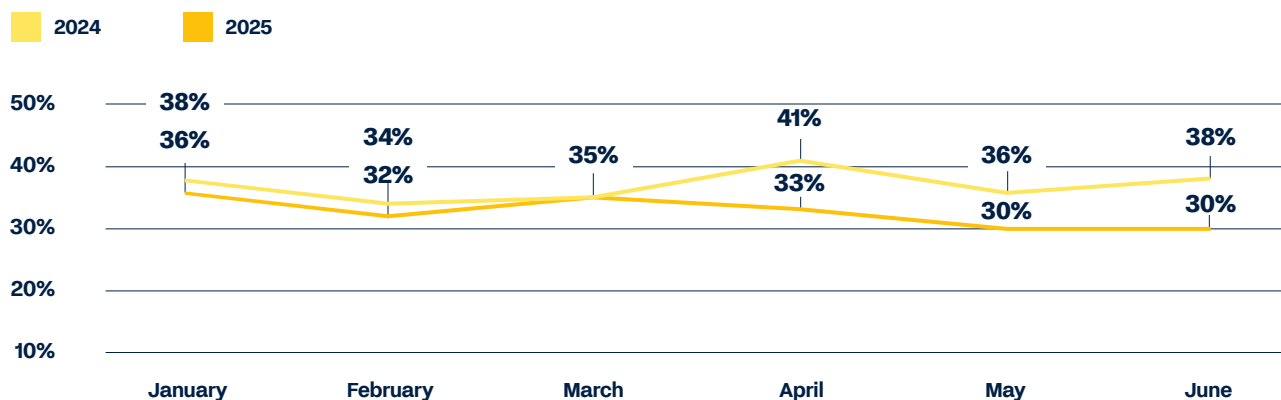| Industry	Change
Edu.	-25.9%
Healthcare	-16.7%
Nonprofit	-14%
Retail	-14%
Public Sector	-13.1%
Technology & Media	-12.5%
Prof. & Business Services	-9.2%
Hospitality	-7.7%
Energy & Utilities	-7.6%
Financial Services	-6%
Mfg.	+6.1%

Source: Workday People Analytics

According to our research, hiring managers want what's shiny and new: external applicants. Meanwhile, your internal applicants are languishing. This lack of visibility—or trust in your own people—costs your organization agility, resilience, and retention.

Internal mobility is not keeping pace with company growth.

Despite an overall increase in hiring, the proportion of roles filled by existing employees continues to fall.

Legend: 2024 · 2025

Month	2024	2025
January	38%	36%
February	34%	32%
March	35%	35%
April	41%	33%
May	36%	30%
June	38%	30%

Source: HiredScore

Redefine the career ladder to retain top talent.

Redefine career growth beyond promotions. Say goodbye to the traditional career ladder. Instead, create career paths that include lateral moves, project-based work, and upskilling opportunities. These programs allow high performers to gain new skills and exposure, keeping them engaged and positioning them for future leadership roles.

Prioritize internal mobility. Your top talent is already in-house, but they're missing out on new opportunities. Use data to gain real-time visibility into your workforce's skills and potential. Actively promote internal candidates and leverage AI-powered talent marketplaces to match them with new roles, projects, and development opportunities before looking externally.

