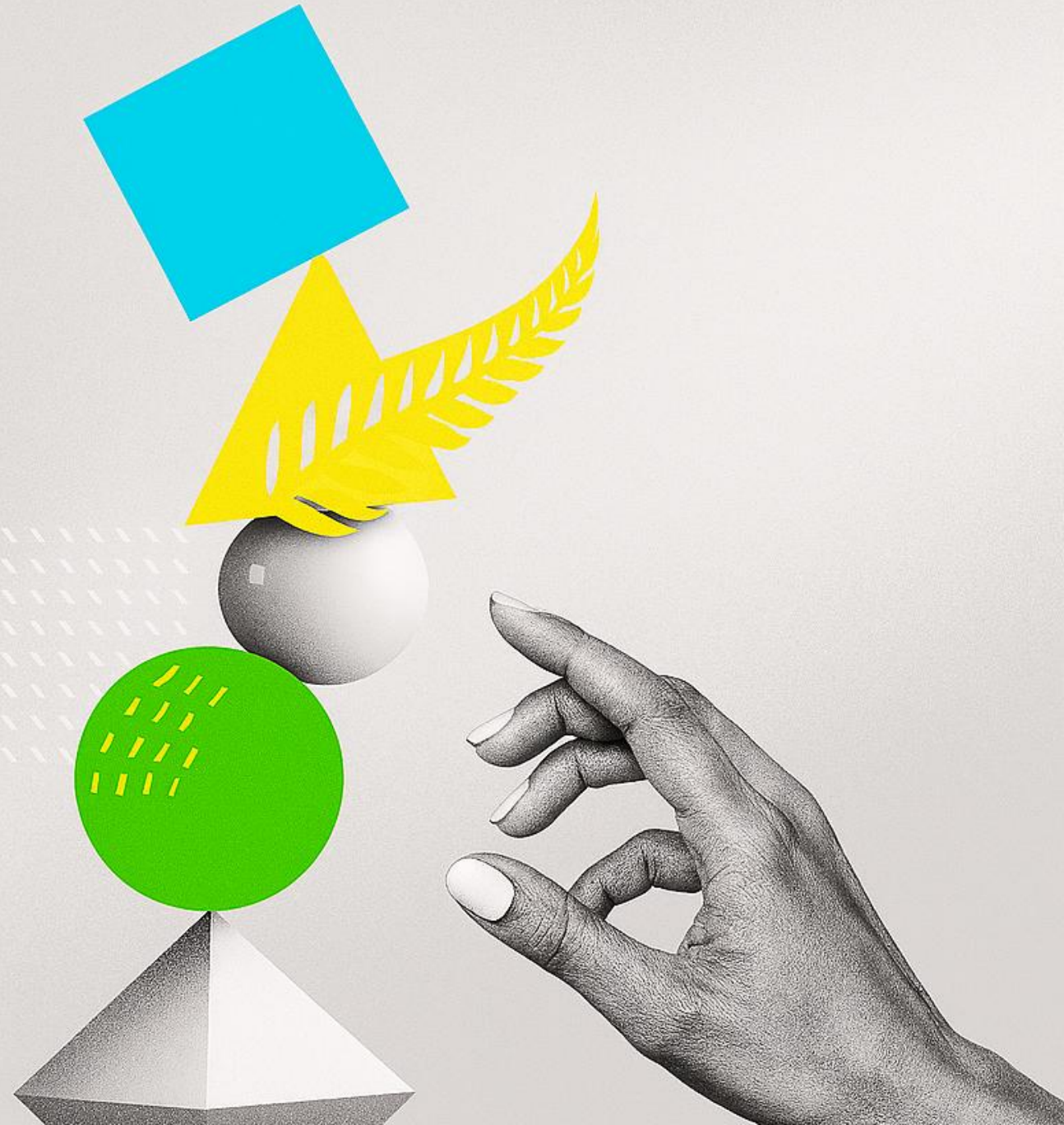


Deloitte.

**2026 New
Zealand
Human Capital
Trends Report**



INTRODUCING THE **2026 GLOBAL HUMAN CAPITAL TRENDS**

FROM TENSIONS TO TIPPING POINTS: *Choosing the human advantage*

FROM HUMANS + MACHINES
to humans x machines

FROM COST EFFICIENCY
to value creation

FROM STATIC PLANS
to dynamic orchestration

This year's report
includes
New Zealand
specific data for the
first time.

61
New Zealand
responses



Getting human and machine relationships right

[How do we maximise the value of humans and machines working together?](#)



Fact or fabrication? AI is blurring the line when it comes to people and work

[How do we know what is true about people and work?](#)



AI and the future of human-decision making

[Who's accountable when both humans and AI are making decisions?](#)



Dealing with AI's cultural debt

[How is AI changing our culture?](#)



The orchestration advantage

[How do we orchestrate capability and capacity at speed?](#)



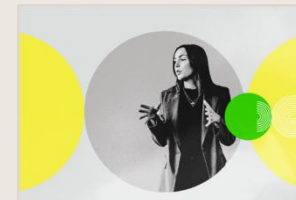
Have organisational functions outlived their function?

[How do we get more value from our functions?](#)



Staying relevant in a world that won't sit still

[How do we stay relevant?](#)



Epilogue: Decisions that echo

[Board decisions reverberate beyond the organisation. Will those decisions strengthen society - or strain it?](#)

NEW ZEALAND IS NOT BEHIND ON INTENT, IT IS BEHIND ON EXECUTION

Adoption is accelerating, but ways of working have not kept pace

1



AI spend remains heavily skewed toward technology, not people.

93% globally of AI initiative spend is going towards technology. This means that only **7%** of AI spend is allocated for people.¹

5



Understanding AI's implications is a bigger challenge in New Zealand.

55% of NZ respondents cite "insufficient understanding" (vs. **40%** globally) as the greatest challenge when addressing AI's implications for decision-making and leadership.

2



Kiwis place less weight on human-machine interaction being a top priority.

52% of NZ respondents (vs. **66%** globally) consider designing human-machine interaction as very or extremely important.

6



New Zealand leaders place less emphasis on AI ethics and trust.

Only **50%** of NZ respondents (vs. **69%** globally) consider balancing benefits, risks, ethics and potential conflict in AI as very or extremely important.

