NOVEMBER 2026

EUROPEAN WORKFORCE REPORT

The adaptability advantage

Leading the next era of change across Europe



workday

Table of contents

Executive summary 3

1. Employees embrace AI transformation but need a clearer path forward 5

2. Applications flooded open roles, especially in Switzerland 7

3. European employees saw fewer opportunities to get promoted 9

4. Headcount growth was uneven; Spain and Switzerland surged ahead 12

5. Europe led global retention, but year-over-year progress stalled 14

Methodology 16

Executive summary



AI, shifting skills and challenging labour-market conditions are rewriting the relationship between employers and employees across Europe. New Workday research shows the region is moving quickly towards a new way of working: employees are learning new skills, companies are redesigning work and leaders are looking to AI to improve productivity and create new ways of working. But the data also shows that career growth is becoming harder to see and harder to access.

Workday has a unique lens into the changes happening within Europe. For our '2026 European Workforce Report', we analysed millions of data points across the Workday platform to find opportunities for leaders to capitalise on this moment. We also surveyed thousands of European employees to fully understand their sentiment about AI and their jobs.

Our research shows, amidst a time of rapid change, employees in Europe are confident in their ability to adapt. Employees are less resistant to AI and its impact on work than their peers in other parts of the world. Social protections, such as access to public healthcare systems, may help explain this attitude; they provide a safety net as employees navigate change.

Both employees and job seekers are putting AI to practical use. Amongst external job seekers in our September 2026 survey, 84% used AI in their search – matching the global rate. On skills readiness, three in four employees said they understand the skills needed to succeed, whilst more than three in five feel confident they could adapt if their role's skill requirements were to change.

But employees are also uncertain how they fit into the changes AI is bringing.

The region as a whole faces myriad crises. In the United Kingdom and France, young people entering the workforce face high rates of unemployment. Inflation has accelerated in many countries, including Germany and France, and energy costs have soared due to the war in the Middle East. As such, some markets show strong career advancement or hiring demand, whilst others show constrained promotion opportunities, crowded applicant pools and quiet workforce reshaping. These structural and macroeconomic challenges make it tougher for organisations to take advantage of the transformation AI offers.

But as AI changes work, employees need employers to make the path forward visible: clarifying what skills to build, how to apply them and where those skills can take them next.

‘To capture the true value of AI at work, employees need clarity about where the business is heading and how their roles evolve alongside our strategy’, said Ashley Goldsmith, Chief People Officer at Workday. ‘It’s not enough that work happens faster. It’s that AI helps humans do what we do best, even better. Our vision for AI transformation is to build a high-performing, adaptable workforce where agents up-level our work and drive real impact for our business and our customers.’

The opportunity now is to turn uncertainty into momentum. Whilst not all AI transformation has played out as expected, the human drive to grow, evolve and shape what’s next remains organisations’ greatest advantage.

> To capture the true value of AI at work, employees need clarity about what this transformation means about where the business is heading and how their roles evolve alongside our strategy.
>
> **Ashley Goldsmith**
> Chief People Officer,
> Workday