Cultivate a culture of challenge and connection. Top performers are motivated by more than just career paths—they are also driven by challenging work and the opportunity to learn from high-performing peers. Empower managers to have ongoing conversations about growth, and use your talent data to proactively connect employees to critical projects, cross-functional teams, and mentorship opportunities. This fosters the culture of innovation and collaboration essential for retaining your best people.
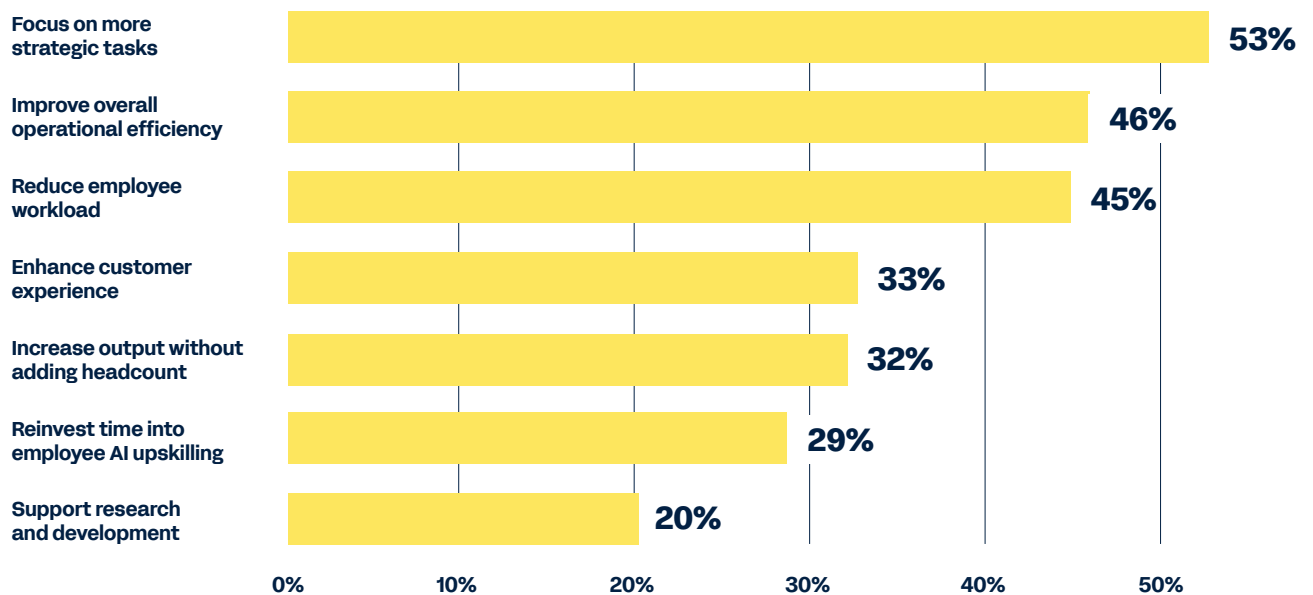
Your AI strategy has a communication problem.

AI is becoming foundational to how companies operate. Still, employees and job seekers alike are not on board with how it's being deployed and feel unclear about what it means for their future. And a lot of this has to do with how leaders communicate their AI vision and strategy.

Indeed, leaders have a clear vision for what they plan to do with the productivity surplus. But without clear communication about AI strategy and how it will impact roles and team structures, employee trust is suffering.

Where do AI's gains go? Leaders prioritize strategic work.
Allocation of AI productivity gains.

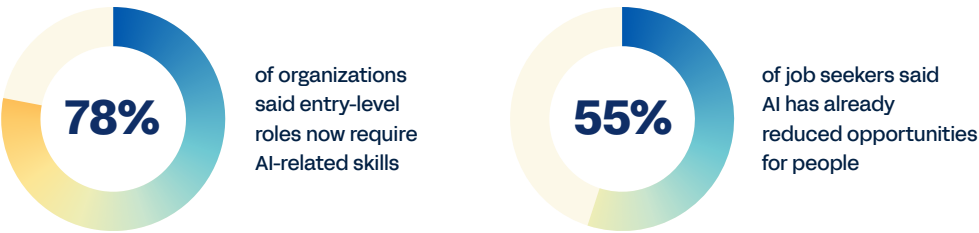| Category	Value
Focus on more strategic tasks	53%
Improve overall operational efficiency	46%
Reduce employee workload	45%
Enhance customer experience	33%
Increase output without adding headcount	32%
Reinvest time into employee AI upskilling	29%
Support research and development	20%

Source: Business leader survey, n=1,700

The current disconnect has consequences. When employees can't see how AI fits into their role or their future, confidence drops. Engagement weakens. Change slows. These aren't abstract risks but a measurable drag on transformation.

