

The Global State of Skills



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Introduction

As AI agents enter the workplace and shifting demographics compound existing talent shortages, organisations have realised that traditional workforce management strategies are not keeping up.

Our latest research reveals that over half of business leaders (51%) are concerned about a future talent shortage, driven by the fact that only 32% strongly believe the skills within their organisation today are the same that they will need for future success.

In response to an uncertain future, leaders are embracing skills-based strategies as a way to make their organisations more adaptable and resilient. Over half of organisations worldwide (55%) have already started the shift to a skills-based approach, with an additional 23% planning to do so within the next 12 months.

Transitioning to a skills-based approach is not without its challenges, which include resistance to change, the high degree of upskilling and reskilling needed, and the challenge of connecting skills data across different systems – but the rapid rise of AI is playing a key role in accelerating this shift.



Organising work around skills is no longer a futuristic concept but an urgent necessity.

For the doers, the doubters, traditionalists and boundary pushers: this report is for you.

Read on to discover insights that will help to inform your strategy for long-term success and shine a light on how you can get started. Key topics include:



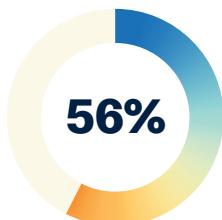
Global executives' perspectives on why they are investing in a skills-based strategy



The most-valued skills groups and predicted gaps within organisations today



How to get started with skills-based strategies and the way AI accelerates the transformation



56% of APAC HR leaders are concerned about skills shortages for their region

Key findings



Leaders are bracing for a talent shortage. Over half of business leaders (51%) are concerned about a future talent shortage, driven by the fact that only 32% strongly believe the skills within their organisation today are the same that they will need for future success.



Skills-based strategies are taking hold. In pursuit of greater agility and resilience, 55% of businesses have started their transition to a skills-based organisation, with an additional 23% planning to do so within the next 12 months.



Productivity, growth and agility are top of mind.

Key reasons for making the shift to a skills-based strategy include:

- Improved productivity and business growth (47%)
- Greater innovation and creativity (46%)
- Increased organisational agility and internal mobility (45%)



Digital skills are key to future success. The skills business leaders say they will need to accomplish their goals in the next 5 years are:

- Digital (65%), such as proficiency with software and Gen AI
- Operational (59%), such as project management and planning
- Specialist (47%), such as engineering, healthcare and accounting



Leaders are working to overcome challenges. The top business and technology challenges to becoming a skills-based organisation include:

- The time required to reskill employees (43%)
- Resistance to change (38%)
- Aligning skills strategies with broader business objectives (34%)
- Connecting and consolidating data across systems (33%)



AI has a vital role to play in the transition. 41% strongly agree that AI will help to mitigate a skills shortage with these key expected benefits:

- Increased productivity through automation of routine tasks (52%)
- Enhanced decision-making based on data-driven insights (52%)
- More personalised and effective learning and development (47%)



AI is reshaping the workplace, but the human element has never been more essential. Organisations that embrace a skills-first mindset will not only unlock AI's potential but also harness human ingenuity in new and transformative ways.

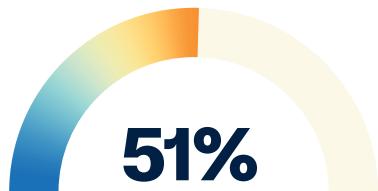
Chris Ernst

Chief Learning Officer, Workday



Bracing for a skills shortage: from awareness to action

Leaders can sense a storm on the horizon, and it's motivating them to act.



of business leaders are somewhat or very concerned about a potential skills shortage within the next 3 years.



of leaders strongly believe that the skills within their organisation today are the ones that they will need for future success.



of leaders say that they have a clear view of skills within their organisation.

A key contributing factor for this anxiety is a lack of visibility, with only 54% of business leaders reporting that they have a clear view of skills within their organisation.

Our conversations with business leaders indicate that concerns about upcoming skills shortages stem from factors such as the pace of technological change, evolving skills requirements and competition for talent.

Even before the advent of AI, skills-based strategies captivated the imagination of business leaders as a way to stay one step ahead of the market and their competition. But the pace of disruption in recent years has organisations realising that they are hurtling into the future without a clear idea of where they're going or the obstacles they might encounter.



Confidence vs concern

Business leaders in North America are more confident than those in other regions that their current skills will meet future demands – and they are less concerned about potential skills shortages.