1. Employees embrace AI transformation but need a clearer path forward



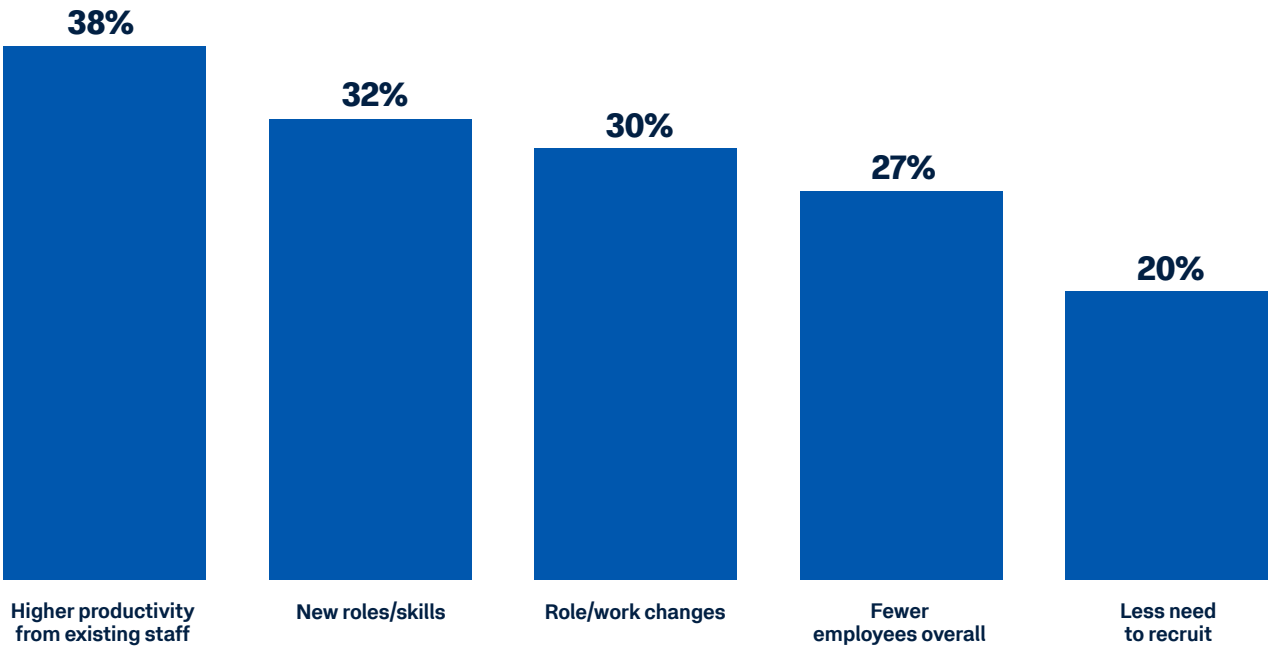
Employees in Europe are open to AI-driven change. But they are asking a different question: where do I fit in the future of work? They know they can adapt, but they need to know where they're going.

Compared to other parts of the world, European workplaces are typically more transparent, meaning leaders are more likely to discuss major changes whilst they're happening.

For example, our research shows employers see AI primarily as a way to boost productivity rather than reduce headcount. One-third of European decision-makers (33%) said skills availability was shaping workforce plans, slightly more than the share citing AI or technology investment (30%).

Employers view AI as a productivity lever, not a headcount-cutting tool

When introducing AI or automation, decision-makers expect:



However, that focus on skills is not yet translating into employee development and career opportunities. Whilst 75% of employees said they understand the skills needed to succeed, fewer (62%) felt their employer supports them in developing future skills. Nearly half – 46% – do not see a clear opportunity to progress within their organisation.

Employees know AI will change their work, but many are unsure whether they'll have opportunities to grow as their roles evolve – and our internal mobility data reinforces these very concerns.

According to our research, 44% of employees in Europe say they pursued an internal role or promotion in the past 12 months, about the same as the global figure of 46%. Amongst European employees who did try to move internally, the barriers they faced point to trust and access issues: 24% cited an unfair selection process, compared with 22% globally. One in five (21%) said the role or promotion was paused, withdrawn or changed; 18% said their manager did not support the move.

For employees, internal mobility represents more than just opportunity. It's also about visibility, fairness and manager support. Only 54% of European employees say their employer cares about them as a person, compared with 59% globally. Just 53% say changes affecting employees are handled fairly, and 34% say they feel stuck because the job market is weak, compared to 63% and 40%, respectively, of employees in the US and Canada.

As AI changes demand for skills, employees need clear guidance on what capabilities to build, training that helps them apply those skills and visible career paths that show where those skills can take them. The things that make AI adoption work – training, development, leadership and change management – become more important, not less, when roles are being redesigned. Employers that make those pathways visible will be better positioned to turn AI-driven disruption into workforce momentum.



2. Applications flooded open roles, especially in Switzerland



Around the world, employees who left their jobs entered an unprecedented hiring environment. On the surface, hiring demand was flat. As of July 2026, the typical organisation created 79 job openings per month, compared with 80 a year earlier, while the median time it took to fill a role – 60 days – remained unchanged.

Hiring conditions varied across Europe. In the first half of 2026, organisations in France created 117 requisitions per month (the highest in the cohort), compared with 62 in Germany (the lowest). Despite these differences in hiring demand, most countries grappled with a crowded hiring funnel.

