

Workforce Horizon Scan

A synthesis of literature on emerging trends and predictions, 2021-2026

Objective / Introduction

The purpose of this report is to look beyond current labour market conditions so that the University of Canterbury can be proactive in designing its strategies and programming to meet the future professional needs of students. To do this, we selected and compared five recent (2021-2026) outputs about the future of work from distinct source types – one labour market analytics firm [1], one international corporation [2], one international organisation [3], one government entity [4], and one academic research article [5] – to consider what kind of work environment(s) our students will be entering in three to five years. Because these publications are already syntheses about the future of work but from different perspectives, this report compares their emerging trends and predictions regarding labour market shifts on the horizon, as well as highlighting the capabilities UC students need to be building toward today even if demand for those skills has not yet fully arrived.

Themes and Predictions

Not surprisingly, the overwhelming topic of concern regarding the future of work is the yet-to-be-determined impacts of revolutionary technological advancements (AI, most notably). But there are other human and environmental factors expected to have similar effects on how and where large contingents of the population work.

Global labour market analytics firm, Lightcast [1], identified three converging pressures in 2026 that it claims are “permanently reshaping the balance between labor supply and demand”: **geopolitics** (i.e., “the displacement of talent”), **AI** (i.e., “the disruption of talent”), and **labour shortages** (i.e., “the deficit of talent”) (pp. 2-3). Similarly, a study commissioned by the New Zealand Ministry of Business, Innovation and Employment (MBIE) [4] and carried out by Kantar Public in 2023 framed the future of work in NZ around four global megatrends: **technological change**, **demographic change**, **globalisation**, and **climate change** (note: the report also identified the COVID-19 pandemic as a fifth megatrend due to the residual effect it has had on the rapid digitalisation of work processes and implementation of new work policies). This all follows the findings from a systematic literature review conducted by Jetha et al. [5] in 2021 that included academic research, non-academic reports, and social media posts, and categorised the future work in nine trends:

- **Digital transformation of the economy** (e.g., 5G technology, Internet of Things, smart sensors, cloud computing, V/AR, 3D printing, robotics, and blockchain technology);
- **AI/machine learning-enhanced automation** (i.e., increasing use of computerised systems that replicate human intelligence/behaviors and perform predictive job tasks);
- **AI-enabled human resource management systems** (e.g., applicant tracking and productivity monitoring);
- **Reprioritisation of job skill requirements** (e.g., technical competencies, digital literacy, creativity, critical thinking, collaboration skills, and empathy);
- **Globalisation 4.0** (e.g., telemigration and the digital exchange of goods, ideas, and services);
- **Climate change and the green economy** (e.g., the displacement of workers, lost productivity, and increased investment in sustainability efforts);
- **Gen Z and the work environment** (e.g., increased valuation in work-life balance, on-the-job training, and alignment of organisational and personal values);
- **Populism and the future of work** (i.e., politically motivated policy changes);
- **External shocks to accelerate the changing nature of work** (e.g., economic recessions/depressions, geopolitical conflicts, natural disasters, pandemics).

Interestingly, the authors contextualised these trends within similar past “periods of technological advancement and rapid globalization [that] have contributed to wage depression and increases in precarious work” but they clarified that these adverse effects are “more likely to be experienced by vulnerable groups of workers” (p. 659). In this context, vulnerable workers are defined as those “exposed to structural factors (e.g., racism, ableism, sexism) that may contribute to adverse work arrangements or work environments, including precarious work, low-wage employment, and hazardous conditions” (p. 650). The authors caution that exclusion from the future of work also has the potential to widen existing social and health inequities due to restricted access to resources and services, thus creating a public health crisis.

While these forecasts paint a rather bleak picture about the future of work, the narrative isn’t quite that simple. For instance, OECD’s [3] 2026 Employment Outlook argued that there are geographic disparities that need to be considered. Its analysis found that employment outcomes often vary more between regions within a single country than between countries altogether, and that megatrends including **AI and digitalisation**, **globalisation**, **climate change**, and **population ageing** are reshaping local labour markets unevenly and in ways not yet fully understood. In regard to younger members of the workforce, while OECD confirmed graduate unemployment has been rising relative to the wider working-age population, its own cross-country analysis found no clear turning

point coinciding with the recent spread of generative AI. In fact, their analysis showed this gap began widening well before the COVID-19 pandemic, complicating narratives that blame rising graduate joblessness in some areas primarily on AI.

Fortunately, there is also optimism across these publications. Although Jartha et al. [5] cautioned that up to half of roles could be replaced by automation, they also anticipated that the creation of new jobs due to technological advancements would offset any such displacements. Likewise, Lightcast [1] predicted that instead of AI replacing human workers outright, AI investment will be concentrated in the highest-return, white-collar roles that also happen to be the most saturated with talent. Meanwhile, the sectors facing the most significant labour shortages, such as healthcare and hospitality, are expected to see the lowest rate of AI adoption. The current labour market data also indicated that AI-work integration has already extended well beyond the tech sector itself, with over half of AI-related jobs now sitting in sectors like marketing, HR, sales, and finance.