3



Kiwis place less weight on the trustworthiness of workforce data

47% of NZ respondents (vs. **61%** globally) consider the importance of trustworthiness of workforce data as very or extremely important.

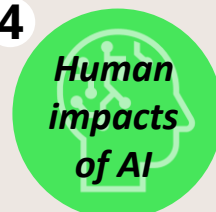
7



Future workforce planning matters more in New Zealand than globally.

87% of NZ respondents (vs. **74%** globally) consider planning for future workforce needs amid growing uncertainty/disruption as very or extremely important.

4



Fewer New Zealand organisations are expanding in understanding the human impacts of AI.

18% of NZ respondents reported that efforts are expanding in understanding/managing the human relationships of AI (vs. **23%** globally).

8



New Zealand's ability to adapt to change is most constrained by a lack of capability and resources.

51% of NZ respondents cite "lack of capabilities and resources" (vs. **41%** "internal constraints" globally) as the greatest barrier at adapting to the speed required by today's world.

¹ Deloitte Insights, "Tech Trends 2026", 2026.

Welcome to the New Zealand 2026 Human Capital Trends report

Each year, Deloitte surveys leaders and HR professionals globally to understand the forces reshaping work, leadership and organisations. This year's Human Capital Trends are dominated by AI, not simply as a technology shift, but as a catalyst that is reshaping how work is designed, how decisions are made, and how trust, ethics, and confidence in data are built and maintained.

This year, the report includes a dedicated New Zealand data set, allowing us to explore how these trends are playing out in Aotearoa. While New Zealand leaders broadly align with global peers on what matters, the findings point to a clear and consistent pattern in how change is unfolding locally.

New Zealand is not behind on intent. It is behind on execution. Across the trends, New Zealand organisations recognise the need to rethink work, leadership and workforce systems for an AI-enabled future.

However, far fewer are translating that intent into sustained, organisation-wide change. Smaller organisational scale, constrained capability and limited capacity mean that change must be absorbed alongside ongoing delivery, rather than being treated as a discrete transformation.

New Zealand is less focused on areas considered critical globally, including human-AI interactions, workforce data trustworthiness, and attention to AI ethics and trust, which reflects a prioritisation problem rather than a knowledge problem. Without deliberate focus on the human side of AI, there is a growing risk that AI adds pressure and complexity rather than improving productivity and outcomes.

With global AI investment weighted toward technology rather than people, adoption is often accelerating faster than workforce readiness. **The challenge for New Zealand organisations is not whether to adopt AI, but whether they can close the gap between what we call the 'knowing-doing gap', i.e. *knowing* what needs to change and actually *doing* something about it**, whether it be work redesign, building AI fluency, or use or identifying key AI use cases.

If you would like to explore what these findings mean for your organisation, please get in touch with the Deloitte Human Capital team.



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Lead Human Capital Trends
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About the report

9,000

total survey respondents

50+
global experts interviewed

1761
executives

76
countries
(incl. New Zealand)

61
New Zealand responses



Thanks to the New Zealand leaders and professionals who responded to this year's survey, this report includes NZ-specific insights grounded in the practical experience of public- and private sector HR leaders across Aotearoa. The findings reflect how AI and workforce pressures are playing out day to day for those closest to delivery and change here in New Zealand.

Lauren Foster
Lead Partner, Human Capital

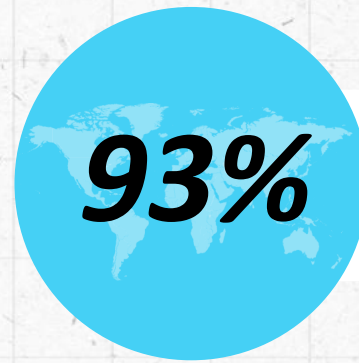
Currently, AI investment is too technology focused.

Globally, most AI investment is going into tools rather than people. This matters because **technology on its own does not create advantage**. Value comes from how people use AI, how work is designed, and how decisions are made.

The human edge

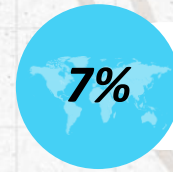
Humans create advantage through adaptability, creativity and judgement, also known as the 'human edge.'

The real difference comes **when organisations are intentional about how people and AI work together**. When leaders are clear about what decisions stay human, where AI supports work, and how performance is judged, AI improves the quality of work, not just the pace. This is what allows organisations to deliver higher quality work and better value.

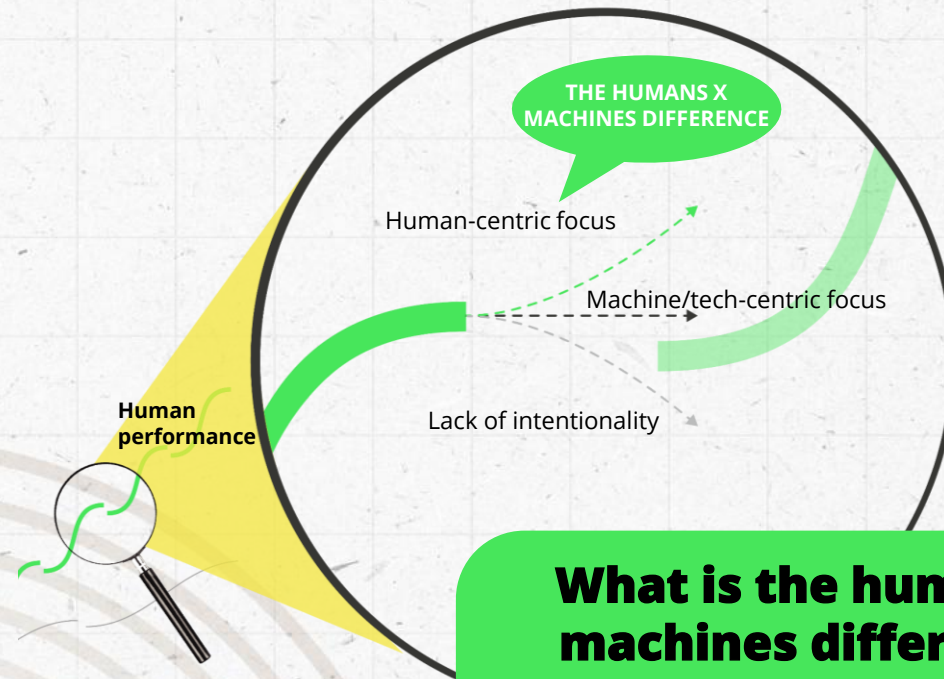


of global AI spend is going towards **technology**¹

Yet, only



is spent on **people**²



What is the humans x machines difference?