In July 2026, the region saw an average of 82 applications per offer, compared with 69 globally. Switzerland recorded 104 applications per offer, followed by Germany at 89, the Nordics at 87 and France at 86 – all above the global benchmark of 69. The UK and Netherlands sat below the benchmark, at 65 and 59, respectively.

But robust candidate pools did not produce more qualified candidates or speed hiring. In the first half of 2026, every European country with available data had a lower external applicant success rate versus the global benchmark, and nearly all reported longer time-to-hire metrics. Germany, in particular, took the longest to hire (95 days) – 35 days longer than the global benchmark. Only Spain exceeded the global average, hiring at a speedy 44 days on average.

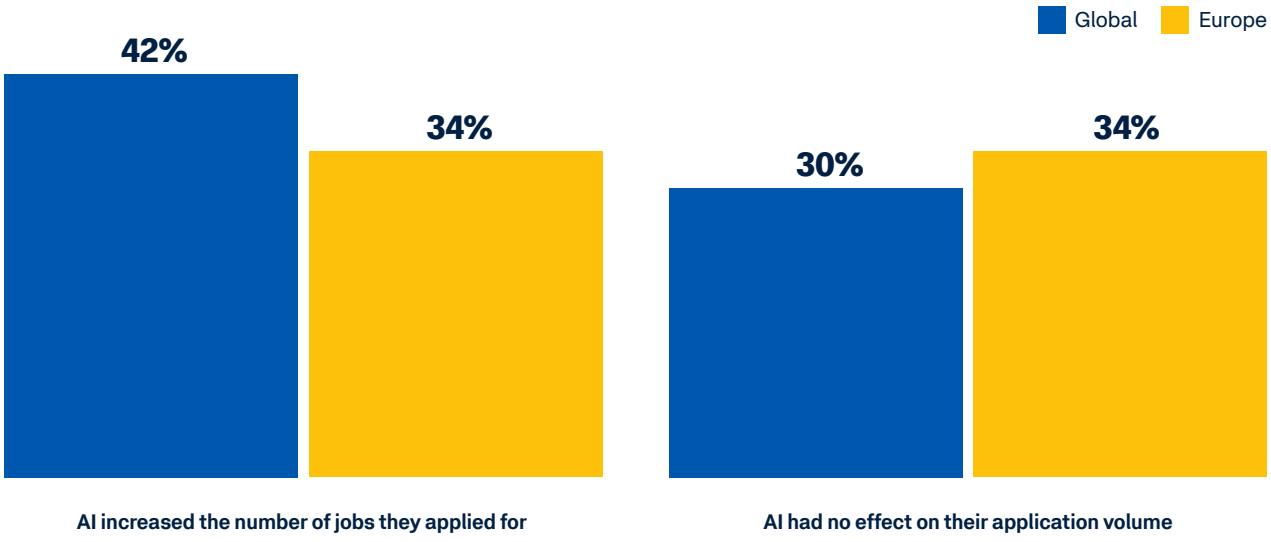
> The difficulty in hiring is likely not a lack of qualified people but a misalignment of roles and skills.

Dr. Liz Pavese
Workplace Psychologist,
Workday

Globally, AI has made it easier to apply for jobs, and that has contributed to a more difficult hiring process. The research shows that European job seekers likewise used AI, but the region's crowded hiring funnels cannot be explained by AI alone.

Europe sees less AI-driven application growth

Number of job seekers using AI who said:

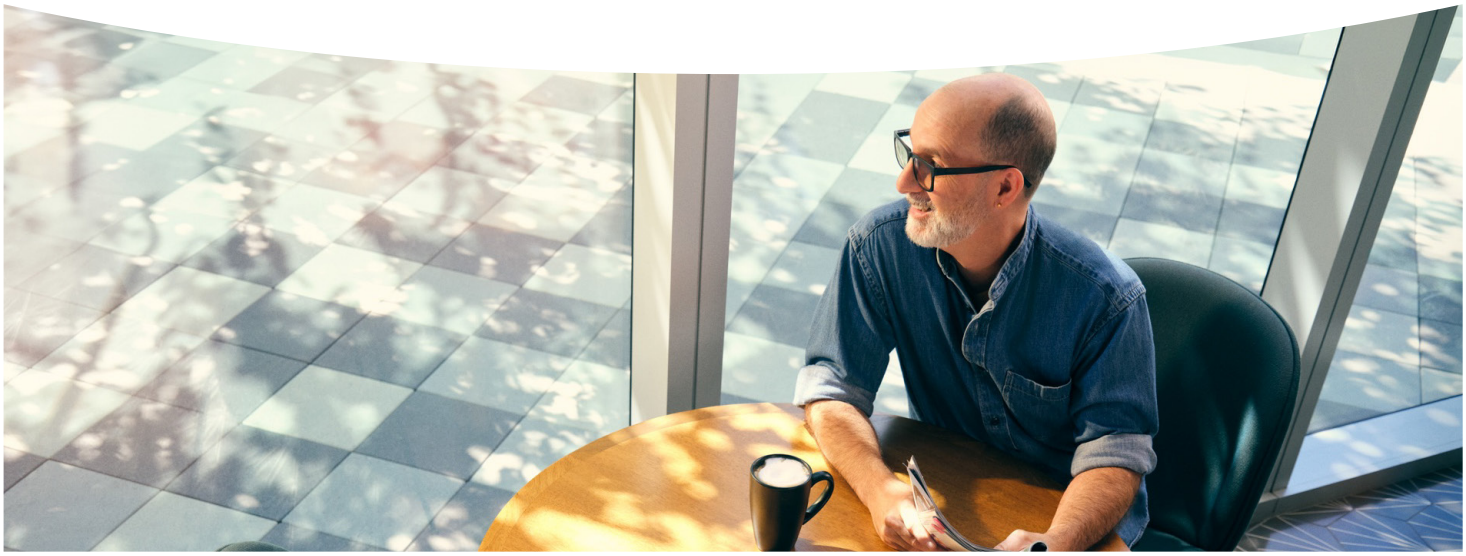


When it came to making offers, hiring managers in Europe pointed to the same core issue as the global market: not enough candidates with the right skills. Globally, hiring managers said roles remain unfilled because too few candidates have the required skills (34%); nearly as many European leaders said the same (33%).

Europe also had a slightly larger expectations mismatch: 36% of European hiring decision-makers said roles remain unfilled because candidate expectations around pay, location or flexibility do not align, compared with 33% globally.

The result is a job market with plenty of motion but not enough conversion.

'The difficulty in hiring is likely not a lack of qualified people but a misalignment of roles and skills', said Dr. Liz Pavese, Workday Workplace Psychologist. 'Legacy systems and mindsets are searching for specific titles and profiles. Whilst skills demand has shifted, skills are fluid and scattered across traditional and non-traditional roles. So, hiring managers need to evolve from resume-bound screening to evaluating transferable and adjacent capabilities, whilst candidates need to figure out how to market their most in-demand skills.'



3. European employees saw fewer opportunities to get promoted

As AI reshapes how work gets done, employees recognise that their skills must evolve as well. However, European employees had fewer opportunities to put their skills to use in new internal roles.

On a global scale, year-over-year promotions were flat: about 51% of employers raised promotion rates whilst 49% cut them. The share of employees being promoted overall (about 8.1% globally, on a 12-month rolling basis) fell in 2025 but has returned to baseline in 2026.

Across Europe, the data tells a different story in each market.

