

## **IBM Study: The Skills Gap is Not a Myth, But Can Be Addressed with Real Solutions**

### **120M workers may need to be reskilled or retrained in the next three years; half of businesses have no skills development strategy in place**

ARMONK, N.Y., Sept. 6, 2019 /[PRNewswire](#)/ -- In the next three years, as many as 120 million workers in the world's 12 largest economies may need to be retrained or reskilled as a result of AI and intelligent automation, according to a new IBM (NYSE: [IBM](#)) Institute for Business Value (IBV) study. In addition, only 41 percent of CEOs surveyed say that they have the people, skills and resources required to execute their business strategies. The study, which includes input from more than 5,670 global executives in 48 countries, points to compounding challenges that require a fundamental shift in how companies meet and manage changing workforce needs throughout all levels of the enterprise.

According to the global research, the time it takes to close a skills gap through training has increased by more than 10 times in just four years. In 2014, it took three days on average to close a capability gap through training in the enterprise; in 2018, it took 36 days.

The study showed that new skills requirements are rapidly emerging, while other skills are becoming obsolete. In 2016, executives ranked technical core capabilities for STEM and basic computer and software/application skills as the top two most critical skills for employees. In 2018, the top two skills sought were behavioral skills -- willingness to be flexible, agile, and adaptable to change and time management skills and ability to prioritize. In contrast, according to an IBM poll conducted by Morning Consult, ethics and integrity was the skill often named most critical in a survey of consumers in U.S. cities including Atlanta, Austin, Baton Rouge, Boston, Chicago, Raleigh, and San Francisco.

"Organizations are facing mounting concerns over the widening skills gap and tightened labor markets with the potential to impact their futures as well as worldwide economies," said Amy Wright, Managing Partner, IBM Talent & Transformation, IBM. "Yet while executives recognize severity of the problem, half of those surveyed admit that they do not have any skills development strategies in place to address their largest gaps. And the tactics the study found were most likely to close the skills gap the fastest are the tactics companies are using the least. New strategies are emerging to help companies reskill their people and build the culture of continuous learning required to succeed in the era of AI."

The IBV study, ["The Enterprise Guide to Closing the Skills Gap"](#) lays out step-by-step strategies for

businesses to better foster talent and close the skills gap.

The core recommendation is to take a holistic approach to closing the skills gap that is focused on reskilling our workforce through development that's multi-modal, personalized to the individual and built on data. This means creating educational journeys for employees that are personalized to their current experience level, skills, job role and career aspirations. To fuel those journeys, companies should take advantage of an ecosystem of partners to expand their access to content, leverage innovative learning technologies, and even share skilled talent across organizational boundaries. Also, the research shows those journeys should be delivered through experiential learning that come to life in new ways of working, including peer-to-peer learning through agile teams with heterogenous skill sets, hands-on practice served up in the flow of work, and traditional classroom as well as online learning.

For example, the IBM Garage helps companies digitally reinvent, while creating cultures of open collaboration and continuous learning. In Garages, IBM professionals sit shoulder-to-shoulder with client employees to develop new ideas, then rapidly test, discard or advance those ideas. In environments designed to be a break from the everyday, traditional silos and barriers are eliminated -- employees are encouraged to learn by doing, fail fast and iterate often, inspiring organizational change and buy-in.

IBM's research also shows that companies should use analytics and AI to predict and infer what skills are available throughout the organization and transparently share that information with employees to drive a culture of continuous learning. IBM is applying this strategy inside its own walls and regularly providing its own workforce with insight into the most critical skills.

Through its IBM Talent & Transformation business, IBM is applying end to end AI capabilities for every aspect of the employee lifecycle to help clients foster talent, empower their people and transform their business for the era of AI and automation. These services help enable companies to close the skills gap brought on by these new technologies, help their employees make the shift to partnering with intelligent machines, and address bias in the recruiting and hiring process. True culture change is now driven by new skills and expertise in business created by the advent of intelligent workflows demanding new ways of working in every industry. Business leaders must create dynamic and flexible organizations and teams to enable the ongoing reinvention of work and skills.

To underscore the critical role HR plays in this journey, IBM is collaborating with the Josh Bersin Academy, the world's first global development academy for human resources and talent professionals who must spearhead new strategic agendas in business. The Academy will soon launch its newest program, HR in the Age of AI, which was created with input from IBM subject matter experts. The program focuses on how HR teams

can use AI to transform the way they work across the enterprise, in the HR function and at the level of individual skill development.

"AI is hands down the biggest challenge facing HR leaders today," said Josh Bersin, global independent analyst and founder the Josh Bersin Academy. "We selected IBM as our partner for this program because of its recognized leadership in the development and application of AI-related technology and because IBM has actually used AI technology to dramatically transform its own HR organization."

[HR in the Age of AI](#) will be available September 2019.

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