

A long-exposure photograph of a multi-lane highway at night. The image is dominated by vibrant, curved light trails from vehicles, creating a sense of motion and speed. The colors range from bright yellow and orange to deep blues and purples. The sky above is a mix of dark blue and lighter, hazy tones, suggesting a twilight or dawn setting. The overall composition is dynamic and futuristic.

*Looking Ahead in 2026*

# People & Culture Monitor

# Getting to Work in 2026

It's never been harder for organizations to optimize their approach to people and culture. With competing priorities and limited resources, leaders are working hard to do more with less as they pursue growth in an uncertain macroeconomic environment.

## About This Report

FXG Partners wanted to learn more about what leaders at mid-sized organizations think when it comes to people and culture in 2026.

We invited more than 100 leaders across a range of industries and organization sizes to share their outlook on top people and culture priorities, as well as their perspective about how well their current people strategy and HR capabilities align with their business strategy.

We invite you to read on to see the results of our inquiry. Please reach out to our team ([inquire@fxgpartners.com](mailto:inquire@fxgpartners.com)) if you're interested in going deeper on the results or learning more about how we help midsized organizations optimize their approach to people and culture.

## Key Findings

How do you expect your headcount to change in the next 12 months?

Increase  
**48%**

Stay the Same  
**34%**

Decrease  
**18%**

### Preparing With a Growth Mindset

Despite ongoing macroeconomic uncertainty, most leaders we surveyed are planning for growth. Expectations for workforce expansion over the next year elevates retention and talent acquisition as critical priorities.

### Chasing Pressing People Priorities

Leaders are focused on a wide-range of people and culture issues with many focused on stabilizing engagement as the year begins. Shifting culture and upskilling the workforce is a long-term goal for many leaders in 2026.

### Seeking a Better Support Model

The leaders we surveyed were also clear that their current approach to HR isn't working as well as it should. Leaders were least satisfied with the performance of HR capabilities that they rate as most important for the success of the business.

# Top People & Culture Priorities

Leaders shared the single most important people and culture challenge they need to solve immediately, in the next quarter, and this year. While many types of issues were mentioned, addressing engagement and retention is a common, yet critical priority as many organizations start the year. Shifting culture and upskilling the workforce are long-term goals for many leaders in 2026.

## Immediately

*What Is the Most Important Challenge Your Organization Needs To Solve?*

1

### Engagement & Morale

“Improve morale after layoffs”  
“Address burnout and anxiety”

2

### Talent Retention

“Retaining our top talent”  
“Managing job security”

3

### Performance Management

“Evaluating sales team performance”  
“Raising the performance bar”

4

### Manager Capability

“Build manager core capabilities”  
“Address ineffective managers”

5

### Shifting Culture

“Leadership change and reorganization”  
“Post-M&A integration of teams”

## Next Quarter

*What Is the Most Important Challenge Your Organization Needs To Solve?*

1

### Engagement & Morale

“Team building and cohesion”  
“Regain trust and engagement”

2

### Shifting Culture

“Embedding new core values”  
“Creating a culture of innovation”

3

### Talent Retention

“Keeping our best people”  
“Limiting attrition of top talent”

4

### Talent Acquisition

“Attracting top talent”  
“Finding global talent”

5

### Performance Management

“Results-oriented performance expectations”  
“Goals implementation and tracking”

## This Year

*What Is the Most Important Challenge Your Organization Needs To Solve?*

1

### Shifting Culture

“Engaging managers to drive change”  
“Implementing growth mindset”

2

### Development & Upskilling

“Leveling up talent”  
“Creating professional growth opportunities”

3

### AI & Technology Transformation

“Implement new AI tools”  
“Driving AI readiness/AI-first mindset”

4

### Engagement & Morale

“Enhancing employee recognition”  
“Keeping remote teams connected”

5

### Talent Acquisition

“Attracting top talent in priority markets”  
“Making talent swaps”

# Seeking a Better Way

We asked leaders to reflect on their organization's approach to supporting people and culture. Despite the need to navigate a host of pressing challenges, most leaders feel their current approach is not working. With only average alignment between their people strategy and business strategy, respondents observed significant gaps between importance and satisfaction when it comes to key HR capabilities.

