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EMERGING TRENDS

# Workers are facing an age of uncertainty

Psychological insights help workplaces reeling from economic volatility, sweeping policy changes, and the AI revolution

By [Kirsten Weir](#) Date created: January 1, 2026 8 min read

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### Key points

- Amid economic instability, policy changes, and AI, many workers report feeling disengaged, replaceable, and invisible.

- Job insecurity is a significant stressor, impacting people's mental health, physical health, and job satisfaction.
- Organizations can demonstrate that employees matter by being more transparent, communicating clearly, and embracing 21st-century skills like cooperation, problem-solving, and creative thinking.

[This article is part of the 2026 Trends Report (/monitor/2026/01-02/nine-trends-to-watch)]

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It is hardly the first time technological change and economic swings have affected the workforce. But fresh shocks—from the economy, policy changes, and automation driven by artificial intelligence—keep piling on, making this feel like an especially uneasy time. Amid the upheaval, high numbers of workers report feeling disengaged, replaceable, and even invisible at work. Meanwhile, their leaders often operate under the illusion that things are fine.

By some measures, they are. As of August 2025, the unemployment rate was a healthy 4.3%. But other signs paint a more complicated picture. Nearly 150,000 federal employees left government—many involuntarily—in the first half of 2025 ([Partnership for Public Service, July 31, 2025](#) (<https://ourpublicservice.org/press-release/partnership-for-public-service-launches-new-federal-harms-tracker-to-measure-the-impact-of-trump-administration-cuts/>)). At the same time, significant job cuts hit the retail, tech, finance, manufacturing, and energy sectors. More than 250,000 tech employees were let go in 2024 and 2025, according to independent jobs tracker Layoffs.fyi. Many of those cuts, including at UPS, Intuit, and Microsoft, were attributed to changes brought by AI.

Workers who are still employed have also been touched by change. Almost two-thirds of employed adults (65%) reported that their company or organization had been affected by recent government policy changes, according to APA's 2025 [Work in America](#) (<https://www.apa.org/pubs/reports/work-in-america/2025/2025-full-report.pdf>) survey. Twenty percent said the impact of those changes was significant or drastic. Such workplace changes can hit differently depending on one's role. The survey found 77% of workers in upper management reported feeling

... survey found that 53% of top management employees are feeling positive about organizational changes, compared with 53% in middle management and 46% of frontline workers. Meanwhile, 42% of employed adults said they anticipate future organizational changes because of policy shifts.

“The new kind of uncertainty we’re feeling now is a ping-pong situation, where one day a sector is incredibly lucrative and the next day it’s not at all,” said Tessa West, PhD, a professor of psychology at New York University whose research focuses on improving workplace communication. Facing that uncertainty, young people are weighing whether college degrees are worth the investment, and people of all ages, across a range of professions, wonder if the job they do today will even exist in a few years. “It’s very nihilistic out there,” she added.

Despite the challenges, psychological science is positioned to help organizations steady the ship against the changing tide—and help workers feel like more than a faceless cog in the machine. “Change is hard, but it’s not necessarily a bad thing. Well-managed change doesn’t have to equal uncertainty,” said Dennis Stolle, JD, PhD, head of APA’s Office of Applied Psychology. “When people are in environments where they feel they matter, their work has meaning, and they feel psychologically safe, change (and even uncertainty) hit them a lot more softly.”

## Insecurity and stress

Jobs are more than paychecks. Work affects people’s daily routines, their connections with others, and often their sense of identity. Job loss leaves a lasting impact on a worker’s life, reducing physical and psychological well-being, disrupting the worker’s family, and increasing the risk of future unemployment and long-term earnings losses (Brand, J. E., *Annual Review of Sociology*, Vol. 41, 2015 (<https://doi.org/10.1146/annurev-soc-071913-043237>)).