This is the multiplier effect created when people apply intention and skill to AI, turning human judgment multiplied by machine speed into higher-quality work and outsized value.

1-2 Deloitte Insights, "Tech Trends 2026", 2026.

Māori data sovereignty and trust in an AI-enabled workforce

As organisations increasingly rely on AI to inform workforce decisions, questions of data trust, control and accountability become more acute. In Aotearoa New Zealand, **Māori data is understood as a taonga**, carrying enduring responsibilities about how information relating to people, communities and environments is collected, governed and used.¹

From this perspective, trust in AI extends beyond technical design into enduring responsibilities of governance and stewardship. AI systems that draw on workforce and population data can have long-term consequences, intended and unintended. Without **clarity over authority, transparency and accountability**, AI-enabled decisions in Aotearoa need to reflect clear authority, transparency and accountability, as these are fundamental to trust, legitimacy and social license. Te Tiriti o Waitangi provides a framework and guidelines for how authority, governance and responsibility are understood and applied.

This lens reinforces the importance of moving beyond efficiency-led approaches to data and AI. It **emphasises stewardship, collective benefit and long-term responsibility**,² reminding organisations that decisions made today will shape outcomes for current and future generations.

For New Zealand organisations, this strengthens the case for **deliberate governance of AI in workforce contexts**. Trustworthy AI depends not only on model performance, but on who has authority over data, how decisions are explained, and whether AI use aligns with broader societal expectations of fairness, transparency and accountability.



Contribution from Deloitte New Zealand Hourua Pae Rau.

1-2 Te Kāhui Raraunga (2025). Māori Artificial Intelligence Governance Framework. Contextualised advice for AI use, extending the Māori data governance model; Kukutai, T., Campbell-Kamariera, K., Mead, A., Mikaere, K., Moses, C., Whitehead, J., & Cormack, D. (2023). Māori data governance model. Te Kāhui Raraunga.

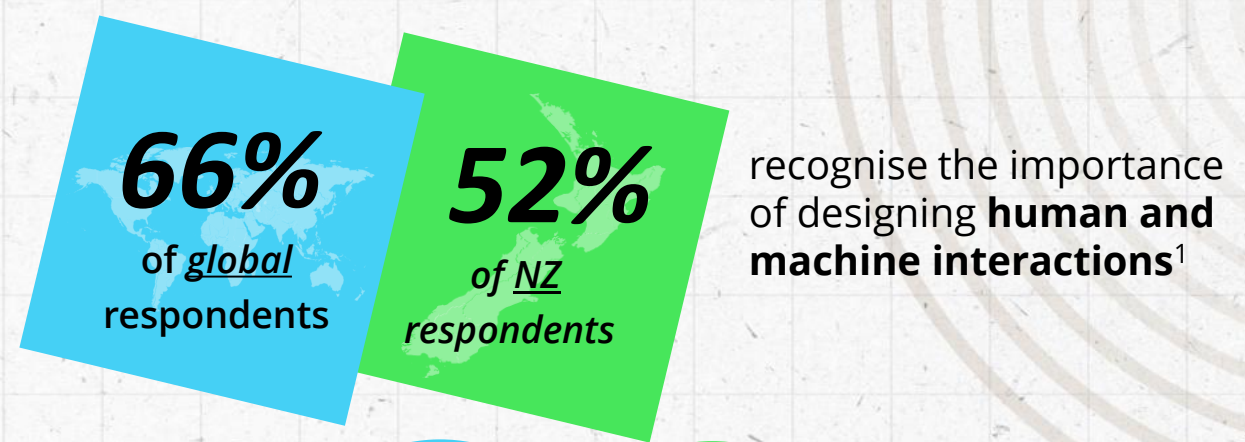
Getting human and machine relationships right



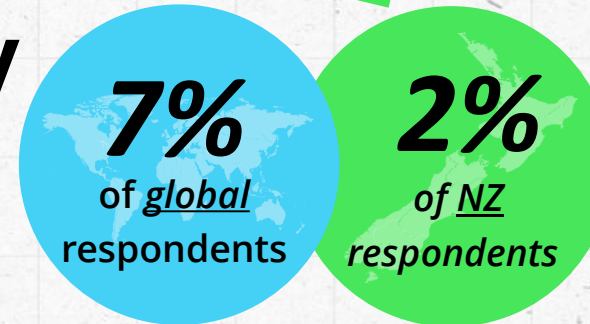
Getting human and machine relationships right

Organisations need to **intentionally design human and machine interactions for business and human outcomes**. Designing both the formal, “**hardwiring**” elements (e.g. roles and decision rights) and the informal “**softwiring**” elements (e.g. leadership, culture and teaming) is critical.

Compared with the rest of the world, **New Zealand is less convinced and further behind in adapting** how humans and machines work together (52% vs. 66% globally).



& only



are **making great progress** to address it²

...this is also referred to as the ‘**knowing-doing gap**.’

Organisations that prioritise intentional design of **human-AI interactions** are:

2x more likely to exceed **AI ROI expectations**³

2x more likely to provide **meaningful work**⁴

2.5x more likely to report strong **financial results**⁵



are increasing investment in **human-machine collaboration**⁶

1-2 Deloitte Insights, “Getting human and machine relationships right”, 2026

3-5 2026 Deloitte Human Capital Trends Survey

6 Deloitte Human Capital Trends, 2024

Human-machine interaction matters, but is a lower priority in New Zealand than globally

In New Zealand, human-machine interaction design is less consistently treated as a top-tier organisational priority (52% vs. 66% globally). In practice, this means AI is more often implemented as a technology solution than used as a trigger to deliberately redesign work, roles, decision-making and trust. When this happens, opportunities to lift productivity, strengthen workforce confidence and improve wellbeing are easily missed.

