Upskill or Stand Still



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Nearly every day there's a new headline suggesting how AI will alter the workplace forever.

No headline says it better than this: <u>The AI Revolution Will Change</u> Work. Nobody Agrees How.

While the specific outcomes are murky, the message is crystal clear. The impact will be huge, and organizations need to get ready. Rolling out AI in the workplace is the most significant shift in skills development since the industrial era, and it's poised to alter how work gets done no matter what job you do.

Previous Gallup <u>research</u> found that 72% of chief human resource officers predicted that AI would begin replacing roles in their organizations in the next three years. <u>Gartner</u> found that 76% of HR leaders believe that if their organization does not adopt AI solutions, including generative AI, in the next 12 to 24 months, they will trail those companies that do.

But organizations can only be as prepared as their employees are. And as we find in the 2024 Workhuman® iQ survey, right now, awareness is not being built at the speed such a significant shift demands. Overall, 63% of respondents are not at all or only somewhat familiar with the use of AI in the workplace.

Al is stealing the headlines, but our research finds a deeper issue: A concerning lack of upskilling opportunities for employees across the board. A significant portion of individual contributors haven't learned a new skill in years and when they do, it's no guarantee their organization will even acknowledge that newfound proficiency.

Al is the clearest sign in a century of the need to consistently upskill to meet the demands of the moment. Regular upskilling of hard and soft skills will be imperative for organizations to remain competitive. Let's see where organizations are now and where they need to go.

Upskilling is more than just learning to use Al; it's about cultivating a culture of continuous development.

Closing the gaps in AI usage and awareness

An employee's familiarity with AI is largely based on their hierarchy within the organization. Our research found that senior leaders, managers, and project managers are more likely to agree that their organization has started to use AI for day-to-day work. They're also more likely than individual contributors to be frequently using AI or agree that it's built into their everyday tools.

Your organization will be made more resilient by employees who understand the technological tools available to them and

how they can use them to perform their jobs more effectively. The role of leaders at this moment is to facilitate that learning. By doing so, you're not just equipping employees with a new tool, you're investing in their professional growth and future-proofing your workforce.

Beyond keeping workers ahead of technological advances and closing future skill gaps, there are other benefits to providing your workforce with AI education and tools.

We found that those who are using and familiar with Al are:

2x more likely to recommend their company to others 5x more likely to see a path to growth within their organization 1.5x
more likely to
have stronger
psychological
safety

Educating and training workers on AI falls to organizations and leadership, yet our joint research with Gallup found that nearly half (47%) of organizations that have begun to implement technology offer no formal or informal training opportunities. It's not because employees don't want those opportunities. The report also found a clear appetite amongst employees to upskill in order to develop within their current roles and career paths.

Although employees feel confident that they can learn the technology, there is some wariness as evidenced by the litany of headlines posing the threat of Al taking jobs. As leaders, one way to build employee trust in Al technology is to show them how it can increase their job security. Senior leaders and managers can put their familiarity and enthusiasm for Al to good use in a way that benefits their employees by finding new areas for their skills and competencies to flourish.



A chasm of upskilling opportunities

There is an inevitable sense of urgency to upskill in the throes of massive technological advancements. Organizations and employees have taken a step in the right direction: 60% of employees have learned a new skill for their current role in the past six months. But, for the speed that technology is developing, that may not be fast enough. Our data shows nearly half of respondents have been without any recent training opportunities.

That picture became even more troubling when we took a closer look at who has been upskilling. We found that 41% of individual contributors haven't learned a new skill in the last one to two years and are more likely than anyone else to say they have never learned a new skill in their current role.



The opportunity to learn a new skill has profound effects on the outlook of an employee. We found that 60% of those who have learned a new skill in the past six months somewhat or strongly agree that they have a path to grow in their organization. Of those who have never learned a new skill, just 21% see a path for growth.

As our research has repeatedly found, employee recognition helps reinforce the value and appreciation of upskilling. This is an area in which leaders need to intervene. When they did learn a new skill, just 39% of individual contributors received recognition compared to 52% of managers, 55% of project managers, and 59% of senior leaders.

Senior leaders (44%) are more than 2x as likely as managers (20%), project managers (21%), and all other individual contributors (16%) to strongly agree that they see a path to grow within their organization. When organizations do not create or promote opportunities for their workforce to develop, they sabotage their own growth and agility.

For leaders concerned about engagement, encouraging skill building is a path to improving it. The only employees in our research who say they are highly disengaged either learned a new skill two or more years ago or they never have.

