

Work Change Special Report

How Small Businesses Can Win in 2026

India | December 2025





03 Executive Summary

05 Why Small Businesses Are Going for It

08 AI Adoption: The Equalizer Small Businesses Need

13 Brand Credibility: Break Through the Crowd

17 Networks: The New Currency

20 A Blueprint for Small Business Growth

24 Methodology

EXECUTIVE SUMMARY

Small businesses— which account for roughly 90% of all businesses and 70% of global GDP—are navigating a defining era.

Technology is moving faster, earning attention is harder than ever, and trust and relationships matter more. These shifts are reshaping how businesses set priorities for the future.

At the same time, the entrepreneurial spirit is taking off. Over 7 in 10 (73%) professionals in India say AI has made them more likely to start their own business. The number of members adding “founder” to their profile has jumped by 104% from July 2024 to July 2025, and more than tripled since July 2022. People aren't just reacting to tough times; they're choosing to build something new and take control of their future.

This surge signals a mindset shift toward entrepreneurial thinking. The willingness to experiment and take decisive action applies to every small business, whether you're launching this year or celebrating your 20th anniversary.

For those choosing to start a business, the question is how to navigate change effectively. Signals from 160 million professionals across 18+ million small businesses on LinkedIn reveal three clear paths forward. AI adoption gives you speed and scale. Brand credibility builds the visibility and trust that make people notice. Networks create the influence that turns attention into opportunity. Together, these three forces are emerging as the new growth engines for small businesses.



AI Adoption: The Equalizer Small Businesses Need.

Adopting new technology is the biggest opportunity for small businesses today: 45% globally say it's their top priority and more than 83% in India say it's key to growing their business.

And it's not just about adopting AI; it's about building the skills to use it. AI proficiency is accelerating. In India, companies with 11 to 50 employees saw AI engineering skills grow 17% year-over-year, rising to 18% at companies with 51-200 workers. Over the same time period, AI literacy surged 52% across both groups. Smart small businesses aren't choosing between AI engineering skills and people skills; they're investing in both. In fact, more than 88% of Indian companies agree that people skills are even more important in the age of AI.

Brand Credibility: Breaking Through the Crowd.

When attention is scarce consumers turn to the brands they trust and believe in. Building a strong and credible brand is how small businesses can break through the crowd. It's no surprise that in 2026 building a strong brand and reputation isn't just a goal for small business owners across key markets globally — it is one of their top strategic priorities (38%).

Audiences don't just take companies at face value anymore. They check with trusted sources first. In fact, 82% of India's small business marketers say buyers' gut-check information with people they trust, and 77% say networks play a big role in vetting brands.

That's why authenticity matters more than ever. 78% of global small business marketers are doubling down on community-driven content — think creators, experts, and employee voices — because visibility grabs attention and trust fuels growth.

Networks: The New Currency.

Professionals who work in small businesses in India are growing their networks faster, 28% year-over-year, compared to 25% at large companies. 85% of professionals also say building human relationships and networks is more important than ever. 73% of small business leaders across key markets globally say networking is key to long-term business growth, and 39% see it primarily as a way to find new customers.

Small businesses aren't just building networks; they're using them to move faster and grow smarter. Data shows, 73% of global small business professionals say trusted input from their community helps them make decisions more quickly. And it's not just advice — mentorship and access to professional connections are fueling growth for more than half of small businesses.

The stakes and opportunities are enormous.

Generative AI could unlock trillions in global productivity, with small and medium-sized businesses poised to capture 30% or more of that value. But adoption of new technology alone won't determine who wins. Brand credibility, and relationships will separate the businesses that grow from those that stall.