Job seekers are likewise feeling anxiety around unclear paths forward.

AI skills are the new baseline, but job seekers are wary.
According to our external survey data:

78% of organizations said entry-level roles now require AI-related skills

55% of job seekers said AI has already reduced opportunities for people

To use AI for lasting, positive impact, workforce leaders must rethink how jobs are structured, how skills are developed internally, and how talent strategies adapt to shifting demands.

But our data suggests managers aren't sufficiently equipped to navigate these changes. Right now, many are stuck between top-down directives and frontline confusion with limited visibility, resources, or space to succeed.

Insights from Workday Peakon Employee Voice reveal that employee scores for transformation and change are significantly lower on average compared to all other areas of the employee experience, with an overall average score of 6.7. Managers, in particular, are struggling.

Managers crave more support with navigating transformation and change.
Managers' top 3 concerns:

Driver	Manager Score	vs. Individual Contributors
Resources and Support	7.06	⬇ 0.2
Considering Risks	6.86	⬇ 0.16
Rational for Change	7.07	⬇ 0.14

Source: Workday Peakon Employee Voice

# Demonstrate AI as a pathway to personal growth, not as a threat.

Explain the why behind your AI strategy. Don't just announce your AI strategy; build a transparent communication plan around it. Explain the vision; provide clear, role-specific examples of how AI will be used; and proactively address employee concerns about job security and upskilling.

Take a human-centric approach to AI adoption. AI adoption is a cultural shift, not just a technical one. Don't simply deploy new tools and expect people to use them. Instead, create a feedback loop: start with a clear vision, provide robust programs, and then listen to employees and address their AI barriers in real time. This helps them see AI as a pathway to personal growth, not as a threat.