This matters more in the New Zealand context. Smaller organisations and flatter structures mean unclear boundaries between humans and AI can quickly create friction, rework and loss of trust.

Human-machine interaction cannot sit solely with digital or IT teams. HR has a central role in shaping how AI changes work by redesigning roles and workflows, clarifying decision rights, ensuring teams are trained in responsible AI use, setting expectations for human judgement, and embedding trust and accountability.

This requires **HR to move beyond business-as-usual**, and into active work and organisational design. This may involve identifying time-intensive workflows where AI can remove low-value tasks and enable higher-value human contribution. For example, AI could be used to speed up screening of job candidates, freeing up time for Talent Acquisition to identify the capabilities they need in their future recruits. It may also require reshaping roles, performance expectations and leadership behaviours so that people are clear on when to rely on AI, when to challenge it, and where accountability ultimately sits.

Human-machine interaction design cannot sit solely with digital or IT teams - HR has a central role to play.





Fact or fabrication:

AI is blurring the line when it comes to people and work

Fact or fabrication

In the age of AI, it's getting more difficult to know what is true, relevant, or meaningful about people and work. **Disinformation is proliferating**, challenging the ability to distinguish between what is real and what is fake.

Globally, 61% of respondents recognise the importance of trustworthy workforce data, compared with 47% in New Zealand, indicating lower prioritisation locally. The execution gap is stark: 5% of global respondents say they are making great progress, while **no New Zealand respondents report great progress** in improving the trustworthiness of their workforce data.

1-2 Deloitte Insights, "Fact or fabrication? AI is blurring the line when it comes to people and work", 2026

3-5 Deloitte Human Capital Trends, 2024

61%
of global
respondents

47%
of NZ
respondents

recognise the importance of **trustworthiness of workforce data**¹

& only

5%
of global
respondents

0%
of NZ
respondents

are making great progress to address it²

88%
of executives
globally

see trust in data as critical to **organisational success**³

more than **1/3**
workers
around the world

admit they regularly use AI to embellish their **personal profiles**⁴

95%
of executives
globally

are concerned about the accuracy of the data gathered on candidates' **skills and capabilities**⁵

Cultural and relational considerations are still not being treated as a core priority alongside AI adoption

Culture and trust are emerging as hidden constraints on realising AI value in New Zealand

New Zealand organisations are lagging global peers in understanding and managing the human impacts of AI. Only 18% of New Zealand respondents report that efforts are expanding, compared with 23% globally, indicating that **cultural and relational considerations are still not being treated as a core priority alongside AI adoption.**

Globally, a small leading group of organisations is beginning to treat trust, culture and collaboration as foundational to AI transformation. In New Zealand, activity is underway, but it remains limited in depth and consistency, rather than embedded in everyday decision-making and ways of working. This creates a risk that **AI is adopted faster than organisations establish shared norms** around how it should be used, challenged and trusted.

The result is not simply slower progress, but fragile adoption. **Where expectations are unclear, AI tools are more likely to be second-guessed**, worked around, or quietly resisted. Over time, this undermines confidence in both the technology and the decisions it informs, limiting value even where technical capability exists.

AI introduced without clear purpose, boundaries and accountability risks weakening that license, making shallow or poorly governed adoption more consequential in the New Zealand context.

AI and the future of human-decision making



AI and the future of human-decision making

AI is reshaping decision-making and, in many instances, becoming **an integral part of the decision process**.

Meanwhile, only around half of global executives regularly quality assure AI outputs.

In New Zealand, a **higher proportion of respondents recognise the importance of AI's implications in decision-making** (80% vs 64% globally), yet no respondents say they are making great progress (vs 5% globally).

1-3 Deloitte Insights, "AI and the future of human decision making", 2026

4 2026 Deloitte Human Capital Trends Survey

5 Deloitte Insights, "Fact or Fabrication", 2026

64%
of global
respondents

80%
of NZ
respondents

recognise the importance of **AI's implications on decision-making**¹

& only

5%
of global
respondents

0%
of NZ
respondents

are **making great progress** to address it²

60%
of executives
globally

now regularly use AI to support their decisions³

52%
of executives
globally

say they regularly verify the quality of AI outputs⁴

42%
of global
respondents

worry about workers becoming overdependent on AI or seeing their critical thinking and creativity atrophy⁵

Uncertainty about how AI should influence decisions is significantly more pronounced in New Zealand than globally

Both New Zealand and global organisations report that **insufficient understanding is the biggest challenge in using AI for decision-making and leadership**, cited by 55% of New Zealand respondents and 40% globally. This gap shows that uncertainty about how AI should influence decisions is significantly more pronounced in New Zealand.

This gap suggests that **New Zealand leaders are less confident about how AI should shape decisions**, where human judgement should sit, and how accountability is maintained.

The implication is that **AI adoption is moving faster than leadership understanding**. As AI increasingly informs everyday decisions, many leaders remain unclear about when to rely on AI, when to challenge it, and who is ultimately responsible for outcomes.

In a New Zealand context of smaller organisations and leaner leadership layers, this uncertainty matters more, as unclear decision boundaries can quickly slow decision-making, increase risk and **undermine trust rather than improve decision quality**.

AI adoption is moving faster than leadership understanding.

In a New Zealand context of smaller organisations and leaner leadership layers, this uncertainty matters even more.





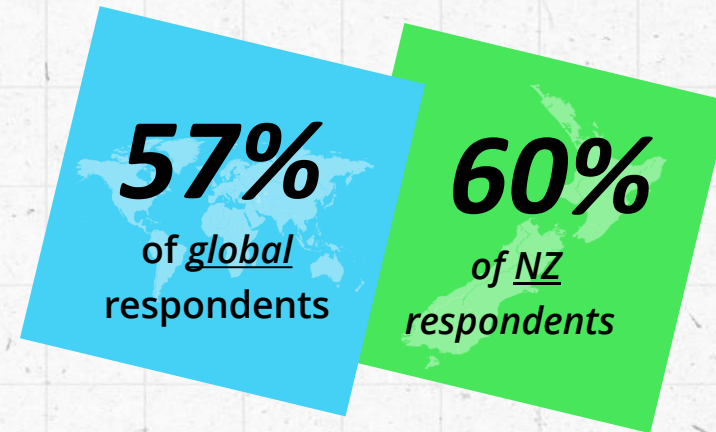
**Dealing with AI's
organisational
cultural debt**

Dealing with AI's organisational cultural debt

To get the most value from AI, organisations need to balance technology with human strengths and trust. **Ignoring this can lead to "organisational cultural debt"**: the problems that build up when workplace culture is neglected. Organisational culture is the hidden barrier to AI transformation.