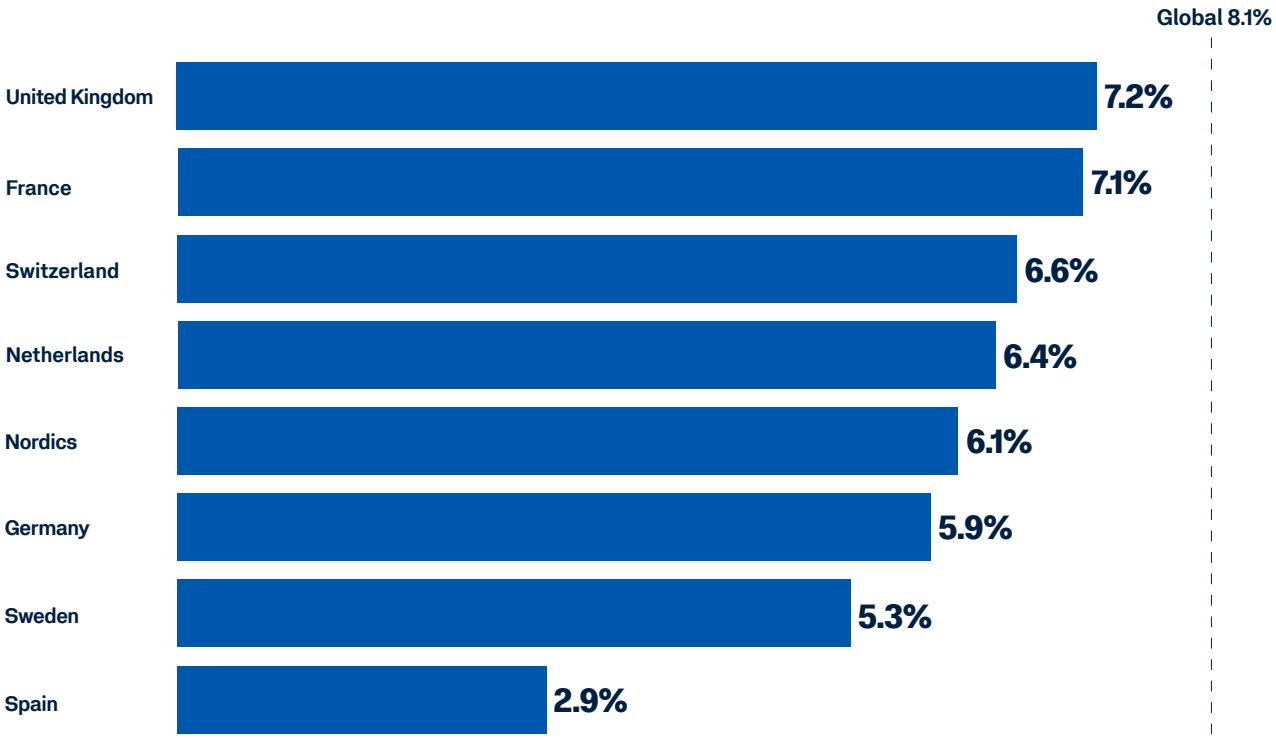
Promotion rates across Europe were below the global benchmark of 8.1%. The UK and France recorded the highest rates in the cohort, at 7.2% and 7.1%, respectively – 0.9 and 1.0 percentage points below the benchmark.

Switzerland and the Netherlands followed at 6.6% and 6.4%, while Sweden recorded 5.3%, suggesting that employees in those markets had even fewer chances to move up internally. Spain had the lowest promotion rate in the cohort at 2.9%.



Europe sits below the global average for promotion rates

Promotion rate by country, rolling 12 months to July 2026



Germany, Europe's largest economy, sits below the average with a 5.9% promotion rate, but the country's other metrics paint a more nuanced picture. In the first half of 2026, Germany's internal applicant success rate was 8%, the highest amongst countries where that metric is available. That means, unlike in other European countries, employees in Germany who applied internally could still convert successfully, even though overall promotion volume remained below the global benchmark.

Germany was also above the global benchmark for employers where internal mobility increased, so moves might also have happened laterally, through redeployment or via role changes, rather than formal promotion.



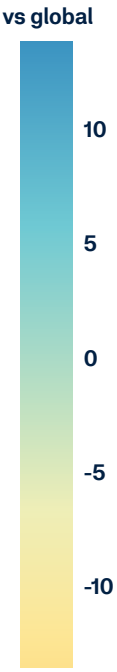
People may not be moving jobs as often, but the work itself is changing faster than ever.

Angelique de Vries-Schipperijn
President, EMEA,
Workday

Internal moves and promotions less likely in Europe

The job market has slowed internally, as well

	Promotion rate	Employers raising promotions	Employers with internal mobility rising
United Kingdom	7.2% -.9pp vs global	45% -6.0pp vs global	41% -2.0pp vs global
France	7.1% -1.0pp vs global	56.% +5.0pp vs global	50% +7.0pp vs global
Switzerland	6.6% -1.5pp vs global	43% -8.0pp vs global	50% +7.0pp vs global
Netherlands	6.4% -1.7pp vs global	50% -1.0pp vs global	45% +2.0pp vs global
Nordics	6.1% -2.0pp vs global	53% +2.0pp vs global	40% -3.0pp vs global
Germany	5.9% -2.2pp vs global	42% -9.0pp vs global	48% +5.0pp vs global
Sweden	5.3% -2.8pp vs global	64% +13.00pp vs global	n/a
Spain	2.9% -5.2pp vs global	45% -6.0pp vs global	n/a



Globally, employees who tried to move internally faced three main barriers: unfair selection processes; roles being paused, withdrawn or changed; and managers not supporting the move. Nearly half of employees did not pursue an internal move in the past year, and amongst that group, 27% saw no attractive internal opportunity.