## How Well Does Your Current Approach to People Support Your Business Strategy?

(0 = Not At All || 10 = Perfectly)

# 6.2

## Where Would You Invest to Manage People & Culture in Your Organization?

43%

More Operational Capacity

31%

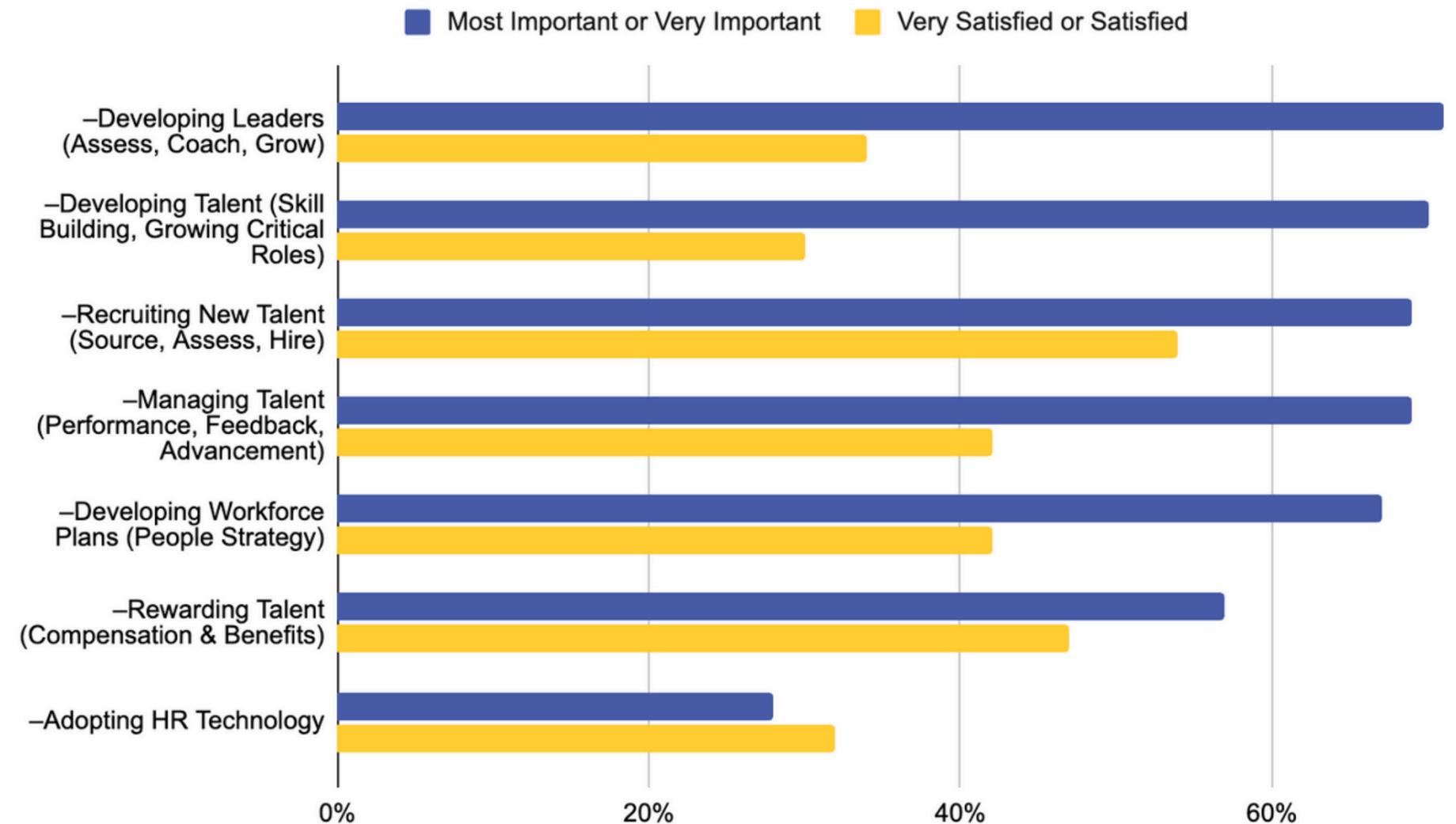
More Strategic Leadership

21%

More Specialty Expertise