Another key dimension of this discussion is the shift in desirable skills in the workforce. MBIE's [4] survey of 212 senior executives from New Zealand's largest employers identified and ranked the core skills required by employees to perform well in roles at the time of enquiry and compared these against a similar survey conducted by the World Economic Forum (WEF) in 2023 (see Fig. 1). The report also highlighted the most glaring differences between NZ's scores and those of the global audience in the WEF report (p. 23):

Two skills are more commonly needed in New Zealand than the rest of the world: empathy and active listening (57% in NZ vs 42% globally) and environmental stewardship (23% vs 16%). Many of the other skills are more commonly needed globally than in NZ, especially technology literacy (28% in NZ, vs 44% globally), quality control (20% vs 38%), systems thinking (19% vs 36%), talent management (16% vs 35%), resource management and operations (13% vs 31%), AI and big data (11% vs 28%), multilingualism (4% vs 23%), and programming (6% vs 19%).

The survey then asked the senior leaders to rate which skills they believed would require the most upskilling or re-training among the NZ workforce in the next five years (i.e., by 2028). From this perspective, they identified leadership, analytical thinking, problem solving, and innovation as the top training priorities (see Fig. 2). The biggest difference between the skills required in 2023 and those in need of enhancement by 2028 was leadership and influence (66% in the 2028 upskilling list versus 33% in the 2023 core skill list).

Figure 1. Core worker skills needed in NZ versus global audience. *Source: Kantar Public, 2023, p. 24*