In Europe, employees were even less likely to see realistic progression opportunities than the global average. They also reported lower employer support for future skill development.

When promotions are limited, employees may perceive fewer reasons to stay, build skills or pursue internal opportunities. To address this, European leaders can make internal opportunities more visible and easier to act on. In countries where promotion rates lag, leaders should look beyond formal promotions and assess whether employees can still move laterally, build skills and access visible roles. Where both promotion and internal mobility indicators are weak, the focus should be on clearer role pathways, transparent selection criteria and manager accountability for supporting movement.

'It's a mistake to look at European promotion and retention figures and assume the workforce is standing still', said Angelique de Vries-Schipperijn, President of EMEA at Workday. 'People may not be moving jobs as often, but the work itself is changing faster than ever. If we want to grasp the opportunity amongst all this change, we have to treat AI transformation as a shared investment, giving employees the pathways, guidance and transferable skills they need to co-design what comes next.'

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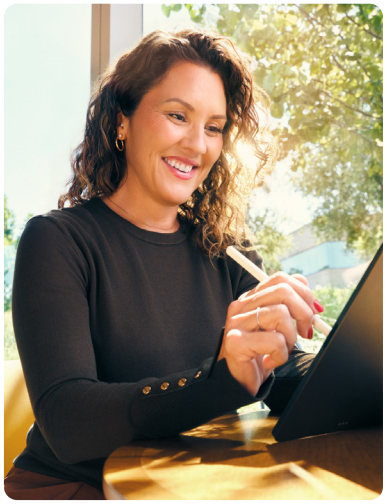
4. Headcount growth was uneven; Spain and Switzerland surged ahead