Why Small Businesses Are Going for It

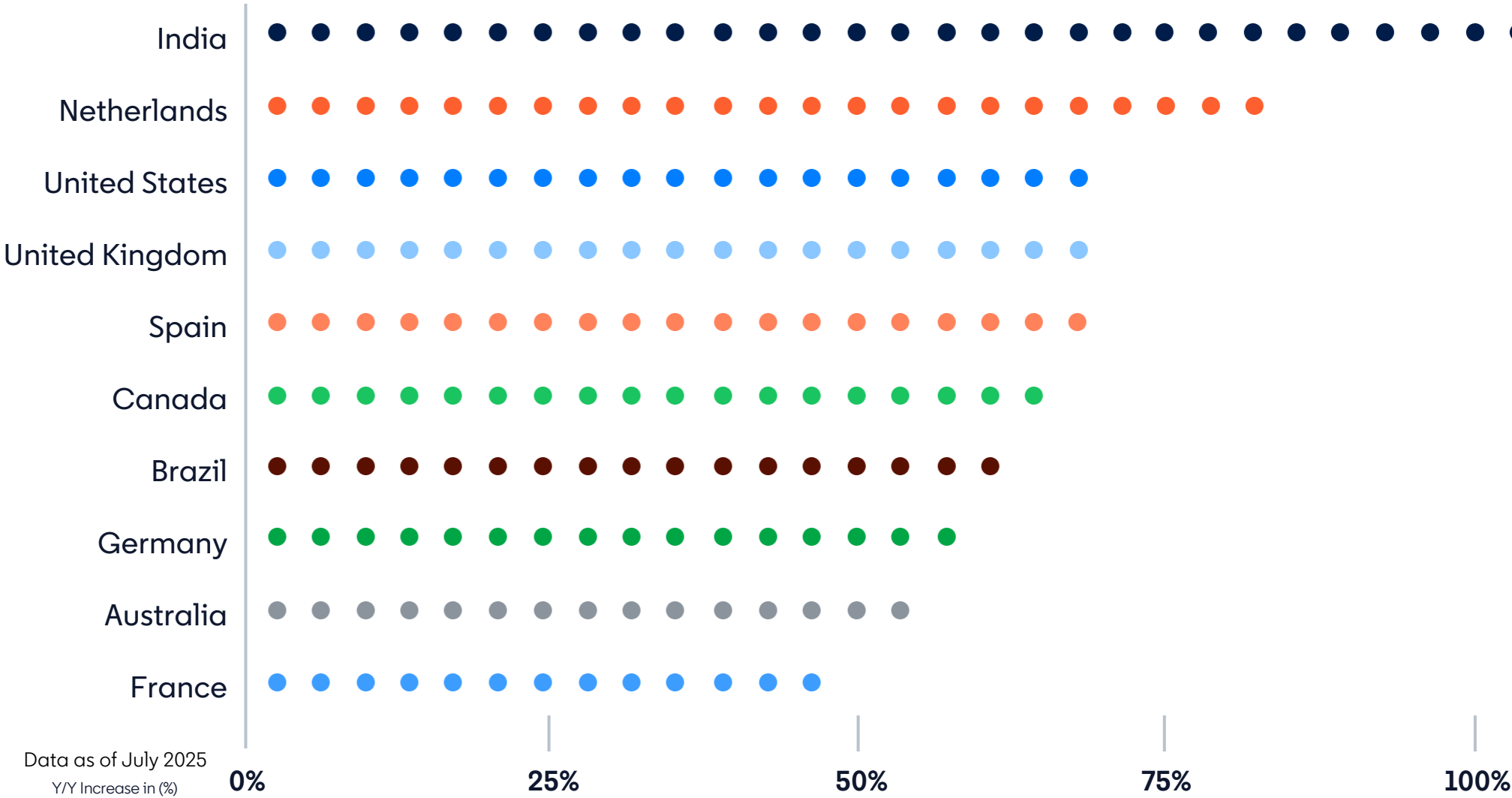
According to LinkedIn's Workforce Confidence Index, more than 7 in 10 (73%) of India professionals say they want to work for themselves in the near future, and they're taking action. Part of what's fueling this confidence: 82% of small business leaders in India say starting and running a business is easier today because of AI.

LinkedIn members adding 'founder' to their profile jumped by 60% between July 2024 to July 2025 and nearly tripled since July 2022 across 10 countries – including Australia, Brazil, Canada, France, Germany, India, the Netherlands, Spain, the UK, and the US.

India leads at 104%, followed by the Netherlands at 85% and the UK and the US at 69%. This surge is particularly striking given the broader economic climate.

Since September 2024, conversations on LinkedIn about entrepreneurship, start ups, or new business ventures across several emerging countries have spiked with India (198%) leading the way.