Equip your managers to lead through change. Managers are on the front lines of transformation and need support. Provide them with the training, data, and clear messaging they need to lead their teams through change.
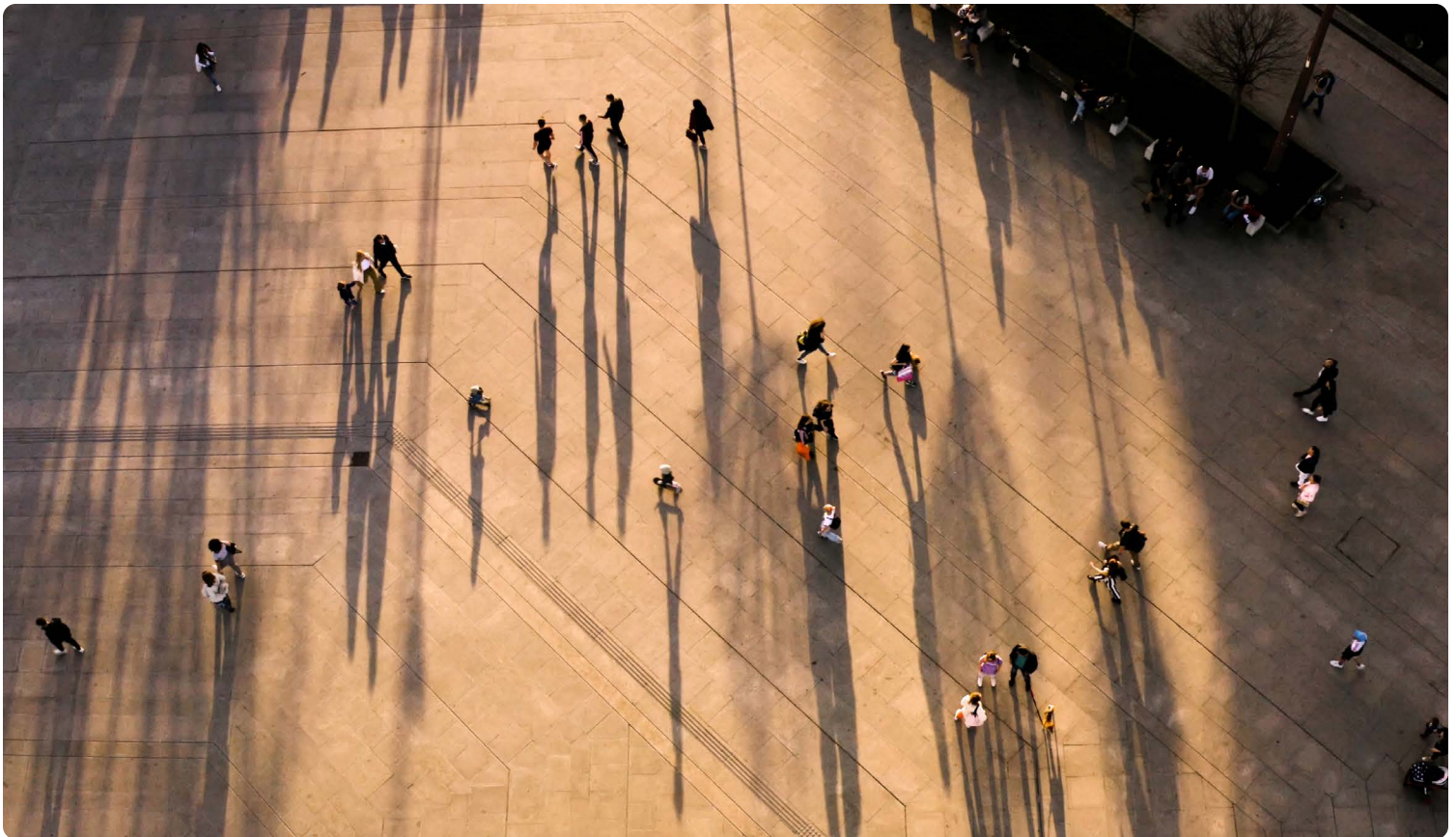
How Workday helped employees embrace AI for growth.

Employees who frequently use AI tools report greater alignment with company strategy and a stronger sense of career opportunity. For them, AI isn't a threat but a pathway to growth.

The Workday EverydayAI Program—designed to empower Workday employees to enhance and elevate their work with AI—offers a powerful blueprint for how organizations can embed AI in a way that drives business results and employee growth.
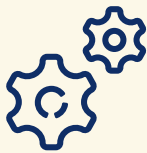
The challenge.

While 73% of Workday employees said AI improved their productivity, many still hesitated to adopt it. Top barriers included lack of time (43%), uncertainty about how to use AI tools (37%), and doubts about accuracy (37%).

The solution.

A human-centered AI adoption strategy built on three pillars:

- **Activate the mindset.** Peer-led "promptathons," storytelling from internal AI champions, and a global kickoff event made AI approachable and relevant.

- **Build the skills.** A digital AI academy embedded in Workday provided tool-specific training, along with a shared marketplace of community-built AI solutions.

- **Change habits.** Gamified activities and social learning ("EverydayAI Plays") turned learning into action, while real-time adoption insights gave teams visibility into usage and impact.

The result.

Within just six months:

- 80% of Workday employees adopted at least one AI tool—a 38% increase from baseline

- 72% set a personal AI goal in Workday

- AI adopters spent two more hours/week collaborating—a critical human skill AI can't replace

- High performers were 2x more likely to use AI, reinforcing the link between enablement and impact

- AI adopters were 13% more likely to see a clear career path and 15% more likely to feel aligned to company strategy

- In Global Field Sales, AI adopters spent one additional hour per week engaging customers—and sellers who spent more of their time in external conversations delivered 2.1x higher annual contract value

The impact.