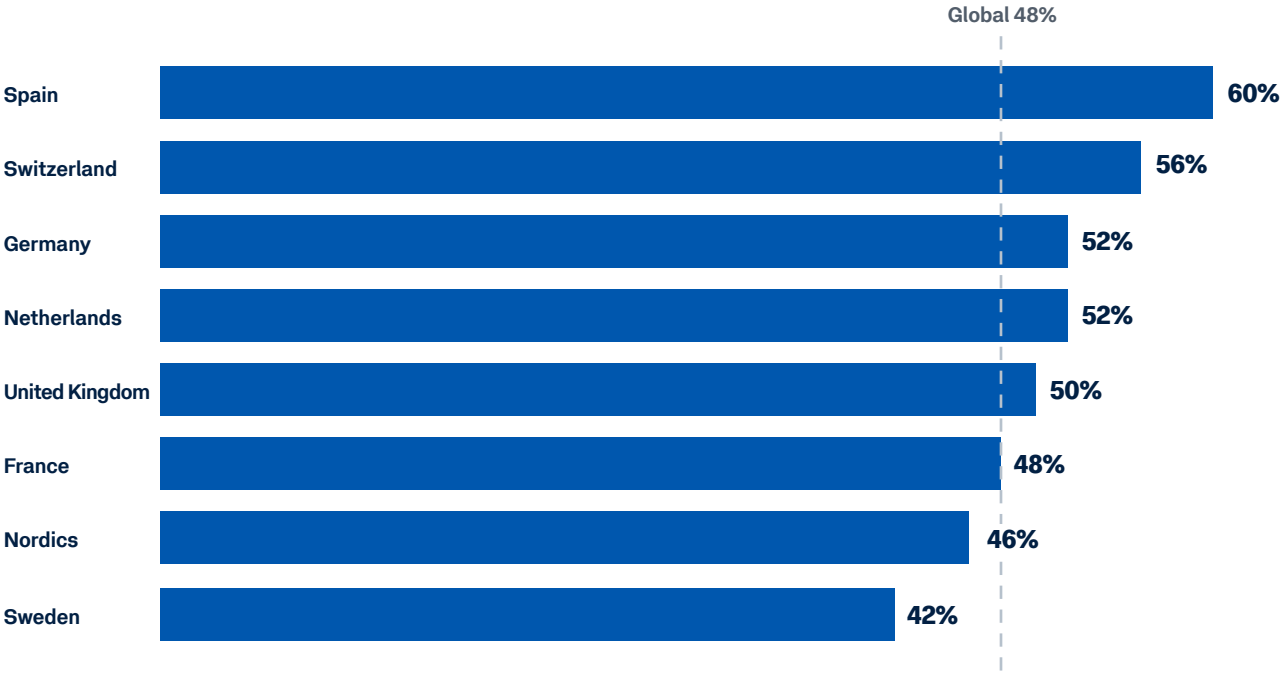


Across the first half of 2026, more global employers cut headcount than added it. Employer hiring turned net-negative through late 2025 and early 2026, then recovered to roughly break even by the second quarter with more employers adding than cutting again. Company size and sector data revealed a nuanced picture: smaller employers and some sectors grew, whilst the largest employers and other sectors shrank.

In Europe, headcount growth was likewise mixed. Across the region, the average share of employers growing headcount during the first half of 2026 was 51.4%, above the 48% global benchmark. But the range was wide, from 60% in Spain to 42% in Sweden.

European countries scattered on headcount movement

Percentage of employers growing headcount, H1 2026



Spain, one of the fastest-growing economies in Europe, showed the strongest breadth of growth: 60% of employers grew headcount – 12 points higher than the global benchmark. However, year-over-year headcount growth was -1.9%, which suggests growth was not evenly distributed across the full employer base.

Switzerland was also above the benchmark with 56% of employers growing headcount. Unlike many of its neighbors, Switzerland has low inflation and unemployment. But, like Spain, the country's headcount growth fell (-1.6%).

Employees in Europe felt this churn directly. Reorganisation or restructuring was the most commonly reported workplace change over the past year (39% of employees), followed by vacant roles left unfilled (32%), new roles created (28%) and redundancies or layoffs (22%).

The picture employees describe is one of work being reshaped more than visibly reduced: teams reorganised, roles redesigned and vacancies left open without explanation. That makes headcount reduction easy to overlook, even when employees are experiencing the change directly.