Year-Over-Year Increase in Members Adding Founder to their Profile by Country



Global economic growth is trending downward and is expected to slow by around 10% over the next couple of years. Whether launching this year or celebrating their 20th anniversary, small businesses are betting on themselves. LinkedIn research shows that 52% of small business leaders in key markets globally are optimistic about growing their business over the next 12 months, a number that jumps to 61% among Gen Z founders. India emerges as a leading indicator of these global shifts with 92% of small businesses expecting growth and 95% already investing in or planning AI adoption, far higher than global average.

This isn't just about venture-backed startups chasing unicorn status. The graphic designer is going solo. The restaurant owner is staffing up to address increasing customer demand. Software teams are spinning out of larger companies that move too slowly. From solopreneurs to early-stage startups, entrepreneurs are building businesses that solve real problems in their communities and industries.

“The barriers to entrepreneurship are lower, largely due to AI and digital tools. Professionals are recognizing this shift with a nearly 60% year-over-year increase in LinkedIn members adding ‘founder’ to their profile. Those who invest strategically in skills while building on their existing relationships are positioned to compete in ways that weren't possible before.”



Karin Kimbrough
Chief Economist, LinkedIn

“Growing from 2,500 to nearly 500,000 followers, LinkedIn has truly been a game changer for me. As an entrepreneur, thought leader and convener, the platform has amplified my voice, extended my reach, and opened doors to audiences I never imagined I would have access to. This visibility has translated directly into measurable and sustainable growth, from an increase in business inquiries to speaking engagements, and partnership opportunities, which continue to shape and elevate my work. LinkedIn has not only expanded my network; it has expanded what I believe is possible for my business and the communities I serve.”



Christal M. Jackson
President & CEO, Mosaic
Genius/Head & Heart Philanthropy

AI Adoption: The Equalizer Small Businesses Need



Small businesses understand the landscape is changing fast, and AI is at the center of that change. A recent LinkedIn News poll found that the adoption of new technology (45%) is the biggest opportunity small businesses face today, with upskilling leaders and staff (23%) coming in second. Today, roughly 83% of business leaders in India with 11-200 employees say AI is critical to growing their business.

The question for small businesses isn't whether to adopt AI, but how quickly they can move and what happens if they don't.

The Business Case for AI Adoption

Today, 97% of small businesses in India are using AI in some form. While most are still in the early stages of implementation, momentum is building. According to LinkedIn's Executive Confidence Index, 69% of small business executives in India plan to adopt AI across their organization in 2026, on par with large companies at 70%.

While this is a positive trend, they are contending with everyday small business realities: competing priorities, tight budgets, and uncertainty about where to begin.

The next step for small businesses is to move from experimentation to adoption. Many of the tools small businesses already rely on are strategically integrating AI to help save time, reduce costs, and unlock new opportunities. And you don't need massive investments or specialized teams to get started.

AI can automate routine tasks in customer service, generate marketing content, streamline the hiring process, and enhance decision-making with data insights previously only unlocked by enterprise clients. For a local retailer or professional services firm, these capabilities can level the playing field in ways unimaginable compared to just two-years ago.