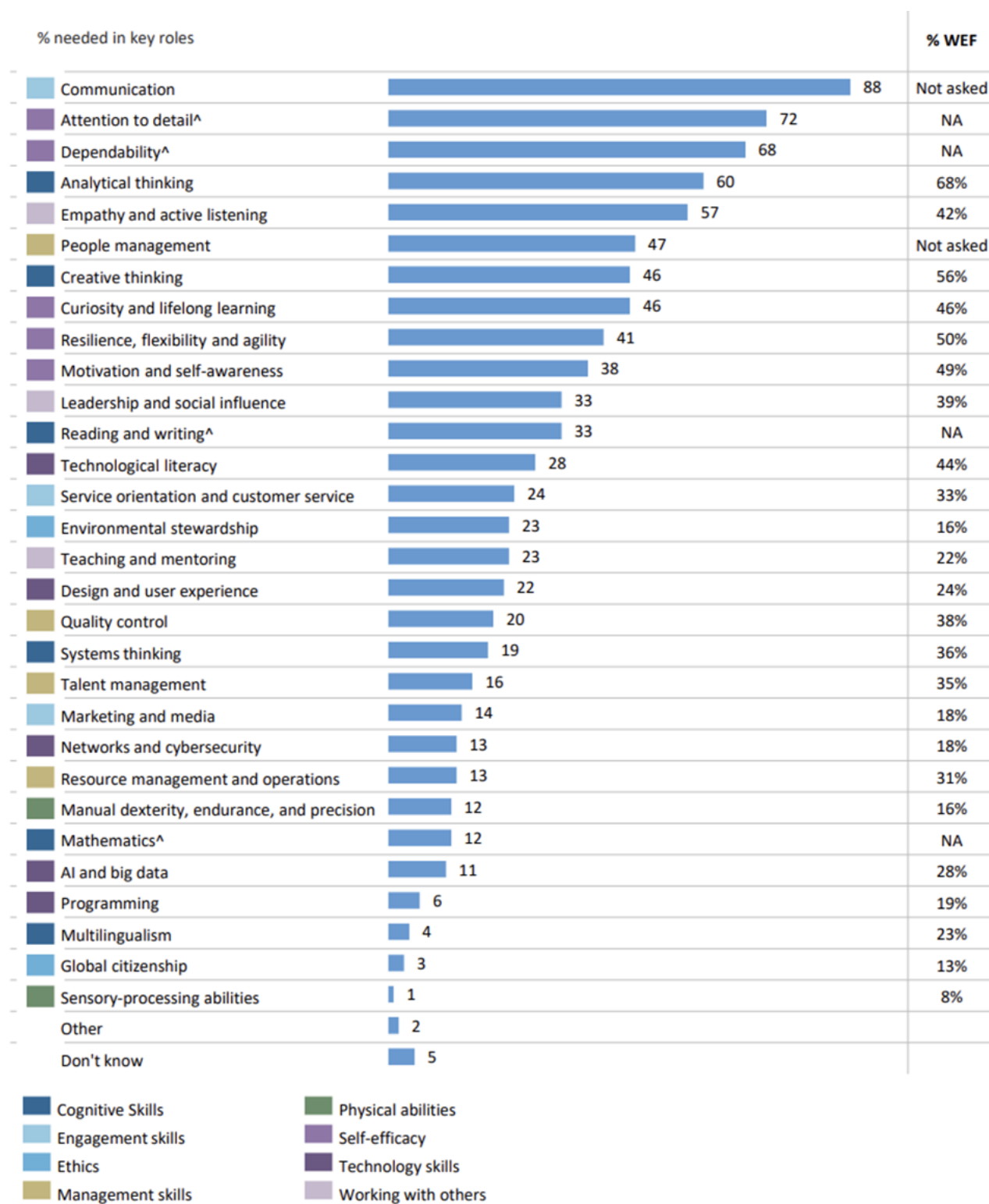
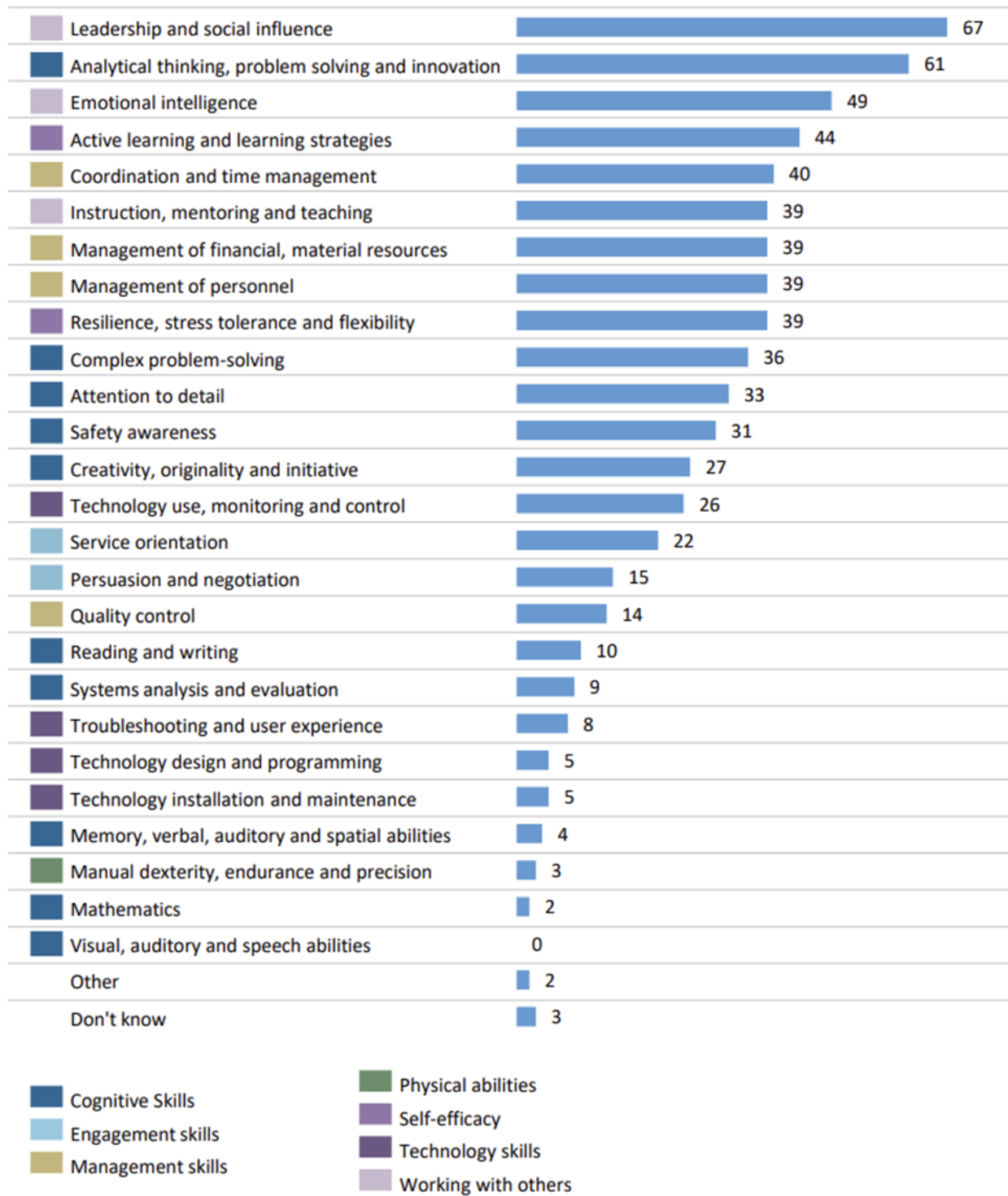


Figure 2. Future skills in need of development in NZ. *Source: Kantar Public, 2023, p. 27*

% Key skills organisations are focusing efforts over the next five years:



Evidence proving the accuracy of this predicted skills reprioritisation can be found in Lightcast's [1] report that highlighted the required skills listed in job postings across all

sectors around the world changed more between 2021 and 2024 than at any other point in modern history, with a third of the skills in the average job changed (and the rate of this skill change is still accelerating).