\*5% Other

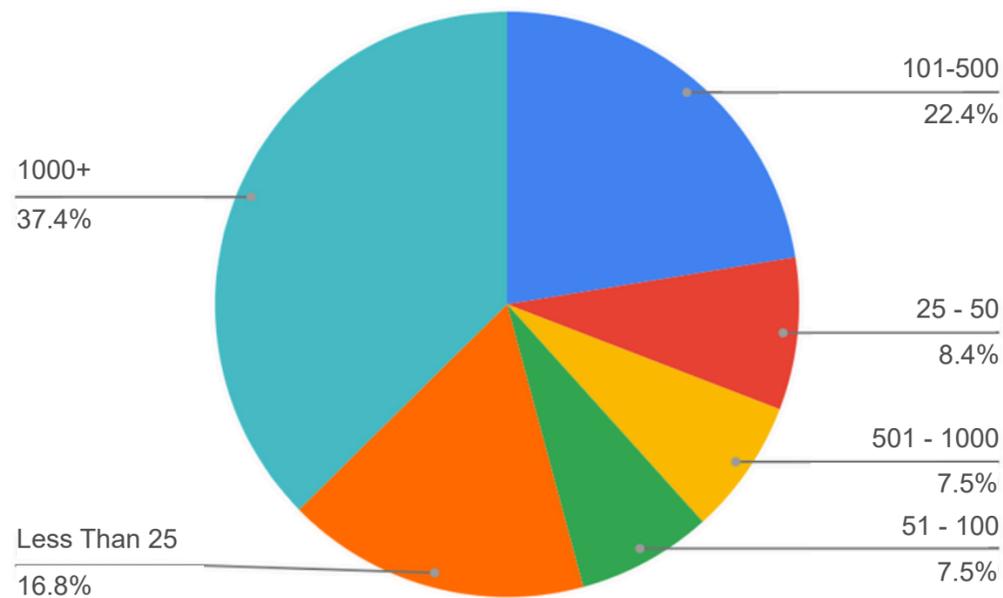
## Rate Your HR Capabilities: Importance vs. Satisfaction



# Participating Organization Demographics

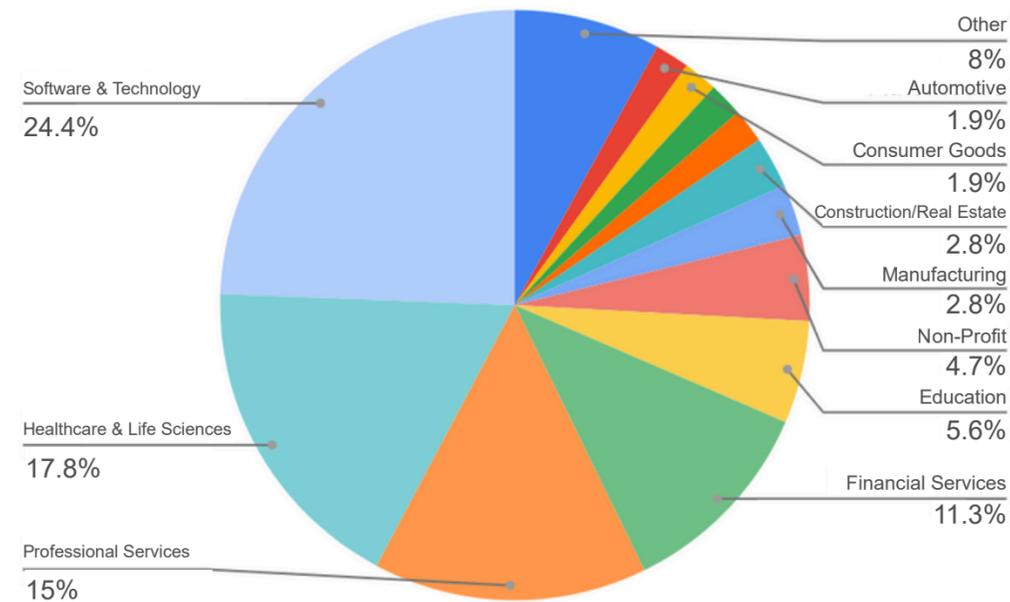
FXG Partners surveyed leaders from more than 100 different organizations across a range of industries and workforce sizes.