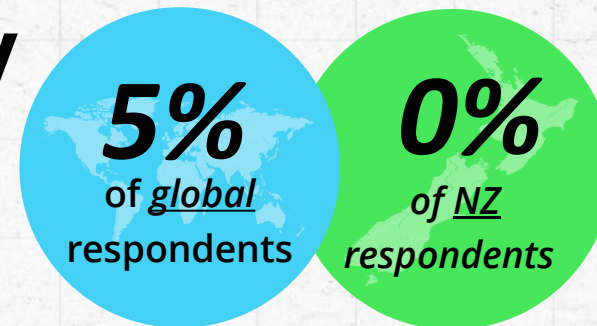
New Zealand leaders recognise the organisational cultural impact of AI, with 60% saying it matters, but none report making real progress. This gap shows that **while awareness is high, organisational culture and trust are being left behind** as AI use accelerates, increasing the risk that pressure and mistrust build rather than AI-derived value.

1-5 Deloitte Insights, "Dealing with AI's cultural debt", 2026
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recognise the importance of AI's impact on organisational culture¹

& only



are **making great progress** to address it²



say their organisations are not evaluating the impact of AI on **people**³



are concerned their colleagues are using AI to appear more **productive** than they are⁵



believe their organisational **culture** needs to change significantly considering the impacts of AI⁴

In New Zealand, progress on building trust into AI transformation remains concentrated at an early stage

Trust is lagging as AI adoption accelerates in New Zealand

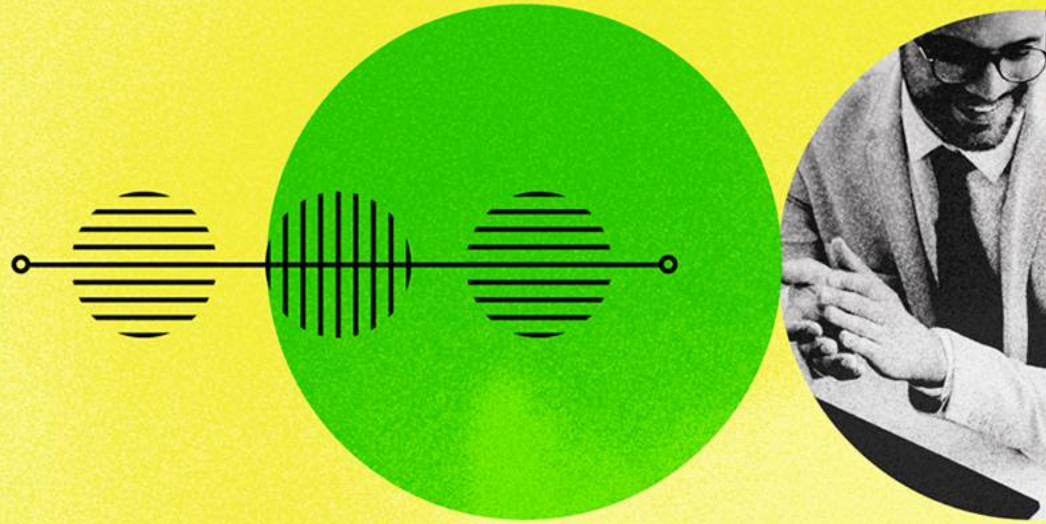
Globally, a small leading cohort of organisations is beginning to treat trust, culture and collaboration as core elements of AI transformation. **In New Zealand, progress on building in trust into AI transformation remains concentrated at an early stage.** Organisational culture and trust therefore risk becoming a hidden constraint unless leaders are clear about how AI is used, what it will and will not be used for, and expectations around how people will work with, and quality-assure, AI.

New Zealand organisations place less emphasis than global peers on understanding and managing the human impacts of AI. While 18% of New Zealand respondents report that efforts are expanding, 23% globally are at least expanding or leading, including 5% that are already leading.

Ethics and trust are not yet front-of-mind in New Zealand's AI adoption

New Zealand organisations **place less emphasis than global peers on balancing the benefits, risks, ethics and potential for conflict in the use of AI** with employee data. In New Zealand, 50% of respondents consider this extremely or very important, compared with 69% globally. This suggests that, while awareness exists, AI-related ethics and workforce trust issues are not yet a top-tier priority for many organisations.

While this may reflect earlier-stage AI use today, the risk is increasing. As AI becomes more embedded in workforce decisions, tensions around transparency, fairness and trust are likely to surface more sharply. Without early attention to governance and clear boundaries on how employee data is used, **New Zealand organisations risk eroding confidence and slowing adoption as AI use accelerates.**



The orchestration advantage:

Accelerating capability and capacity at speed

The orchestration advantage

Orchestrating resources means actively matching people, skills and capacity to the work that matters most, rather than relying on fixed roles and static teams. Put simply, it is about getting the right people with the right skills onto the right work at the right time, and being able to change that quickly as priorities shift. The **majority of organisations, globally and in New Zealand, are not yet redesigning work and roles for AI.**

New Zealanders strongly recognise the importance of orchestrating resources (90%), but very few organisations are making real progress (5%), **highlighting a widening gap between intent and execution.**

1-3 Deloitte Insights, "The orchestration advantage", 2026

4 Deloitte, "2026 State of AI in enterprise", 2026



Workforce planning is recognised as critical, but few New Zealand organisations are moving ahead

Workforce planning is no longer a forecasting exercise. It is becoming an AI-driven work and decision redesign problem. New Zealand organisations place a high level of importance on planning for future workforce needs amid growing uncertainty and disruption. In New Zealand, 87% of respondents consider this extremely or very important (vs 74% globally). This reflects strong recognition in New Zealand that tighter labour markets, accelerating disruption and AI-driven role change are making workforce planning more critical.

