

IBM Study: COVID-19 is Accelerating the Skills Gap and Raising Employee Expectations of Their Employers

Research reveals how leaders are reinventing the human resources function to ignite the workforce

ARMONK, N.Y., Oct. 16, 2020 /[PRNewswire](#)/ -- As many business leaders look to close the skills gap and cultivate a sustainable workforce amid COVID-19, a new [IBM Institute for Business Value \(IBV\) study](#) reveals less than 4 in 10 human resources (HR) executives surveyed report they have the skills needed to achieve their enterprise strategy.

Pre-pandemic IBM (NYSE: [IBM](#)) research in 2018 found as many as 120 million workers surveyed in the world's 12 largest economies may need to be retrained or reskilled because of AI and automation in the next three years. That challenge has only been exacerbated in the midst of the COVID-19 pandemic – as many C-suite leaders accelerate digital transformation, they report inadequate skills is one of their biggest hurdles to progress.

Ongoing IBM consumer research also shows surveyed employees' expectations for their employers have significantly changed during the COVID-19 pandemic but there's a disconnect in how effective leaders and employees believe companies have been in addressing these gaps. 74% of executives surveyed believe their employers have been helping them learn the skills needed to work in a new way, compared to just 38% of employees surveyed, and 80% of executives surveyed said their company is supporting employees' physical and emotional health, but only 46% of employees surveyed agreed.

"Today perhaps more than ever, organizations can either fail or thrive based on their ability to enable the agility and resiliency of their greatest competitive advantage – their people," said Amy Wright, managing partner, IBM Talent & Transformation. "Business leaders should shift to meet new employee expectations brought on by the COVID-19 pandemic, such as holistic support for their well-being, development of new skills and a truly personalized employee experiences even while working remotely. It's imperative to bring forward a new era of HR – and those companies that were already on the path are better positioned to succeed amid disruption today and in the future."

The new IBV study, "Accelerating the journey to HR 3.0," conducted in partnership with global independent analyst Josh Bersin of the [Josh Bersin Academy](#), includes insights from more than 1,500 global HR executives surveyed in 20 countries and 15 industries. Based on those insights, the study provides a roadmap for the journey to the next era of HR, with practical examples of how HR leaders at surveyed "high-performing companies" - meaning those that outpace all others in profitability, revenue growth and innovation - can reinvent their function to build a more sustainable workforce.

Additional highlights from the study include:

- Nearly six in 10 high performing companies surveyed report using AI and analytics to make better decisions about their talent, such as skilling programs and compensation decisions. 41% are leveraging AI to identify skills they'll need for the future, versus 8% of responding peers.
- 65% of surveyed high performing companies are looking to AI to identify behavioral skills like growth

mindset and creativity for building diverse adaptable teams, compared to 16% of peers.

- More than two thirds of all respondents said agile practices are essential to the future of HR. However, less than half of HR units in participating organizations have capabilities in design thinking and agile practices.
- 71% of high performing companies surveyed report they are widely deploying a consistent HR technology architecture, compared to only 11% of others.

"In order to gain long-term business alignment between leaders and employees, this moment requires HR to operate as a strategic advisor – a new role for many HR organizations," said Josh Bersin, global independent analyst and dean of the Josh Bersin Academy. "Many HR departments are looking to technology, such as the cloud and analytics, to support a more cohesive and self-service approach to traditional HR responsibilities. Offering employee empowerment through holistic support can drive larger strategic change to the greater business."

Report findings suggest three core elements to promote lasting change

According to the report, surveyed HR executives from high-performing companies were eight times as likely as their surveyed peers to be driving disruption in their organizations. Among those companies, the following actions are a clear priority:

- Accelerating the pace of continuous learning and feedback
- Cultivating empathetic leadership to support employees' holistic well-being
- Reinventing their HR function and technology architecture to make more real-time data-driven decisions

[Burger King Brazil](#) is an example of a company that rapidly responded to new employee expectations and needs presented by this moment. Burger King Brazil worked with IBM to create a new virtual assistant based on IBM Watson Assistant, which helped during the COVID-19 pandemic to provide its workforce with self-service support and more transparent communications and connection to each other and company leadership. The solution supports its 16,000 employees, and on average responded to 1,100 questions per day in April alone.

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