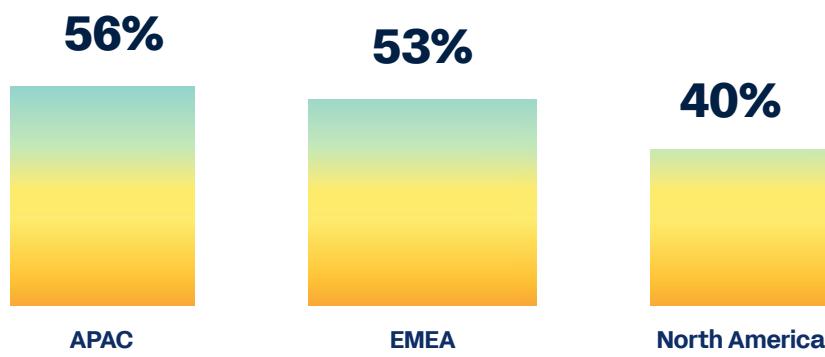
Compared to EMEA (32%) and APAC (27%), a larger percentage of organisations (35%) in North America started the transition to a skills-based approach more than 12 months ago. Similarly, 27% of organisations in North America are planning to start the transition within the next 12 months, compared to 22% and 23% of organisations in EMEA and APJ respectively.

This indicates that organisations in North America are further along in their skills journey, resulting in a higher degree of confidence that they will be able to address talent shortages.

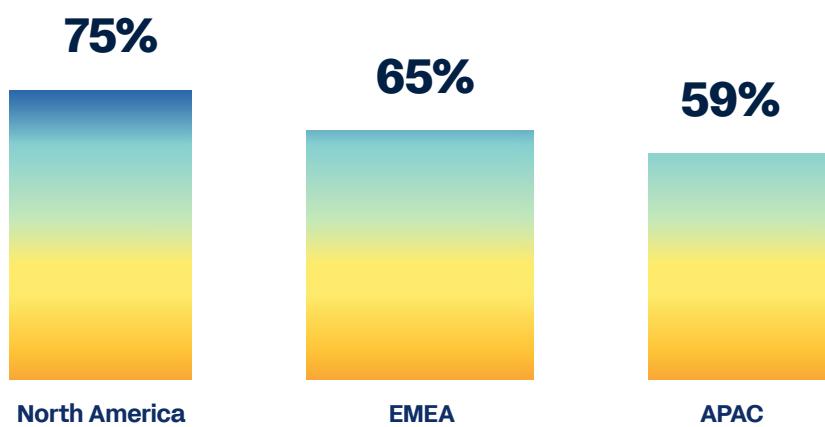
HR leaders are the most concerned about skills shortages.

Concerns about potential skills shortages are more common among HR practitioners than other departments. With HR on the front line of skills transformation, they are likely to have a more comprehensive picture of evolving talent needs within the organisation, resulting in higher levels of concern about the potential skills shortages that could emerge within the next few years.

Concern about skills shortages by region:



Confidence that today's skills are the ones needed for the future:

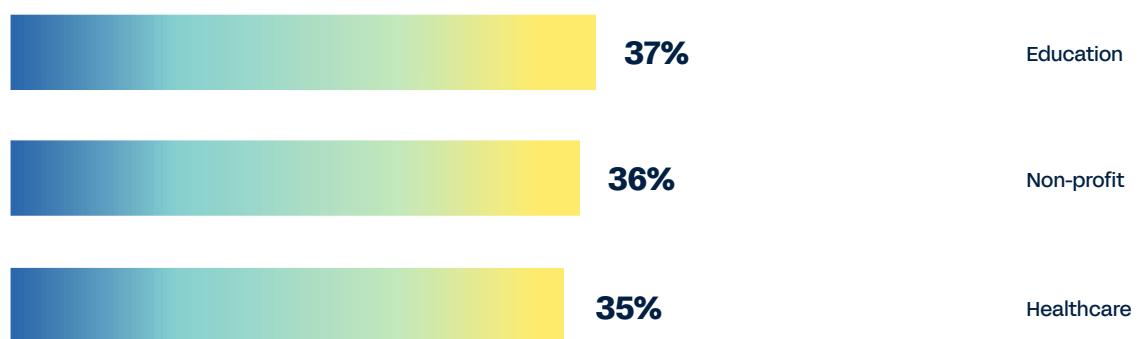


The industries most concerned about a skills shortage, which include technology, media and retail, are also those at the forefront of the current AI revolution. By comparison, industries that rely on human-centric skills, such as healthcare and education, are less concerned – especially as the core skills required to succeed are less likely to change in the near future.