A successful AI strategy is both technical and cultural. Adoption happens when employees understand how AI connects to their role, their growth, and the company's direction. The strongest AI programs don't just deploy tools, they also empower people.

EverydayAI worked because it focused on the practical realities of how employees learn, build confidence, and apply new habits. It turned strategy into something people could act on, and that drove results.

Reinvesting in your people to reverse the talent drain.

The global workforce is undergoing a deep recalibration. While external hiring signals may suggest stability, internal dynamics tell a more urgent story: growth paths are disappearing, internal mobility is slowing, high performers are walking, and confidence in leadership strategy—especially around AI—is faltering.

These aren't isolated challenges. They're symptoms of a broader breakdown in trust and alignment. And if left unaddressed, they will limit an organization's ability to retain talent, adapt to change, and sustain performance.

To rebuild that foundation:

1   **Prioritize internal growth** by making career development visible, personalized, and tied to evolving business needs.

2   **Clarify strategic direction** with consistent, transparent communication—especially as AI reshapes roles and expectations.

3   **Use AI intentionally** to unlock time, surface opportunities, and give employees a greater sense of agency and alignment.

At Workday, we believe building a resilient workforce starts by strengthening the connection between strategy and experience. That means enabling employees to grow with the business, not around it. It means designing talent systems that adapt alongside emerging technologies. And it means equipping leaders with the insight and tools to act decisively in a period of rapid change.

Methodology.

External sources.

Our external double-blind survey on hiring and talent sentiment was conducted in partnership with Hanover Research in July 2025. The 1,700 respondents included managers (29%) and director level or above (70%) across HR (42%), IT (18%), operations (12%), finance (10%), talent acquisition/recruitment/staffing (8%), and payroll (3%). The industries we address include manufacturing (19%), technology (18%), financial services (16%), retail (16%), professional services (10%), healthcare (9%), hospitality (6%), higher ed (4%), media (3%), and procurement/purchasing (2%) in North America (41%), the UK (12%), France (12%), Germany (12%), Japan (12%), Australia (9%), and New Zealand (3%). Because the survey was double-blind, we do not know if respondents are Workday customers. And because of rounding, percentages might not equal 100.

Our external double-blind survey of job seekers was conducted in partnership with Hanover Research in July 2025. The 982 respondents represent a mix of full-time (69%), part-time (8%), and unemployed (22%) job seekers in North America that have sent at least 5 applications within the past 12 months. Because of rounding, percentages might not equal 100.

Workday sources.

HiredScore* metrics in this report encompass over 75 live customers globally, millions of transactions across the hiring process, and millions of AI inferences made on job descriptions and candidate applications. Metrics represent the raw count of business process transaction volume, actions taken by recruiters in HiredScore, and normalized "time to" calculations in the specified time period. We do not adjust the results for customer growth or churn and as a result, some movement is due to customer go-lives and turnover.

Workday Peakon Employee Voice information comprises survey responses from over 7.5 million unique employees across 150 countries. These responses are derived from more than 42 million completed surveys, which include over 100 million employee comments. The analysis in this report is based on de-identified Workday Peakon Employee Voice engagement survey responses collected from companies during H1–2024 and H1–2025. The data includes responses from companies that participated in both time periods, ensuring a consistent and comparable dataset.

Workday People Analytics industry benchmarking KPIs represent over 4.5 million employees. Unless otherwise stated, all metrics are 12-month rates.

Workday Recruiting encompasses over 3,825 live customers globally and over 220 million transactions across job requisitions, applications, offers/employee agreements, and referrals. Recruiting metrics represent the raw count of business process transaction volume in Workday in the specified time period. We do not adjust the results for customer growth or churn and as a result, some movement is due to customer go-lives and turnover.

Analysis of Workday sources by Greg Anderson, Rich Davenport, William Haarder, Vishnu Mohan, Ernest Ng, Brad Reaume, Jeremy Grynpas, and Phil Willburn.

*A Workday company.