Even when people remain employed, workplace uncertainty can take a toll. Decades of research have shown that job insecurity negatively impacts workers’ mental and physical health as well as job satisfaction and commitment and trust toward the organization. It is also a major cause of workplace stress, especially among younger workers. The 2025 *Work in America* survey found that 65% of workers ages 26 to 43 reported job insecurity as a significant stressor. Among 18- to 25-year-olds, that figure was 75%.

Workers are not just stressed. They are also checked out. In 2025, just 32% of U.S. employees reported being engaged in their work. One in 3 described their workplace as isolated or impersonal, contributing to a feeling of emotional disconnection from their teams (Gallup, Aug. 5, 2025). Such dissatisfaction and disconnection can spread through teams like a virus, West said. “Leaders have to figure out how to quell that contagion so it doesn’t spread and become a toxic stew for everyone in it,” she said.

Yet many workers feel their leaders are not paying attention. Surveys by

Workhuman found almost 30% of workers have felt invisible at work, and 27% have felt flat-out ignored (*Human Workplace Index: The Price of Invisibility*, Workhuman, 2024 (<https://www.workhuman.com/blog/human-workplace-index-the-price-of-invisibility/>)). “People are feeling more unseen, unheard, and unvalued in their daily interactions with leaders and the people around them,” said Zach Mercurio, PhD, a senior fellow at Colorado State University’s Center for Meaning and Purpose who consults with organizations to create meaning and mattering in the workplace. “All leaders should have the skills to show people that what they’re doing right now is making a difference.”

## The age of AI

Ensuring workers feel valued is more important than ever as AI is reshaping workplaces—streamlining some tasks while also prompting layoffs, rerouting career paths, and intensifying anxieties about the future of work. Where this disruption will lead is uncertain, but it is clear that organizations must adapt or risk being left behind. “We’re sitting at a potential turning point,” said Mindy Shoss, PhD, a professor of psychology at the University of Central Florida who studies occupational health psychology and the future of work. “If we look back to this moment in 5 or 10 years, will this be the point we decided to use technology to replace people? Or will we say, as a society and as organizations, that we ultimately want to develop a tool that can help people without making them unnecessary?”

Mercurio predicts there will be a backlash—or at least a backpedaling. “Organizations are deploying AI in very flippant ways, and people are realizing that AI doesn’t care about them and can’t be accountable for what it does,” he said. “There’s a real yearning right now for the experience of human trust. A lot of people are calling this the age of AI, but I think it’s the age of trust.”

He is not the only one envisioning a role for what used to be referred to derisively as “soft skills.” These days, abilities like problem-solving, critical thinking, and communication have been rebranded as “21st-century skills,” and experts say they are in demand (*Education for Life and Work*, National Academies, 2012 (<https://nap.nationalacademies.org/catalog/13398/education-for-life-and-work-developing-transferable-knowledge-and-skills/>)). The World Economic Forum predicts that alongside expertise in AI, big data, and cybersecurity, abilities such as curiosity, creative thinking, resilience, and flexibility will be among the core skills most in demand in the 2030 job market (*Future of Jobs Report 2025* (<https://www.weforum.org/publications/the-future-of-jobs-report-2025/>), World Economic Forum, 2025 (<https://www.weforum.org/publications/the-future-of-jobs-report-2025/>)).

Yet those abilities have atrophied in the past 2 decades, Mercurio said, as digital interactions have replaced face-to-face communication, and loneliness and isolation have surged. “There’s a massive re-skilling that needs to happen on these human skills,” he said.

While many leaders are aiming to make their organizations more people

centered, however, uncertainty can also lead in darker directions. “Throughout

history, when things get more complex and volatile, a lot of leaders resort to control and fear because it's easier than understanding and connection," Mercurio said. That might look like strict return-to-office mandates or a hardcore culture that values the bottom line above all else. But while such actions might result in short-term performance gains, they do not cultivate the long-term trust and support that contributes to happy, productive workers. "In those environments, you won't get the innovation, creativity, and all the other good things that happen when you have that secure base of understanding," he said.