Most-concerned industries:



Least-concerned industries:



Survey question: Please indicate how much you agree or disagree with the following statement: I am worried about a major skills shortage in the next three (3) years. Respondents chose one (1) of the following answers: Strongly disagree, somewhat disagree, neither agree nor disagree, somewhat agree, strongly agree. n=2,300.



Today's skills vs tomorrow's needs

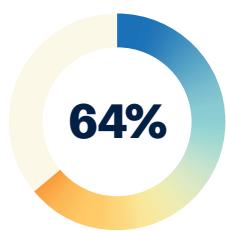
To understand how well prepared today's organisations are for the future of work, we surveyed leaders to understand which skills groups are most common within their organisation today and which they think will be the most important for achieving future goals.



For the purposes of this research, skills were grouped as follows:

Skills Group	Definition	Skills Examples
Digital	Digital skills enable you to use technology effectively and responsibly.	Digital literacy, Gen AI, coding and programming
Specialist	Specialised knowledge and abilities are required in order to perform tasks and solve problems within a particular field, industry or area of expertise.	Accounting, design, engineering, healthcare
Operational	Operational skills are needed to carry out the day-to-day activities and processes that keep an organisation functioning efficiently.	Planning, project management, time management
Individual	Individual skills are the personal attributes, abilities and qualities that make you unique and influence how you approach tasks and navigate the world.	Critical thinking, adaptability, resilience, creativity
Social	Social skills are what we use to communicate and interact with others effectively. These skills are crucial for building connections, collaborating effectively and thriving in various social settings.	Empathy, emotional intelligence, communication, conflict resolution
Leadership	Leadership skills are the abilities individuals demonstrate to guide, motivate and influence others towards achieving a common goal.	Goal setting, delegation, coaching and mentoring

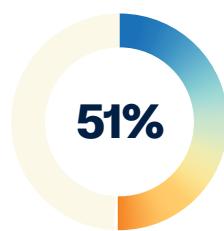
The top three most common skills groups within organisations today are:



Operational



Digital



Specialist



Not only are these the most common skills groups within organisations today, they are also the same skills business leaders say their organisation will need to accomplish its goals over the next five years. Business leaders view digital skills as the most important group for accomplishing their future goals, which will be key to infusing AI into existing business processes and ensuring that employees are able to leverage these tools effectively.

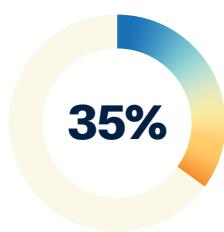
	Most common skills groups within organisations today:	Most important skills groups organisations need in order to achieve future goals:
Operational	64%	59%
Digital	60%	65%
Specialist	51%	47%
Leadership	42%	41%
Social	37%	39%
Individual	35%	36%

Survey questions: Which of the following skills are most common in your organisation today? What expertise missing from your organisation today due to skills shortages is having the greatest impact? What are the most important skills your organisation will need to accomplish its goals in the next 5 years? Respondents selected up to three (3) answers for each question. n=2,300.

Whilst AI is currently unable to replicate many of the specialist skills highlighted above, there is a very real possibility that many operational and digital skills will become the remit of AI agents in the near future – putting more emphasis on the social, individual and leadership skills that make us uniquely human.

Social, individual and digital skills are top areas of concern

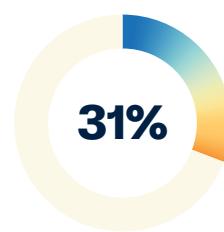
The skills categories that leaders identified as the main areas of expertise currently missing from their workforce include:



Social skills
such as communication, teamwork and problem-solving



Individual skills
such as personal adaptability, resilience and creativity



Digital skills such as digital literacy and proficiency with software and Gen AI

While digital skills will be needed to reap the rewards of AI and other new technologies, soft skills are essential for managing the transition and adapting in the face of future change.

Human skills. AI support.

A separate Workday study, [“Elevating Human Potential: The AI Skills Revolution”](#), reinforces the importance of soft skills. Our findings across studies are consistent: AI is expected to support the skills revolution, while uniquely human qualities will remain critical.

Our previous research found that the top four human-centric skills deemed least likely to be replaced by AI are also those considered the most important – both today and in an AI-driven future:

1. Ethical decision-making and moral judgment
2. Emotional intelligence and empathy
3. Human networking and relationship building
4. Conflict resolution¹

Biggest skills gaps by industry

The most pressing skills gaps vary by sector, reflecting the unique challenges and opportunities faced by different types of organisations. For example, the need for digital skills is most pressing in higher education and healthcare where organisations have long struggled with the need to balance technological modernisation with budget concerns.