However, this importance is not yet translating into action at the same pace. In New Zealand, only 32% of respondents report that efforts are expanding. Globally, 34% are at least expanding or leading, including 6% that are already leading. **New Zealand shows similar momentum to global peers, but weaker evidence of leading practice.** Few organisations are using workforce planning to actively redesign roles, tasks and decision rights in response to AI. Instead, planning often remains focused on headcount and capability forecasting, rather than how AI is changing the shape of work itself.

WORKFORCE PLANNING IN PRACTICE



Deloitte New Zealand supported the insurer AIA to build clarity on how AI and automation would change work and capabilities required over time. Leaders needed a practical, shared view of how technology could augment roles without disrupting delivery.

Deloitte undertook a structured **workforce and work diagnostic**, combining market insights, leadership interviews and task-level analysis. This identified where AI could support current activities and which future capabilities would matter most. The findings were discussed with leaders and turned into a clear picture of

future work, with capabilities mapped to roles so decisions could be made with confidence.

AIA gained an evidence-based foundation **to prioritise capability uplift, shape learning investment and sequence AI adoption**, focused on enabling higher-value work.

New Zealand has fewer organisations moving into advanced, forward-looking workforce planning at scale.



**Have organisational
functions outlived
their function?**

Have organisational functions outlived their function?

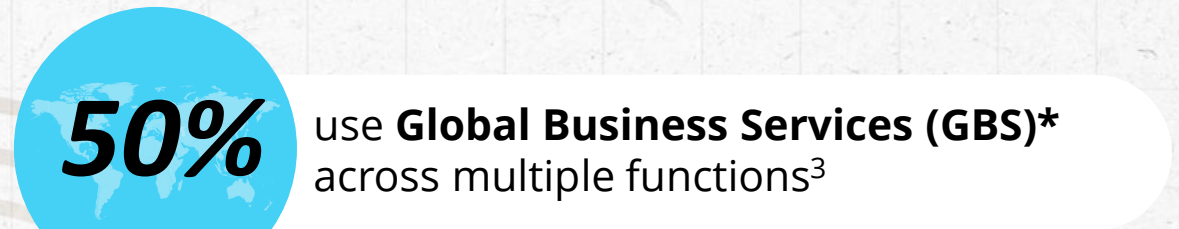
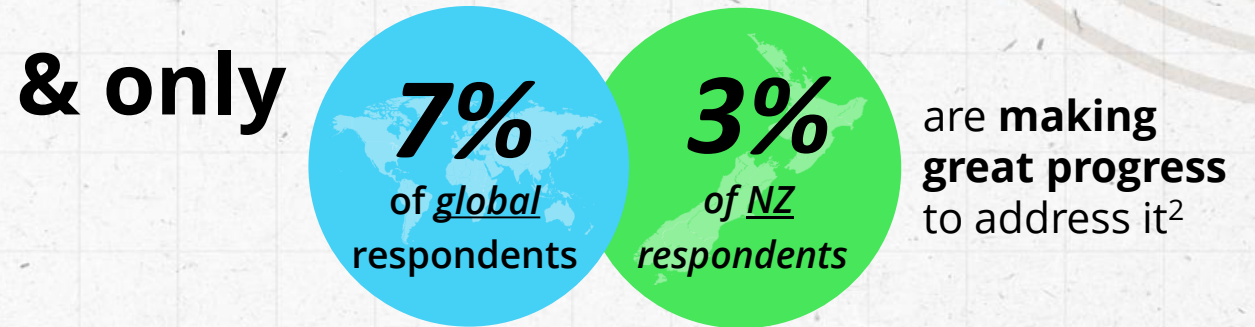
Traditional corporate functions were built for efficiency and reliability. Today's rapid business evolution exposes their limitations. Now, **leaders must break silos** using cross-functional teams, technology, and agentic AI.

With 65% of New Zealand organisations recognising the need to push beyond traditional functions but only 3% making great progress (vs 7% globally), **the gap is not awareness but execution.** Leaders need to deliberately redesign functional roles, decision rights and capability, or functional boundaries will continue to slow outcomes at a time when greater cross-functional speed is required.

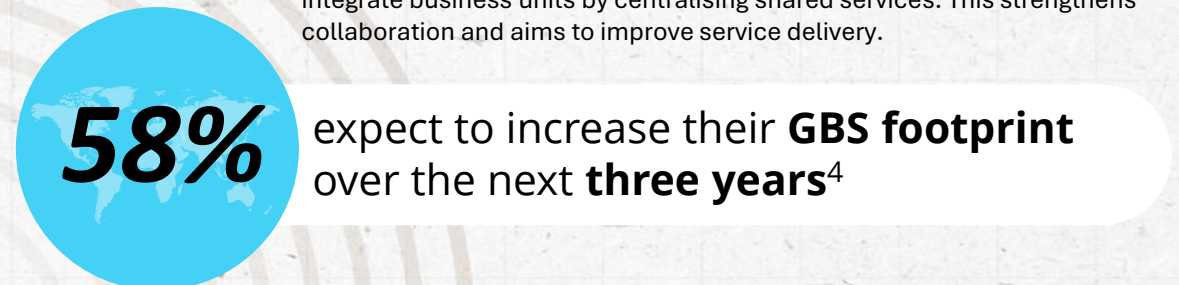
1-2 Deloitte Insights, "Have organisational functions outlived their function?", 2026

3-4 Deloitte, "2025 Deloitte's global business services (GBS) survey," 2025

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* GBS is an operating model which allows global organisations to align and integrate business units by centralising shared services. This strengthens collaboration and aims to improve service delivery.



In New Zealand, a higher proportion of respondents than globally say that the HR function has expanded its scope and influence to a large or very large extent over the past three years.

Rising confidence in HR reflects rising expectations, not proven readiness

New Zealand organisations report a significantly stronger expansion of HR's scope and influence over the past three years, compared with global peers. In New Zealand, **43% of respondents said that the HR function in their organisation had expanded its scope and influence** to a large or very large extent over the past three years, compared with 32% globally.

This gap suggests that HR in New Zealand has moved more quickly beyond traditional functional boundaries to play a broader role in shaping how work is designed and delivered. This difference likely reflects both necessity and context. New Zealand organisations, often operating with smaller leadership teams and flatter structures, **rely more heavily on HR to integrate workforce, organisational culture and change considerations** into core business decisions.