Which employees can see a path to growth?



of those who have **learned a new skill in the last six months**



of those who have **never** learned a new skill

Upskilling can even be a powerful recruitment tool. Our research shows employees who have learned a new skill within the past six

months were more likely to recommend their company to others compared to those who had learned a skill 2+ years ago or not at all.

When employees upskill, it does more than protect your organization from future and current skills gaps – it helps keep your employees invested in and committed to growing within your organization.

And as our research has repeatedly found, employee recognition helps reinforce the value and appreciation of those efforts. This is an area in which leaders need to intervene. When they did learn a new skill, just 39% of individual contributors received recognition compared to 52% of managers, 55% of project managers, and 59% of senior leaders.

Upskilling is not a one-and-done task. Growth comes with learning curves. For already overworked employees, it's challenging to find the time and mental energy to upskill. Leaders help employees and the broader organization when they prioritize the time and resources necessary to learn and reinforce the value by acknowledging and celebrating that growth.

Do you know your employees' skills gaps? Use Human Intelligence to find out.

How can you lean into emerging technologies like AI to upskill your workforce, building a connected, engaged, and resilient workplace environment?

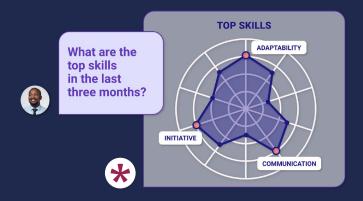
Introducing Human Intelligence™ from Workhuman®.

With the latest AI advancements from Workhuman iQ, you can now identify the skills and competencies of every employee in your organization. Human Intelligence allows you to mine the uniquely rich data of employee recognition, giving you unparalleled insights into where employees are thriving and where they need support. This valuable data becomes a powerful tool for making strategic, data-driven decisions.

The AI Assistant is the core feature within Workhuman iQ. Using generative AI, the AI Assistant takes in data from multiple sources and surfaces valuable business and culture insights based on a specific prompts – e.g., "Who would be a valuable mentor for an employee interested in improving presentation skills?"

Other features within Workhuman iQ, such as the Skills feature, allow you to view the top skills across teams and departments, as well as which skills employees don't have. Understanding where there is a skills gap allows you to act, encouraging skills training and additional coaching where appropriate.

Rather than guess what employees should be learning to build knowledge and ability in their roles, know it. This level of precision prompts upskilling by showing employees a clear path for growth. Across the organization, this investment in development creates resiliency as employees equip themselves with the skills necessary to flourish. In doing so, this allows the business to remain competitive and relevant in the future.



Next steps for leaders: Recognize the power of upskilling

As we mentioned, our <u>research</u> with Gallup explored the pivotal role recognition plays in emphasizing upskilling. However, just 14% of survey respondents reported upskilling as a common reason people get

recognized at their organizations. This latest Workhuman iQ survey confirms there is room for improvement: Just 54% of people who have learned a new skill at work say they've received recognition for it.

The benefits of receiving recognition for upskilling are too impactful for this to just barely reach half of an organization.

76%

of people who were recognized for upskilling (vs. 65% of those who were not) **feel that they have a sense of autonomy in their work**.

45%

of people who received recognition for upskilling (vs. 23% of those who did not) had **higher psychological safety**.

72%

of people who were recognized for learning a new skill (vs. 34% of those who were not) **see a path to growth**.

Recognizing employees for learning a new skill is just one way to create a culture that fosters learning and growth. Learning opportunities should be a regular part of your role, not an extracurricular activity. Managers should have regular, healthy check-ins with their employees to encourage upskilling. These conversations can spur action about

where and how to upskill as well as help keep track of progress, set expectations, and ensure that people keep developing according to their abilities. Similarly, making feedback part of your culture allows your employees to understand where they might be facing gaps and how they can approach their upskilling journey.

In closing

We can't predict what the future will hold, but what we do know is that employees want to learn, and organizations harm their own growth, innovation, and resiliency by leaving employees feeling unprepared and unsupported.

When you give your employees the education, space, and technology they need to keep up with the pace of change and thank them for their efforts, you build habits of growth – habits that make the difference between resilient companies and companies that fold.

Work has always and will always come down to the efforts of people. Company valuations and quarterly forecasts are random numbers in a slide deck without the ideas and innovations of people in your organization. The more skilled they are, the more innovative your company is. If they are unprepared, so are you.



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