Higher Education
Digital skills



Healthcare
Digital skills



Financial Services
Social skills



Manufacturing
Social skills



Government
Individual skills



Hospitality
Social and digital skills



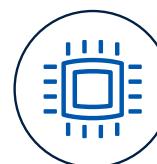
Media
Digital skills



Professional Services
Individual skills



Retail
Social and individual skills



Technology
Social and individual skills

Survey questions: What expertise missing from your organisation today due to skills shortages is most impactful? Respondents selected up to three (3) answers. n=2,300.

Skills-based strategies take hold

Embracing the transition: organisations are well on their way

With more than half of organisations worldwide (55%) having started the transition to a skills-based model and an additional 23% planning to do so within the next 12 months, it's clear that leaders see skills-based strategies as not only a solution to looming talent shortages, but also as a way to make their organisation more adaptable and resilient in the face of change.



The majority (81%) of business leaders believe that transitioning to a skills-based approach increases an organisation's potential for economic growth.



Working alongside forward-thinking customers and undergoing our own skills transformation, we're now seeing measurable business impact of implementing skills-based strategies. This marks a critical shift from theory to results. In the age of AI, a robust skills-based strategy is no longer a 'nice-to-have' but the foundation for sustained competitive advantage.

Josh Tarr

Director of Skills Based Organisation, Workday



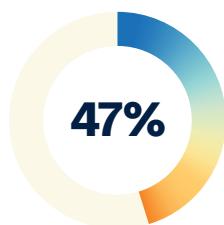
What is a skills-based organisation?

A skills-based organisation places skills at the centre of its workforce strategy, creating a new operating model to elevate humans and supercharge work. Skills-based organisations use AI and skills as the data language of work to build more resilient and agile workforces.

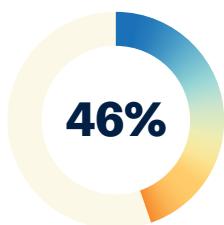


Top drivers for becoming a skills-based organisation

Organisations adopt skills-based strategies for a variety of reasons, but overall, top drivers reflect a shift towards building organisations that are resilient, adaptable and high performing:



expect improved productivity and business growth



expect greater innovation and creativity

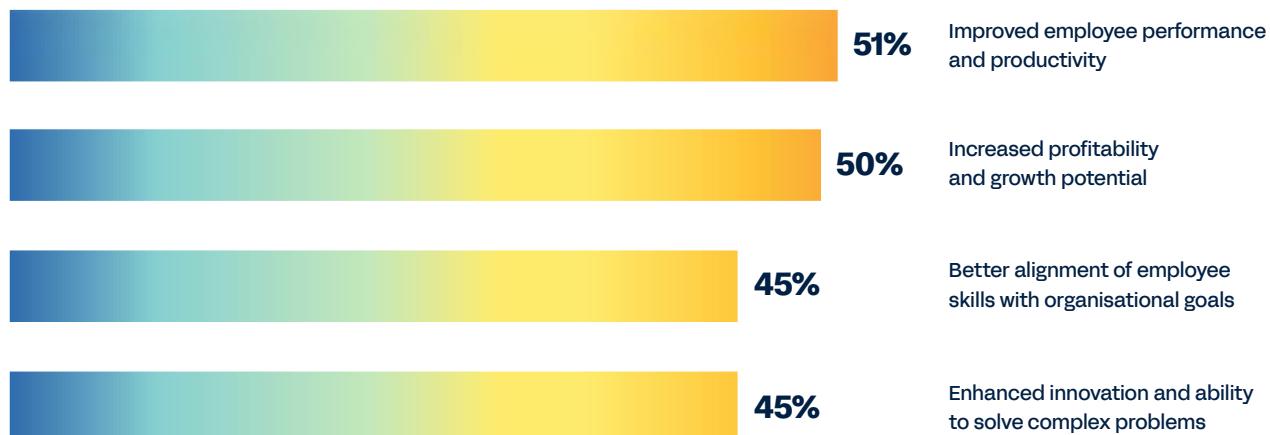


expect increased organisational agility and internal mobility

Survey question: What do you believe are the primary drivers for transitioning to a skills-based organisation? Respondents selected up to three (3) answers. n=2,300.

Anticipated outcomes: Aligning benefits with business goals

The expected benefits of a skills-based approach closely mirror the drivers outlined above:



Survey question: What benefits does your organisation expect from transitioning to a skills-based organisation? Respondents selected all answers that applied. n=2,300.