With tighter labour markets, persistent skill shortages and sustained change pressure, HR has been pulled closer to the centre of organisational decision-making to help navigate complexity and trade-offs. However, expanded influence does not automatically translate into sustained impact. As expectations of HR continue to rise, **there is a growing risk of role overload**, where responsibility expands faster than capability, capacity and decision authority.

New Zealand organisations need to be deliberate about how HR's expanded role is supported and sustained. That includes clarifying where HR adds the most value, strengthening skills in work redesign, workforce planning and change, and ensuring HR has the authority and data needed to influence decisions. Without this, HR's growing influence risks becoming diffuse, limiting its ability to materially improve how work gets done over time.

**Staying
relevant in a
world that
won't sit still**



Staying relevant in a world that won't sit still

Today's disruption demands continuous adaptation, and **traditional change management and training aren't enough**. AI is upending traditional approaches to enable **continuous adaptiveness** as an ongoing muscle, not a project, powered by AI-enabled feedback, learning, and experimentation.

New Zealand organisations are on par with global peers when it comes to recognising the global importance of developing adaptiveness to change, yet **none say that they are making great progress to address it**.

1-4 Deloitte Insights, "Staying relevant in a world that won't sit still", 2026

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85%
of global
respondents

85%
of NZ
respondents

recognise the importance of **developing adaptiveness**¹

& only

7%
of global
respondents

0%
of NZ
respondents

are **making great progress** to address it²

27%
of global
respondents


say their organisations manage **change effectively**³



Organisations that effectively cultivate the **adaptive approach** are:

2.4x

more likely to report better **financial results** and provide more **meaningful work** to workers⁴



**Only one in four
New Zealand
organisations see
themselves as very
effective at change.**

Adaptiveness in New Zealand is limited by capability and capacity

New Zealand organisations face different constraints to global peers when it comes to adapting at speed. While both New Zealand and global respondents identify barriers to adaptiveness, the nature of those barriers differs. In New Zealand, **the most significant challenge is lack of capabilities and resources**, cited by 51% of respondents, compared with 41% globally citing internal constraints such as organisational structure or culture.

New Zealand organisations rate themselves as slightly less effective at change than global peers. In New Zealand, **24% of respondents consider their organisation to be very effective at change, compared with 28% globally**. While the gap is not large, it reinforces a broader pattern across the data: New Zealand organisations recognise the need to adapt, but struggle to translate intent into sustained, organisation-wide change.

This difference is linked to organisational scale. Many New Zealand organisations are smaller, with tighter resourcing, limited specialist capability and less capacity to absorb ongoing change. By contrast, larger global organisations often have greater access to resources but are slowed by entrenched structures and complex governance. As a result, New Zealand organisations are **constrained more by capacity**, while global organisations are constrained more by inertia. In the AI era, adaptiveness matters even more because AI accelerates the pace of change, and organisations that cannot adapt will face increased pressures and reduced productivity and outcomes.

For New Zealand organisations, **lifting change effectiveness is not about doing more change**, but about building the capability to make change stick while work continues. What leaders can do is simplify and sequence change, rather than adding more. That means making explicit trade-offs about what stops, what slows, and what truly matters now, instead of expecting teams to absorb everything at once.

Decisions that echo



Decisions that echo

We are living in a moment when confidence in institutions is under strain, and leaders' decisions increasingly shape trust beyond the organisation. In New Zealand, 66% of leaders recognise the importance of improving people's lives through every interaction (vs 72% globally), yet only 10% are making great progress, **highlighting a growing gap** between intent and delivery.

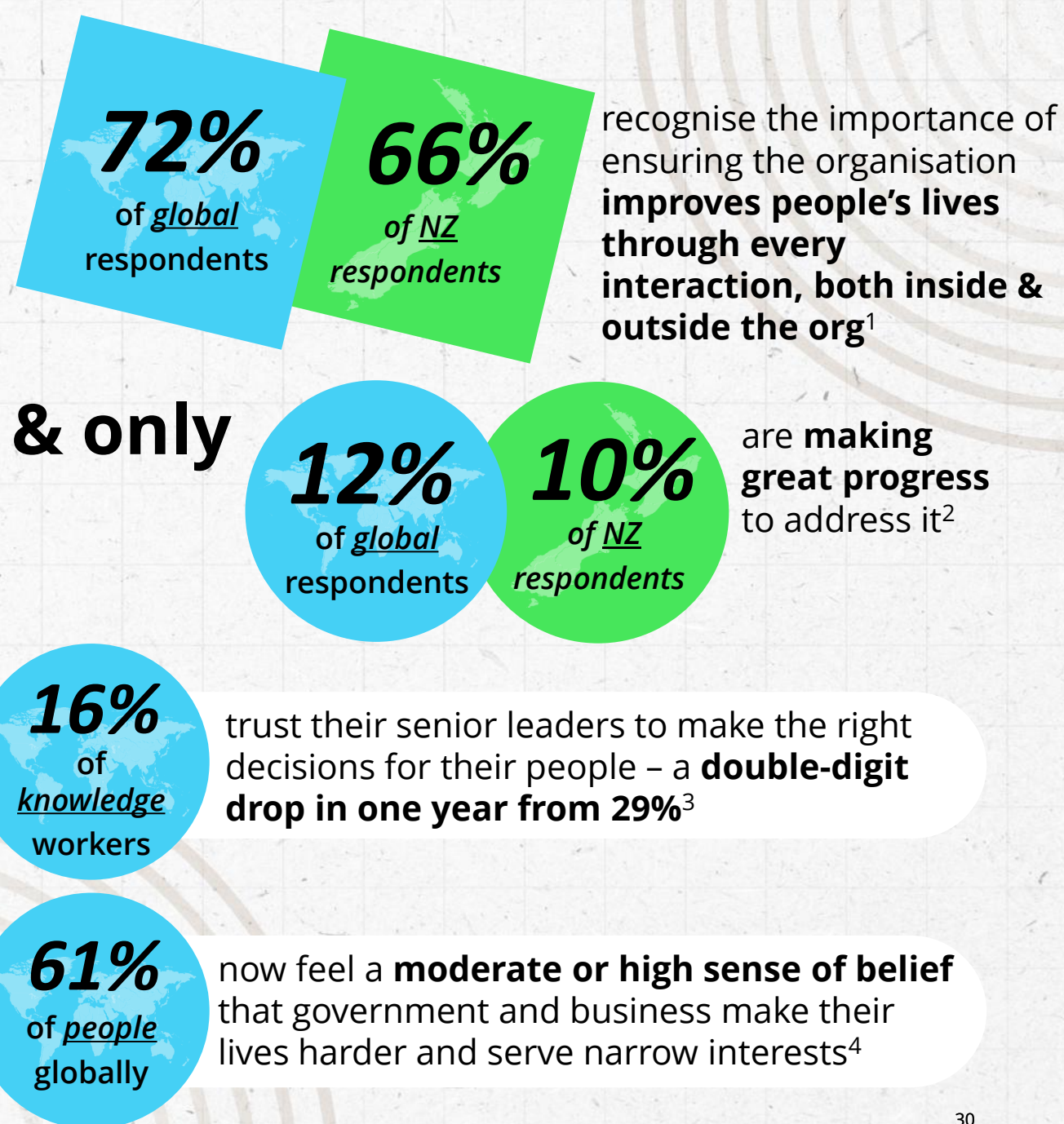
This is where HR becomes pivotal.