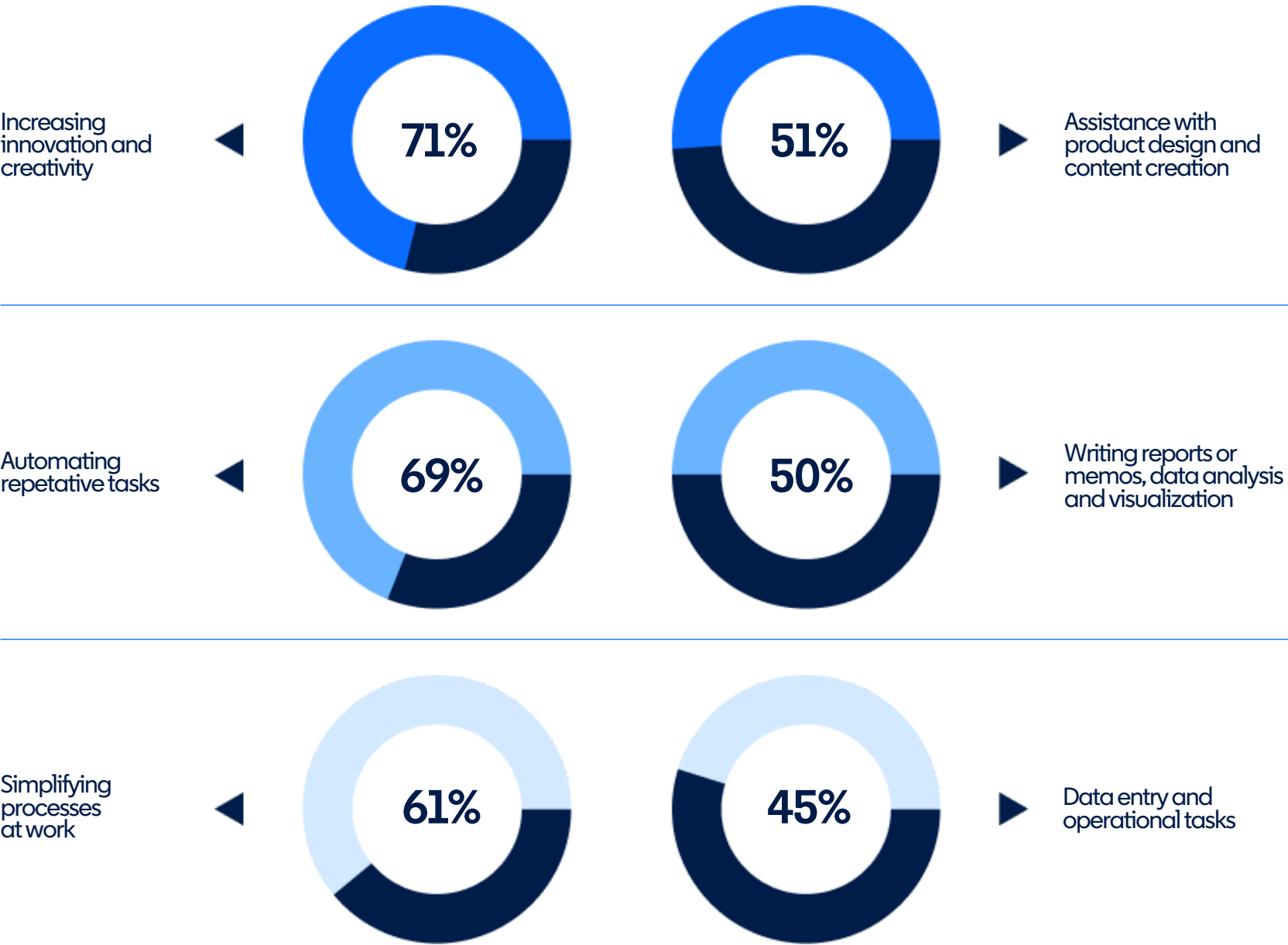
80% of small business marketers in India agree that AI will help smaller brands compete and punch above their weight.

Based on early usage, AI-assistant in LinkedIn Jobs helps companies find qualified candidates while reviewing 30% fewer resumes and helps you get qualified candidates 5 days faster (compared to promoted jobs).

The opportunity is clear for small businesses who invest in AI. Research commissioned by LinkedIn shows that AI tools can dramatically boost capacity, unlocking up to \$6.6 trillion in productivity for businesses in the US, UK, France, Germany, and India. Of the \$621 billion in India's productivity capacity that could be unlocked by generative AI, up to 30% of GDP may be driven by small businesses.



Top ways in which generative AI is being used by businesses who report using the technology



Skills: AI Fluency and Human Edge

Skills are another sign that small businesses are committing to AI adoption. Throughout many markets, 81% of small business owners agree that their company is actively investing in AI tools and AI engineering skills.

AI engineering skills (AI engineering skills) per employee in Indian companies with 11-50 workers grew 17% year-over-year, and those with 51-200 employees grew 21% year-over-year. AI literacy skills (defined as having the ability to leverage AI tools for business purposes) has also been on the rise. As of July 2025, Indian firms with 11-50 and 51-200 employees are seeing a 52% year-over-year increase in AI literacy skills.

73% of small business professionals in India who are learning AI on their own time, paying for courses and upskilling themselves.

Every team member benefits from AI fluency. Building that fluency means learning the basics: how to write effective prompts, when to use AI for different tasks, and how to integrate it into daily work. The goal is creating an environment where employees have access and time to experiment with AI while performing their daily tasks.