Goals of skills-based strategies by department:



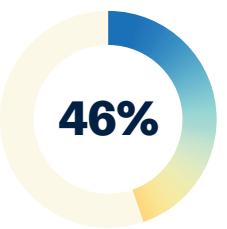
Operations:	IT:	Finance:	HR:
Employee performance and productivity improvements, and increased profitability and growth potential	Improved employee performance and productivity	Profitability and growth potential	More effective talent acquisition and retention



IT:
Improved employee performance and productivity



Finance:
Profitability and growth potential



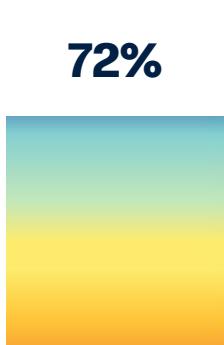
HR:
More effective talent acquisition and retention

Survey question: What benefits does your organisation expect from transitioning to a skills-based organisation? Respondents selected all answers that applied. n=2,300.

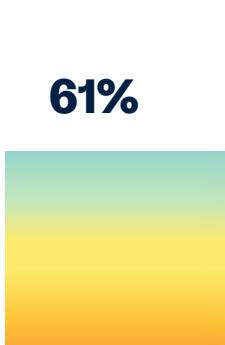
Business leaders also see a skills-based approach as a way to help achieve significant social impact:



expect equal access to opportunity



expect increased diversity and inclusivity



anticipate a reduction in unemployment

Survey question: Please indicate how much you agree or disagree that a skills-based organisation can help achieve each of the following outcomes: close productivity gaps, decreased unemployment, equal access to opportunity, increased diversity and inclusivity. Respondents chose one (i) of the following answers: Strongly disagree, somewhat disagree, neither agree nor disagree, somewhat agree, strongly agree. n=2,300.

This alignment between drivers and anticipated outcomes highlights the perception among business leaders that a skills-based strategy will help to address both organisational performance and broader workforce challenges in the years to come.

How organisations are future-proofing their workforce

Organisations are actively deploying a variety of strategies to address skills gaps and prepare for the future. Clearly, AI is proving useful in supporting skills-based initiatives, rising to the top of existing strategies in play. Mentorship and coaching remain crucial, however, and continue to be a trusted approach in the effort to solve for skills gaps.

Key strategies organisations are using include adopting AI and other new technologies, implementing mentorship and coaching programmes, and increasing internal mobility to place talent more effectively.

Adopting AI and other new technologies	49%
Implementing mentorship and coaching programmes	46%
Increasing internal mobility to place talent more effectively	44%
Implementing a skills-based hiring strategy	44%
Investing in employee professional development	41%
Hiring qualified new talent	37%
My organisation is not doing anything to address skills gaps	9%

Survey question: What is your organisation doing to address skills gaps? Respondents selected all answers that applied. n=1,940.



To thrive in today's competitive and fast-changing landscape, Workday and many of our customers are transforming to a skills-based workforce. It's about ensuring we have the right people with the right skills at the right time to move the business forwards; and it wouldn't be possible without AI.

Ashley Goldsmith
Chief People Officer, Workday



The goal: Accelerate the transition to a skills-based future

But reskilling, resistance and alignment struggles hold organisations back

Transitioning to a skills-based organisation is a complex process, and organisations face several challenges related to a lack of organisational and technological maturity:

43% Time required to reskill employees

Building new skills can strain time and resources, which can strain existing workflows.

38% Resistance to change

Employees and leaders may hesitate to adopt new strategies, fearing disruption or uncertainty.

34% Alignment issues

Many struggle to ensure skills strategies match business objectives.

Takeaway:

Investing in more mature systems and processes empowers organisations to drive smoother transitions and higher-impact outcomes.

The role of technology in solving these challenges

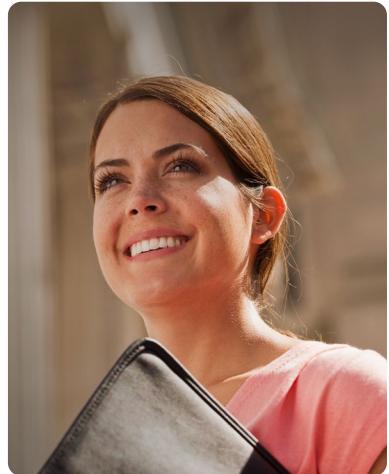
- **Faster reskilling:** Personalised learning tools reduce time needed to upskill.
- **Reduced resistance:** Data-driven insights and clear ROI encourage buy-in.
- **Improved alignment:** Integrated systems reduce silos and inefficiencies.