Bridging the discussion of AI's impact on the future of work and reprioritisation of skills, Deloitte's [2] 2026 analysis of human capital trends in New Zealand revealed that although AI adoption is accelerating, only 2% of domestic organisations are intentionally designing how humans and AI work together (compared to 7% globally). As a result, NZ is confronting significant barriers in terms of capability and resources, which has left many workers feeling unable to keep up with the developmental pace of their overseas peers. Unfortunately, the general perception is that NZ organisations place less emphasis on AI ethics, workforce data trustworthiness, and managing AI's human impacts, which the report flags as areas that become more critical as AI use accelerates. Somewhat surprisingly, responses from the 212 senior executives surveyed primarily placed the responsibility in the hands of HR professionals to lead AI-training programmes and implement clearer policies.

But what does this all mean for UC students who may be questioning the employment value of their degree(s)? Lightcast [1] provided evidence (see Fig. 3) showing that tertiary education is becoming increasingly valuable despite certain social narratives claiming the opposite (p. 70):

With fewer potential workers available, one might expect employers to lower barriers to entry, so that they can find as many people as possible. That hasn't happened. Employers are requiring degrees where not enough workers have them. The share of job postings that require a college degree is over double the share of workers that have them. In fact, Lightcast global data shows the share of postings looking for degrees has increased over the past decade, while postings with lower education requirements have declined.

Figure 3. Labour supply versus labour demand by educational attainment level.
Source: Lightcast, 2026, p. 70

Education Level:

- College-level and above
- Upper secondary (HS) and vocational education
- Basic primary and secondary education
- Less than basic education



This labour-supply insight suggests a university qualification is not becoming a liability in an AI-disrupted labour market; if anything, persistent shortages of credentialed workers point the other way. According to Lightcast [1], the roles most highly exposed to automation are those where tasks are routine, rules-based, or language-driven. In those cases, workers will need to set themselves apart through higher-order capabilities such as critical thinking, domain expertise beyond textbook knowledge, and the ability to critique and refine AI-generated content.

Summary

Given the different methods and agendas of these five independently-produced publications, their convergence of the same handful of forces – technology/AI, globalisation, climate change, demographic trends – along with the recent six-year timeframe in which they were published (2021-2026), is telling for how the nature of work over the next three-to-five years (2027-2031) might unfold. For starters, we can see how certain predictions have proven prescient or misguided, which can then be used to interpret the probability of current forecasts coming to fruition within the scope of this Horizon Scan. Jetha et al.'s [5] nine-trend taxonomy from 2021 essentially previewed, almost trend-for-trend, what Lightcast [1], the OECD [3], and MBIE [4] each arrived at years later. However, Jetha et al. [5] also cited estimates suggesting up to half of all occupations could be completely replaced by automation, but OECD [3] has found no

evidence of this five years later. Further, Lightcast's [1] job posting data has shown AI adoption has been slowest in the sectors facing the most severe labor shortages. Nevertheless, each report was adamant that the nature of work is changing more quickly than ever before.

So, what is the solution? The five outputs make several suggestions directed at employers, mostly how they can efficiently retrain current employees and create equitable opportunities for labour market engagement as they attempt to fill new roles. Due to the predicted increased exposure to job displacement and/or wage disparities, Jetha et al. [5] advised creating more opportunities for labour market engagement among vulnerable populations. The authors suggest this could be achieved through “tailored supports that are resilient to changes in the nature and availability of work required for workers facing vulnerability” (p. 649). However, the authors did not expound on how exactly this could be achieved.

To address the anticipated shift in skills, NZ business leaders stated intentions to use several strategies, such as looking outside their organisations to find new talent (either by hiring new permanent staff, employing temporary staff, or outsourcing to contractors) or retraining existing employees [4].

As for the improved integration of AI in NZ, Deloitte [2] outlined four strategies:

- Redesign work for humans and machines together
- Embed learning and adaptation into the flow of work
- Treat trust, data and culture as core organisational infrastructure
- Close the gap between knowing what to change and doing it

For UC, the constant across these five sources is not that the future of work is uniquely threatening to today's students but that the capabilities separating growth from stagnation (e.g., empathy, active listening, emotional intelligence, resilience, critical thinking, and the judgement to work effectively alongside AI) are much more crucial to develop and demonstrate during their studies. Fortunately, the skills expected to be in shortest supply in New Zealand's future workforce are precisely those that can be embedded throughout student's university experiences, regardless of their discipline.

Bibliography

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