Top three ways employees at small organizations in India prefer to learn a new AI skill or tool:

- 40%** Using an AI tool to practice real-life scenarios
- 33%** Learning through real-life projects and assignments
- 32%** Virtual training and tutorials

AI literacy is one of the top five skills in many countries according to [LinkedIn's 2025 Skills on the Rise list](#), so were people skills like strategic thinking, stakeholder management, and customer service.

A clear indication that despite the rise of AI, people skills remain vital. Data shows that more than 88% of Indian companies, regardless of size, agree that people skills are even more important in the age of AI. When AI handles repetitive and mundane work, people can focus on skills that add real value: communication, problem-solving, and adaptability.

Nearly ⅓ of the 25 most popular LinkedIn Learning courses globally focus on human skills—like adaptability, empathy, and communication.

Most valued soft skills (people skills) amongst small businesses leaders with two or more employees in India:

#1 Communication
#2 Creative Thinking
#3 Innovative Thinking

#4 Adaptability
#5 Collaboration



Brand Credibility: Breaking Through the Crowd



Building a strong and credible brand is how small businesses can break through the crowd.

It's no surprise the highest strategic priority for small businesses in the incoming year is building their brand and reputation. To break through, they're taking matters into their own hands with 61% of small business owners across key markets globally becoming content creators.

Authenticity comes from real people. In fact, 7 in 10 (71%) small business leaders across key markets globally agree on the importance of showing up authentically online. When brands lead with human voices and perspectives, they build trust. 82% of small business marketers in India say audiences' gut-check information with people they trust before making decisions.

The brands winning attention are sharing content with purpose. They're showing up with real perspectives, solving real problems, in the moments that matter most.

77% of small business marketers in India say “Audiences won’t just vet brands through your channels—they rely on their network.”

86% of small business marketers in India believe video is the new language of the internet, essential for engagement.

Globally, short form video content is the **#1 format** that’s most effective for small businesses to fuel brand trust and engagement with their target audiences.

According to 85% of Indian small business marketers, audiences today don't just follow brands, they follow people who give them confidence to make smarter decisions. By partnering with trusted voices – customers, partners, employees, and creators – who align with the company's brand values, businesses can deliver more authentic engagements that create community and offer a trusted bridge between brands and consumers.

86% of small business marketers in India say sparking conversations with audiences creates their most effective brand moments.

The top three most effective voices in fueling brand trust and engagement with key audiences according to small business marketers in India:

64% Customer and partner voices

55% Employee voices at my company

56% Creators and influencers

Building a brand presence now means being visible where your customers are, speaking in a voice they trust, and delivering content that adds value. For small businesses, brand building has become essential to long-term success.

74% of small business leaders across key markets globally say building their brand is critical to achieving their 3–5-year goals and those that get it right will grab attention, build trust, and drive growth.

“As the world's largest professional networking site, LinkedIn makes it possible for anyone to build a personal brand that attracts clients, talent, and opportunity at a global level. Don't think of it as an "expense," think of it as an investment in your personal development, because that's really what you're doing when you make the most of this platform.”



Liam Darmody
Brand Strategist, Liam's Brand Stand

Networks: The New Currency



Human relationships have become essential for small businesses.

Networks fuel growth in tangible ways: connections can help generate leads, inform hiring decisions, and provide trusted guidance when it matters most. 73% of small business leaders across key markets globally say that building their professional network is important to business growth, while 39% see their networks as a way to find new customers.

86% of professionals in India say building relationships and networks matters more than ever. Small businesses are taking this to heart, growing their networks strategically and seeing real results.

This is about building networks and a following over time. Nearly three-quarters (73%) of small business professionals in India say trusted input from their community helps them make decisions more quickly. Your network becomes your early warning system, R&D department, and competitive intelligence all rolled into one.

The businesses that get this right are treating their networks like infrastructure. They're staying visible, showing up consistently, and nurturing relationships before they need them. They reach out proactively and introduce themselves early. They're investing in relationships as deliberately as they invest in technology and it is paying off.