Tech troubles: Data integration and measurement remain key hurdles

Technology barriers – mainly in data management, infrastructure and measurability – still block the path to skills-based strategy:

- 33%** Connecting and consolidating data across systems
Fragmented systems hinder a unified view of workforce skills.
- 28%** Inadequate technology infrastructure
Outdated systems limit implementation and scale.
- 28%** Lack of tools to measure skills
Organisations struggle to identify gaps, track progress and prove ROI.



Takeaway:

Accelerating a skills-based future requires integrated, scalable technologies for a unified approach to measurement and data integration.

Overcoming challenges: Effective communication and tech adoption are key to skills-based success

Despite challenges, the momentum of skills-based strategy is clear. To accelerate success, leaders are prioritising approaches combining leadership, communication and technology.

The top programmes thought most likely to accelerate success include:

- 48%** Effective change management strategies, helping organisations navigate the shift with structured plans and support
- 48%** Clear communication of benefits and goals, ensuring leaders and employees see the “why” behind the transition
- 45%** Adoption of technology for skills assessment, management and measurement to help act on workforce insights

Takeaway:

By aligning communication, leadership and technology, organisations can overcome resistance and drive a smooth, effective transition to a skills-based approach.

Taking the first step on your skills journey

Despite the majority of organisations embracing a skills-based approach, not all are moving at speed. Some remain hesitant, with 8% planning to start transitioning more than a year from now, and a notable 13% reporting no plans to transition at all.

For organisations yet to begin their skills-based journey, it's essential to focus on creating value for a particular part of the organisation. That could mean adopting skills-based hiring to address gaps within a specific department, reskilling an entire team through personalised learning and development, or improving retention by matching existing employee skills to growth and development opportunities across the organisation.

Value-driven approach to skills transformation:



Focus on business needs:

Identify and solve for key business needs at enterprise and functional levels.



Solve key use cases:

Find strong use cases and partner with teams as pilots to get quick results.



Advance skills data:

Continually advance the quality and application of skills data.



Evolve talent practices:

Use talent practices as a key vehicle for delivering the value of skills.

It's vital to remember that becoming a skills-based organisation is a journey. Even during the early stages of this transition, a skills-based approach will start to deliver results, which over time will begin to compound and positively impact all aspects of the organisation.



We know that upskilling, reskilling and optimising how we leverage our teams is necessary to prepare our businesses for the future of work. We also know that our customers are grappling with these same challenges. There's no better way to ensure that we're best equipped to help customers along their own skills journey than to walk the path first.

Sheri Rhodes

Chief Customer Officer, Workday



AI as a catalyst for change: 41% believe AI can help to mitigate skills shortages

In the era of AI, skills create a common language to connect how work gets done. And AI, in turn, maps that skills language to the most important things that workers want to do – get hired, develop new skills and advance their career.

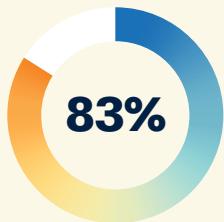


Elevating human potential: The AI skills revolution

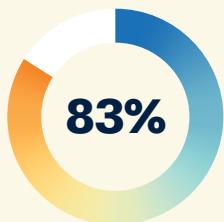
The importance of AI for accelerating the transition to a skills-based approach is further highlighted by the findings from our report ["Elevating Human Potential: The AI Skills Revolution."](#)

The research found that more than half of respondents (53%) agree that AI will augment human capabilities and lead to increased productivity and new forms of innovation.

The study illustrates some of the ways AI helps make a human-centric approach to business more attainable.



believe AI will both elevate the importance of uniquely human skills and enhance human creativity, leading to new forms of economic value²



agree that AI tools support their ability to develop new skills in their role

The moment for skills is now, and skills-based AI opens up new categories of employee experience that were unimaginable just a few years ago. In addition to accelerating the transition to a skills-based approach, business leaders see AI as a way to help address current gaps, with 41% strongly agreeing that AI has the potential to mitigate skills shortages.

We asked respondents what they believe are the potential benefits of using AI as part of the transition to a skills-based approach. The top three include:



While AI has an important role to play, it doesn't offer a "silver bullet" solution. Weak consensus among business leaders about AI's top benefits means that organisations are still trying to determine the best use of AI as part of their transition to a skills-based approach. How leaders proceed will depend largely on which aspect of workforce management they plan to prioritise, whether that's hiring and retention, internal mobility or personalised learning and development.

How Workday customers are using AI

Based on our work with organisations worldwide, companies are currently using AI to accelerate their skills transformation in the following ways:



Inference. Advanced models, such as Workday Skills Cloud, infer skills by analysing a wide range of data types to identify probable skills associated with a job or worker.