5. Europe led global retention, but year-over-year progress stalled

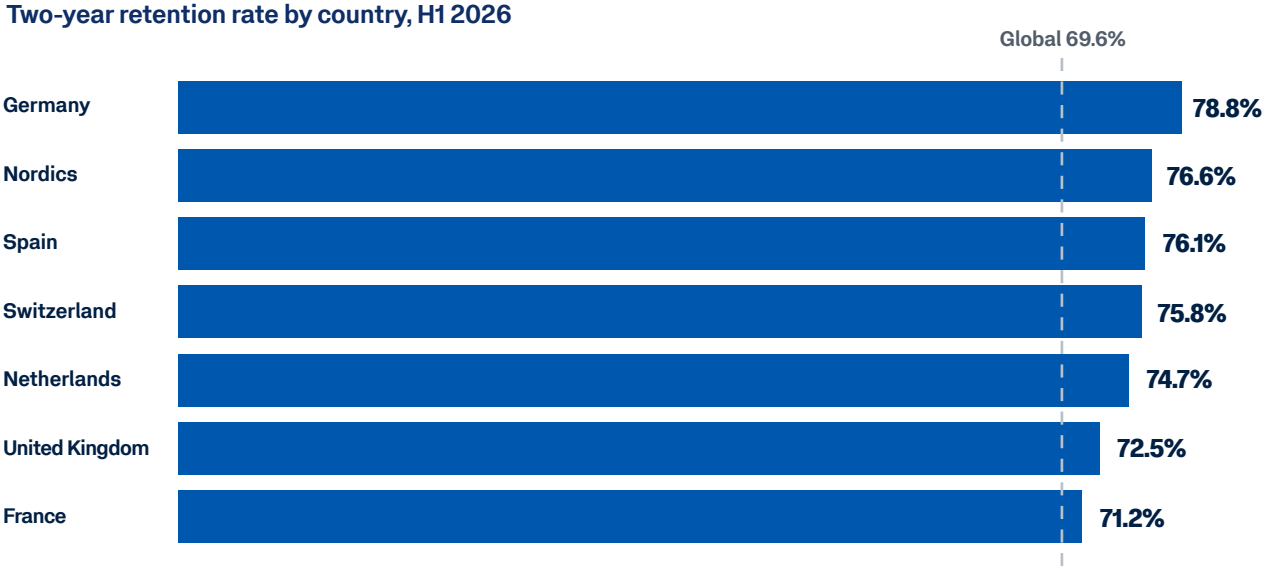


Global organisations faced challenges at the end of the employee lifecycle, too. Tenure slowly receded: the typical employer's two-year retention rate drifted from 73.3% in July 2024 to 70.5% in July 2026. Nearly two-thirds of employers saw people staying for shorter stints this year than last year.

In the first half of 2026, European markets outperformed the global two-year retention benchmark of 69.6%. Germany stood out at 78.8%, but even France, the lowest market in the European cohort at 71.2%, remained above the benchmark.

All of Europe surpasses global two-year retention rate

Two-year retention rate by country, H1 2026



Whilst Europe markets outpaced the global benchmark for two-year retention, year-over-year retention did not improve across the board. Germany had the highest retention rate in the cohort, but only 29% of employers had retention rising year over year, compared with 38% globally. Spain also had high retention at 76.1%, but only 26% of employers saw retention improving.

Compared to the global benchmark, employees in Europe expressed stronger intent to stay in their current job. Just one-third (33%) of employees said they are likely to look externally in the next 12 months, compared with 36% globally.

Strong retention is not necessarily a sign of a healthy workforce. When employees stay but see limited opportunities to progress or develop, they may be staying out of caution rather than commitment. Without visible pathways for growth, retention can mask stalled careers and disengagement – leaving employers with a stable workforce on paper but a weaker foundation for long-term performance.

The bottom line

During this time of rapid workforce change, organisations must capitalise on the opportunity to determine what work should look like next, including how roles, skills, systems and ways of working need to evolve for human–AI collaboration.

Employees in the region are ready to meet the moment. They want what they've always wanted: the chance to learn, grow, develop and see a future for themselves inside the organisation. But as this transformation continues to happen in real time, they also need direction, strategy, rationale and to feel a sense of shared success, fairness and manager care.

'Employees may not be changing jobs, but their jobs are changing around them', said Phil Willburn, Vice President of People Systems, Intelligence & Support at Workday. 'The old career playbook assumed growth meant a promotion, a transfer or a new title. With work constantly evolving, leaders need to help employees build agency, stay relevant and understand how their skills can continue to create value.'

By designing thoughtfully around the change that surrounds the technology, we can turn uncertainty into momentum and build a workforce ready for what comes next.



Methodology



The Global Workforce Reporting (GWR) combines three primary Workday data sources: Workday Human Capital Management usage, Workday Peakon employee sentiment and Workday Recruiting job requisition skills data. Data from these sources are drawn from separate panels, and several metrics included in the 2026 report are new or provisional (i.e. there is limited historical trend data to reference). As such, all trends reported should be treated as descriptive, not causal.

Reporting covers core workforce metrics across 12 major industries, 5 business sizes and 19 countries over several key time frames (YoY, H1 2025 to H1 2026 comparisons and 3-month rolling). To maintain data integrity and reliability, only active customers with at least 250 employees that exist in both time periods being compared are included. Strict quality filters (e.g. removing brand-new setups, capping extreme outliers and weighting metrics by employee count) are also applied. All findings are cross-referenced and validated against external labour reports such as BLS, JOLTS, Gartner and relevant country-level reporting.

Two complementary panel data sources are included in this report, both powered by Harris QuestDIY and fielded in the United States, United Kingdom, Canada, Australia, France and Germany: the Q3 Global Workforce Survey, fielded in September 2026 (N = 6,001; decision-maker items N ≈ 1,780 globally and 877 across these three European countries)), and the AI@Work Survey, fielded in August 2026 (N = 5,944 workers globally including 2,970 in the UK, France, and Germany; AI follow-up question base N = 5,411 globally and 2,687 across these three European countries).

Country and regional aggregations in workforce metrics are not fixed. The ‘European Workforce Report’ uses regional groupings where applicable (i.e. Nordics as a single unit) to balance market-level insight with statistical stability, particularly for smaller-sample countries.

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