Year-over-year growth of LinkedIn connections of Indian professionals by company size:

28% 11-50 employees

27% 51-200 employees

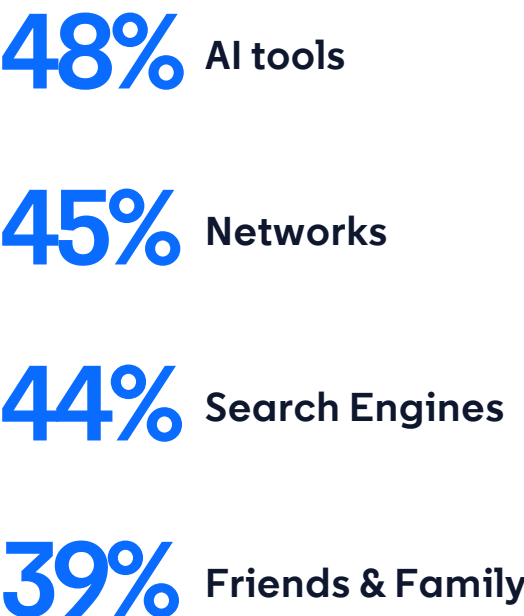
25% 1001+ employees

When everyone has access to the same information online and AI-generated content floods the internet, trusted relationships become the differentiator.

Beyond day-to-day decision-making, networks open doors to growth. 73% of small businesses in India say mentorship and access to professional networks have a positive impact on their ability to grow. For companies with 11-50 and 51-200 employees, the number jumps to 76% and 78% respectively.

The right connection at the right time can unlock opportunities that no amount of solo effort can create.

Small business professionals in India say the top source for advice at work are:



“As a founder, it [LinkedIn] helped me connect directly with decision-makers and potential clients through InMail, speeding up business development significantly, as well leading to new collaborations and business opportunities ... Overall, Premium has not only expanded my network but also positioned me to make smarter, faster business decisions.”



Bhavika Patel
Co-Founder, HK Infosoft

A New Blueprint for Small Business Growth



Work is changing fast.

Work is changing fast. AI is rewriting how companies operate as businesses adopt it with increasing intention. Beyond technology, demographic shifts are tightening labor supply and raising costs in many markets while economic uncertainty persists across industries. These forces are creating new pressures for every business.

Yet entrepreneurs and small businesses are uniquely positioned to meet the moment. Their strengths – quick decision making, trusted relationships, strategic focus – become more valuable than ever.

AI can be a great equalizer, giving every small business the new blueprint they need to compete in arenas they never thought possible, because what's up for grabs is hard to pass up.

Generative AI could unlock trillions in global productivity, with small and medium-sized businesses positioned to generate more than 30% of that value, depending on the country. The businesses that thrive will be those who combine strategic AI adoption with trusted brand engagement and a strong and robust network.

More than 18+ million small businesses on LinkedIn are already preparing for what comes next. Small businesses are proving they can set the pace, not just follow it.





Three ways to win right now

Invest in AI: Use tools that automate repetitive tasks and solve business problems like building a pipeline of qualified candidates, managing marketing campaigns, creating content, or starting your first draft of an email. Empower your teams to use and upskill on AI while doubling down on communication, problem-solving, and adaptability.

Build your brand with authenticity and trust: Leveraging trusted voices and being authentic builds credibility, deepens community engagement, and drives long-term customer relationships.

Turn relationships into competitive advantages: Grow your network and following as a brand strategically and use trusted connections for faster, better decisions. Stronger networks can drive stronger growth.

“We should all be rooting for small businesses right now. They create the majority of new jobs globally, especially in emerging markets, and AI gives them a real shot to compete in ways that weren't possible before. The entrepreneurial skills you develop building something from nothing—resourcefulness, speed, creativity—are exactly what this economy will reward most.”



Aneesh Raman

Chief Economic
Opportunity Officer,
LinkedIn

Methodology

LinkedIn Small Business Leaders Research, October 2025: The research was conducted by Censuswide, among a sample of 1000 18+, Founders /entrepreneurs / owners at SMBs (up to 200 employees) in the US, UK, France, Australia, and Germany. The data was collected between 24.10.2025 - 29.10.2025. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.

LinkedIn Sentiment Research, September 2025: Fieldwork commissioned by LinkedIn and conducted online between 3-11 September 2025 among the general public and businesses. The survey included n=1,000 nationally representative consumers (by age, gender and state / territory) and n=1,000 business decision-makers. Quotas were set at sample design and post-stratification weights applied to correct minor imbalances. The SME sample (businesses employing 200 people or less) reflects the national SME universe by company size-band, sector and region. Research followed ESOMAR and Market Research Society professional standards.