Curation. The inferred data is curated to highlight the highest-quality and most relevant skills, ensuring focus on the skills that matter most to a worker's role and contributions.



Matching. AI recommends matches between skills and opportunities, which can include better alignment among employees' skills and jobs within the organisation, personalised learning opportunities and career growth pathways.



By integrating AI into their skills strategy, organisations gain the ability to address today's workforce challenges while preparing for tomorrow's opportunities.

Key skills-based strategies

Skill identification: Building an accurate picture of workforce capabilities

Only 54% of business leaders say that they have a clear view of skills within their organisation.



What it is: Skill identification is the process of identifying and confirming the skills that exist within an organisation (skills supply) and the skills that are most important to the jobs and work the organisation carries out (skills demand).



Why it matters: Skill identification is a foundational step in skills-based transformation as it provides insights to make informed decisions about hiring, training and development.



How it works: Conducting a skills inventory is typically done by using AI to infer highly relevant skills from various data sources, such as job descriptions and resumes, business processes and labour market information, and then confirming those skills with stakeholders to build a company-specific taxonomy – or categorisation of skills data.



How Best Buy Canada uses an AI-based skills approach to drive career growth and retention

The company's goal was to identify the skills available within the organisation, and match employees with internal openings in order to improve retention.

Solution:

- Identify skills that exist in the organisation using Workday Skills Cloud
- Partner with senior leaders to determine key roles and initiatives
- Recommend opportunities to employees who have skills that match the needs of key roles and initiatives

Results:

- 30% increase of skills listings on employee profiles
- 14% year-over-year increase in internal fills
- 16% decrease in staff turnover



Skills-based hiring: Focusing on what people can do, not their credentials

A full 86% of leaders say they are comfortable with hiring candidates based on their skills profile.



What it is: Skills-based hiring is a method of recruitment that prioritises a candidate's skills over their credentials or former job titles.



Why it matters: Qualifying a candidate based on degrees, past employers and previous job titles doesn't accurately indicate whether or not a candidate can do the work required. Examining the skills a candidate has gained and examples of how they have demonstrated those skills provides hiring managers with a more precise evaluation and increases the pool of potential candidates.

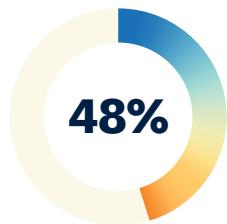


How it works: Once the critical skills for open roles within an organisation are confirmed through a skills inventory, those skills are then used as the focus of the hiring process to ensure that candidates are evaluated for a consistent set of skills. Organisations often develop interview guides, craft behaviour-based interview questions, and provide training to interviewers to execute a successful skills-based hiring approach.

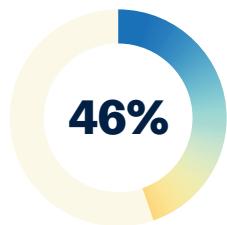
The top strategies Australian organisations are adopting to close the skills gap include:



Implementing mentorship and coaching programs



Increasing internal mobility to place talent more effectively



Implementing a skills based hiring strategy



For Australian and New Zealand HR leaders, the message is clear: AI isn't just an advantage, it's our future. By embracing a skills-first approach and leveraging Agentic AI, we can proactively bridge talent gaps, supercharge productivity, and cultivate a high-performance workforce. This empowers our people to innovate and thrive, driving our regional businesses forever forward.

Allyson Skene

Vice President of Global Product Vision and Experience, Workday



Upskilling and reskilling: Elevating the workforce

Only 32% of organisations strongly believe that the skills in their organisation today are the ones that they will need for future success, which is why 95% of organisations have upskilling and reskilling efforts underway.



What it is: Upskilling and reskilling programmes help to develop workers' skills and prepare them to enhance their performance as the responsibilities of their current role changes or as new roles are created within the organisation.



Why it matters: Existing jobs and skills are changing so rapidly that organisations are likely to struggle with filling open roles before the requirements become outdated. Findings from the ["Workday Global Workforce Report"](#) also found that internal hires are 80% more likely to be rated as a "top performer" in their first calibration in their new role compared to external hires.



How it works: Organisations focus learning solutions on the skills they have identified as most important for job performance and then match workers to the upskilling and reskilling opportunities that both align to their growth goals and maximise their existing strengths. This personalisation enables workers to focus on developing the skills critical to the organisation's success while also enhancing their career prospects and optimising costs to avoid unnecessary spend on the development of less-important or obsolete skills.



We strive to cultivate a culture of continuous learning and development, where employees can connect with new skills, opportunities and projects that align with their ambitions. With AI-powered technology, we can now identify skills gaps in real time, enabling employees to seek out growth opportunities while helping managers connect with the right talent more effectively.