## Mattering...matters

Fortunately, control is not the only possible route out of uncertainty. "The opposite of fear is not stability. The opposite of fear is support," Mercurio said. Workers who feel noticed, affirmed, and needed have a sense that they matter. And feelings of mattering are positively linked to job satisfaction, leadership roles, promotions, job retention, and key business outcomes (Paradisi, M., et al., *Journal of Happiness Studies*, Vol. 25, No. 4, 2024 (<https://doi.org/10.1007/s10902-024-00720-3>); Reece, A., et al., *The Journal of Positive Psychology*, Vol. 16, No. 2, 2021 (<https://doi.org/10.1080/17439760.2019.1689416>)). Despite the innate human desire to make a difference, however, "too many people feel replaceable," Mercurio said.

To help workers feel valued and supported in an uncertain time, multiple experts say that transparency and clear communication are paramount. "Decades of psychological research shows that rumors spread quickly in uncertain environments," Shoss said. It might be obvious to the C-suite how raises are determined or layoffs are decided, but if those policies are not communicated clearly to workers, it can lead to dissatisfaction and distrust. "The biggest problem organizations have is that there's an illusion that things are more transparent to workers than they actually are," West added. "Sometimes you need to say things that are ostensibly obvious. That alone reduces a lot of uncertainty for people."

But communication is a two-way street, and sometimes the best thing bosses can do is to talk less and listen more. Shoss and her colleagues collected survey data from 268 employees of a large real estate firm as it prepared for restructuring and layoffs. They found that when managers engaged in active listening, employees felt more control over the situation, which reduced their feelings of job insecurity (*Journal of Occupational Health Psychology*, Vol. 26, No. 5, 2021 (<https://doi.org/10.1037/ocp0000295>)). That is just one example of the many ways that psychological research can guide how workplaces deal with the unpredictability of the current era.

Principles grounded in behavioral science research, such as psychological safety, can equip organizations to create the conditions that foster trust and resilience, laying the groundwork for healthier, more productive workplaces (Frazier, M. L., et al., *Personnel Psychology*, Vol. 70, No. 1, 2017 (<https://doi.org/10.1111/peps.12183>)). "Psychology has the tools and techniques that can help make the future of work more people-focused," Shoss said.

Happily, employers seem to be paying attention. Mercurio said he has witnessed a sharp rise in “skills-based organizations,” which define employees’ roles based on skills and talents rather than a job title. Meanwhile, leaders are leaning in to 21st-century skills. “Go to any conference or workshop right now, and they all have talks titled something like ‘Human Leadership in the Age of AI,’” he said. “They’re all talking about the same things: the need for valuing people, showing compassion, creating psychological safety—all the things that organizational psychologists have been finding for years.”

## Further reading

[How job loss and economic stress affect workers and their families, with Anna Gassman-Pines, PhD](#)

[\(/news/podcasts/speaking-of-psychology/job-loss-economic-stress\)](#) *Speaking of Psychology*, APA, 2022

[Artificial intelligence and the future of work: A functional-identity perspective](#)

<https://doi.org/10.1177/09637214221091823>

Selenko, E., et al., *Current Directions in Psychological Science*, 2022

[The power of mattering: How leaders can create a culture of significance](#)

<https://store.hbr.org/product/the-power-of-mattering-how-leaders-can-create-a-culture-of-significance/10768>

Mercurio, Z., *Harvard Business Review Press*, 2025

[2025 Work in America survey: The experience of working in America during times of change](#) [\(/pubs/reports/work-in-america/2025/2025-full-report.pdf\)](#)

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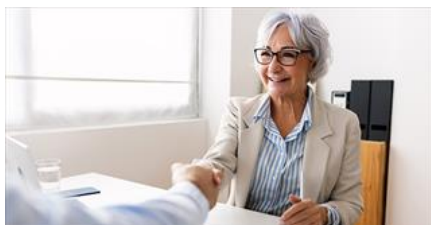
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