## Workforce Size



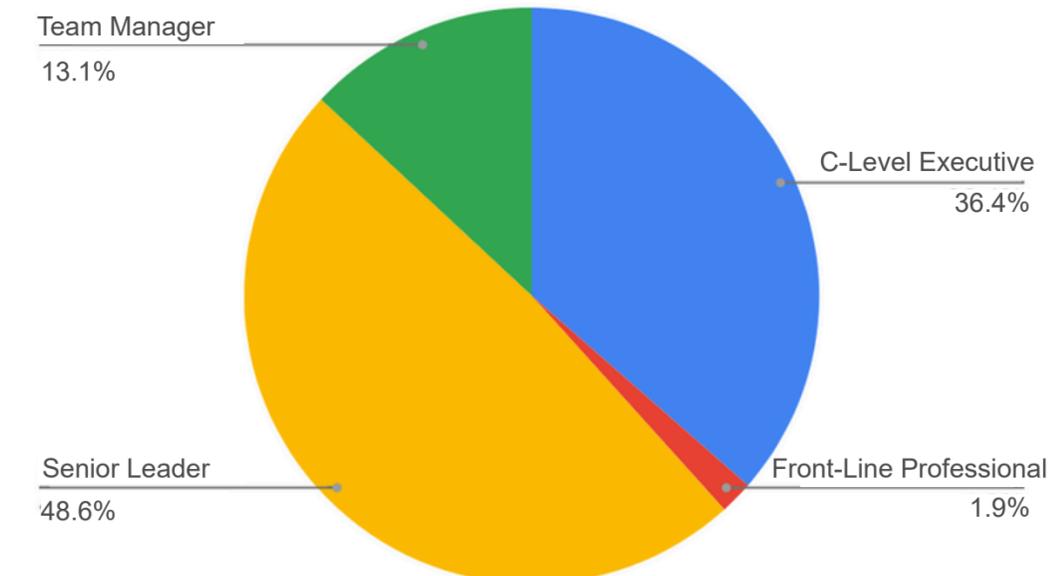
N = 107

## Industry



N = 107

## Respondent Role



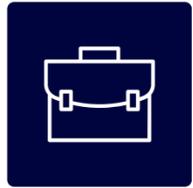
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# About FXG Partners

We equip midsize companies with flexible HR leadership solutions. Our proven HR practitioners provide the expertise and capacity you need to solve your immediate HR challenges and ensure that your approach to people and culture powers your business.

## Our Unique Model

Our fractional HR model offers an alternative to arms-length outsourcing arrangements or the expense of hiring additional in-house support. It's expertise and capacity without overhead, tailored to your needs.



### Flexible Solutions

We meet you and your organization where you are with a flexibility that complements your business strategy and your current approach to HR.



### Proven Practitioners

We are HR leaders with deep functional knowledge and years of operating experience. We have been there before and will help you see around corners and avoid missteps.



### Cost Effective & Efficient

Our model is more cost-efficient than going alone or with other sources of support. Our tools, templates, and proven approaches also make work go faster.

## How We Work

We embed quickly, align to your priorities, and execute from Day 1. We help you move faster on strategic initiatives, clear operational backlogs, and execute your people strategy without compromising quality or burning out your team.

### Levels of Support

CPO /  
CHRO

HR BUSINESS  
PARTNER

HR  
ASSOCIATE

### Format

**Project** | Expertise and capacity for a defined scope of work | *Timing: 1-3 months*

**Ongoing** | Part-time HR leadership with full-time impact | *Timing: 12 months+*

**Interim** | Temporary leadership to guide through transition | *Timing: 3-6 months*

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