Organisations are increasingly looking to HR to help translate values into day-to-day decisions and behaviours. HR is being asked to carry a larger share of this responsibility as organisations navigate change.

1-2 Deloitte Insights, "Decisions that echo", 2026

3 HP, "2025 Work Relationship Index," 2025

4 Edelman, "2025 Edelman Trust Barometer," accessed 2025



54% of New Zealand respondents say they are very confident or confident in HR's ability to lead through upcoming change, compared with only 48% globally.

New Zealand leaders place strong trust in HR to lead through change

New Zealand organisations **express higher confidence in HR's ability to navigate the changes required over the next three to five years compared with global peers.** In New Zealand, 54% of respondents say they are very confident or confident in HR's ability to lead through upcoming change, compared with 48% globally. This suggests that HR is viewed as a more trusted and central capability within New Zealand organisations as they face ongoing disruption.

With flatter structures, smaller leadership teams and sustained workforce pressure, **HR teams in New Zealand are typically required to operate closer to the business,** helping to integrate workforce, organisational culture and change considerations into core business decisions.

The implication is that HR in New Zealand enters the next phase of change with a relatively strong mandate and level of trust. However, confidence also raises expectations. As HR's scope and influence expands, its role in leading organisational change becomes increasingly important. HR will be expected not only to support change, but **to actively shape how organisations adapt, redesign work (including for AI) and build resilience over time.**

This means that New Zealand organisations need to **ensure HR's capability, capacity and authority keep pace with expectations.** That includes strengthening skills in change leadership, workforce planning and work redesign, and ensuring HR is equipped with the data and influence needed to guide difficult decisions. Without sustained investment, confidence in HR risks outstripping its ability to deliver, placing pressure on a function that is already carrying an expanded role.

What this means for leaders: Key decisions and takeaways

Chapter

Today's question

Key takeaways

Getting human and machine relationships right

How do we realise the returns on our AI investments?

Fewer New Zealand leaders report great progress in intentionally designing how humans and machines work together, compared to their global peers. To realise value from working with AI, HR must move beyond business-as-usual and actively redesign workflows, processes and sort their data, using AI to remove low-value tasks while enabling higher-value human contribution. This offers a way for New Zealand organisations facing tight labour markets to quickly lift productivity.

Fact or fabrication? AI is blurring the line when it comes to people and work

How do we protect our data and prevent intrusions into our systems?

Data trustworthiness is an emerging risk that New Zealand organisations may be underestimating, with lower recognition of its importance than global peers and no respondents reporting meaningful progress. As AI use expands, a strong focus on data governance and integrity is critical to maintaining data quality and trust.

AI and the future of human-decision making

As AI transforms decision making, how can organisations make quality decisions, anchored in human agency and trust?

A higher proportion of New Zealand leaders recognise the importance of AI in decision-making than globally, however none of them report great progress towards addressing it, citing insufficient understanding of the issue. With leaner organisations in New Zealand, unclear decision boundaries can quickly slow decision-making and weaken accountability. Moving forwards, organisations would benefit from establishing clear Human-Machine decision making frameworks.

Dealing with AI's organisational cultural debt

Do we have the right organisational culture for our organisation to thrive?

In New Zealand, nearly two-thirds of leaders recognise the importance of AI on organisational culture, a greater proportion than globally, but that understanding hasn't yet turned into action. As a result, organisational cultural debt is quietly building. It is important to put clear governance and agreed boundaries around workforce data in place now, before AI use accelerates further.

The orchestration advantage

Are we confident that the organisation has the necessary talent, infrastructure, and operational capacity to achieve our strategic objectives?

Orchestrating people, skills and capacity is where the highest proportion of New Zealand respondents recognise importance, and workforce planning is seen as more critical here than overseas. But that priority hasn't yet translated into change. Workforce planning needs to move beyond headcount and capability forecasting to deliberately reshaping roles, tasks and decision-making as AI changes the nature of work.

Have organisational functions outlived their function?

Are our functions designed to meet the needs and pace of the business, while delivering with lower cost?

The majority of New Zealand leaders recognise the importance of pushing the boundaries of traditional functions, yet action has lagged behind intent. With HR's role expanding faster here than globally, organisations need to deliberately redesign roles, decision rights and ways of working so HR's expanded role is supported and sustained, rather than constrained by traditional functional boundaries.

Staying relevant in a world that won't sit still

Do we possess the leadership, talent, and workforce capabilities to compete and adapt in an environment of accelerated change?

Like their global peers, many New Zealand respondents recognised that continuous adaptiveness is critical. But none report making great progress towards it. With lack of capability and resources cited as the biggest barrier, the focus needs to shift to simplifying and sequencing change, and making clear choices about priorities, rather than asking teams to absorb more.

The decisions that leaders make in these areas will echo beyond their organisation



Thank you

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