LinkedIn Global B2B Marketer Sentiment Research, July 2025: This research was conducted by Censuswide, with 7000 B2B marketers (aged 18-77; middle management +) in the UK, Australia, France, Germany, India, US, Spain, MENA (Saudi Arabia+UAE), Netherlands, Brazil, Italy, Sweden, Ireland and Singapore, between 03.07.2025-15.07.2025. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles. Censuswide are members of the British Polling Council.

LinkedIn Global Consumer Sentiment Research, July 2025: 10,523 Professionals (in full time or part-time employment) (5-10% unemployed respondents in US, Italy, Spain and Brazil but must be looking for work) across the UK, Australia, France, Germany, India, USA, Italy, Spain, Singapore, UAE, Saudi Arabia, Sweden, Netherlands and Brazil (Who work in companies with under 250 employees), 04.07.2025 - 29.07.2025

LinkedIn and Access Partnership Global Business Research on Generative AI: Global survey of more than 2,500 businesses in five countries (United States, United Kingdom, France, Germany, India) conducted in October 2024. Businesses were surveyed across manufacturing and service sectors and represented a range of sizes. Respondents included individuals that manage teams, have an ownership stake, influence investment decisions, make hiring decisions, or manage IT systems.

LinkedIn Economic Graph Research Institute - Published Methodology.

Founder Activity on LinkedIn: We use the three-month average count of unique companies on LinkedIn, based on the number of LinkedIn members who added a new founder position to their profile. We only include LinkedIn members who added a founder position to their profile in the same month the new job began. By only analyzing the timeliest data, we can make accurate month-to-month comparisons and account for any potential lags in members updating their profiles. This number is then indexed to the count in January 2016, which is itself set to 100; for example, an index of 105 indicates that company formation is 5% higher than in January 2016.

Conversations on LinkedIn: September 2, 2024-September 1, 2025 with search terms of Entrepreneurship, Start Up, or New Business Ventures. Minimum threshold = 200.

AI Engineering Skills & AI Literacy Skills: LinkedIn categorizes AI engineering skills into 2 mutually exclusive groups: “AI Engineering” and “AI Literacy” skills, where, broadly, AI Engineering skills refer to the technical expertise and practical competencies required to design, develop, deploy, and maintain artificial intelligence systems, and AI Literacy skills refer to the knowledge, abilities, and critical thinking competencies needed to understand, evaluate, and effectively interact with artificial intelligence technologies. You can read more about our AI methodology in [AI Data Partnerships - LinkedIn Methodology](#).

Growth of LinkedIn Connections of Professionals by Company Size: Captures the year-over-year (YoY) change in professional connections made by members at a company, grouped by standardized company size buckets (201-500, 501-1000, 1001-5000 etc.). This is calculated as the average number of professional connections established in the past 12 months as of July 2025, compared to the corresponding average for July 2024. The growth rate reflects the relative increase or decrease in connection activity across different company sizes from one year to the next

LinkedIn News Poll: 1,383 LinkedIn members in the U.S. were surveyed on July 23, 2025.

LinkedIn Learning Most Popular Courses: LinkedIn Learning courses are identified as the most popular courses based on learning hours. They are then ranked and the top 100 courses for each cut (global, region, country, AI, industry, and function) is generated. July 2025

Methodology

LinkedIn Workforce Confidence Index: An online survey sent to members via email every day and aggregated every two weeks. ~5,000 LinkedIn members respond to each two-week wave of the survey in 12 Countries (US, India, UK, Canada, Australia, Germany, Brazil, France, Spain, Italy, Netherlands, and Japan). Students, stay-at-home partners, and retirees are excluded from analysis so that we're able to get an accurate representation of those currently active in the workforce. Data is weighted by Engagement level to ensure fair representation of various activity levels on the platform.

LinkedIn Executive Confidence Index: An online survey sent to members via email every quarter. The most recent wave ran from Sept 8-22, 2025. ~5,000 LinkedIn members at the VP-level or above respond to each quarterly wave of the survey in 11 Countries (US, India, UK, Canada, Australia, Germany, Brazil, France, Spain, Italy, and the Netherlands). Data is weighted by Seniority and Industry to ensure fair representation of executives on the platform. Data is weighted by Seniority and Industry to ensure fair representation of executives on the platform.