Lynn Van Oossanen

Global Head of People Solutions,
Ferring Pharmaceuticals



How Ferring created a culture of continuous learning and development

While Ferring currently infers skills from worker data, it still lacked a way to connect workers with recommended development opportunities.

Solution:

- Optimise talent mobility by matching candidates to internal jobs and gigs
- Identify critical skills gaps, particularly in key areas of research and development
- Ensure global compliance in a highly regulated industry with diverse HR legislations

Results:

- 272 gigs posted to Talent Marketplace in 8 months
- 63% increase in Talent Marketplace adoption
- 90% of gigs fully staffed

Start your skills-based journey today

Our research reinforces the importance of a skills-based approach for addressing the challenges posed by rapid technological advancements and shifting demographics. By prioritising skills, organisations can better adapt to change, identify and address skills gaps, and create a culture of continuous learning. This approach not only drives organisational growth but also empowers employees to develop valuable skills and embrace new opportunities.

The transition to a skills-based organisation is an investment in preparing your workforce for the future and ensuring long-term success in an increasingly dynamic environment. Embracing a skills-based strategy is a necessity to foster the agility and resilience required in the age of AI.

Build a skilled workforce for the future of work

Create better people strategies and meet your organisation's needs by upskilling, reskilling, redeploying and hiring new talent with ease.

Workday supports businesses worldwide with their transition to a skills-based organisation. We deliver an open, intelligent skills foundation combined with an enterprise-wide skills platform. We provide rich insights into workforce skills that inform workforce management decisions. And our data is clean, secure and comprehensive so you can make decisions with confidence.

- 2,500+ Workday customers are using our skills products.
- Over 30% of the Fortune 500 are using Workday Skills Cloud.

[The future is skills-based. Let's build it together.](#)



Skills in action: Lessons from the field

Our experience working with customers on their skills journey has given us a much clearer understanding of what it takes to make the change. Here is our winning formula for a skills-based organisation – the three key principles that can make all the difference:

1. Create a shared vision:

Our skills strategy was built based on employee feedback and business needs. Acting on a shared vision helped take skills transformation from an HR project to an organisational movement.

2. Invest in quality skills data:

Skills data is the fuel that accelerates skills transformation. Without quality skills data, it won't be possible to drive quality outcomes. We used internal and external sources, and collaborated with people leaders to build a comprehensive and reliable skills data framework.

3. Iterate early to learn fast:

Progress over perfection is the key to early wins and helps drive the enthusiasm needed to carry the project to maturity. We start most of our skills initiatives by running pilots with business teams who have compelling use cases that drive towards a business outcome. This enables us to learn quickly and make improvements before scaling the initiative to the wider organisation. Skills transformation is an exciting journey – don't forget to have fun along the way and celebrate every win.

Focus on ANZ: The state of skills in ANZ

Australia

Australian organisations are eager to overcome skills shortages

Addressing the skills shortage is a top driver for companies transitioning to skills-based organisations (60%). The time needed to reskill employees (57%) is the main challenge Australian business leaders see when transitioning.

How Australian organisations can future proof their workforce

The top strategies Australian organisations are adopting to close the skills gap include implementing mentorship and coaching programs (53%), increasing internal mobility to place talent more effectively (48%) and implementing a skill based hiring strategy (46%).

Australian business leaders are highly confident in their ability to execute AI/ML to solve talent challenges

While 59% of respondents agree that the skills in their organisation are what they will need in the future, 92% agree that leveraging or adopting AI will mitigate a skills shortage.

New Zealand

Business leaders in New Zealand (60%) seek improved recruitment and retention from a shift to a skills-based organisation

New Zealand organisations see specialist skills as most important skills today (92%)

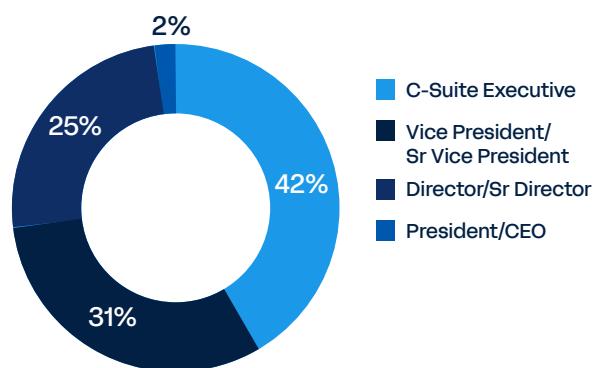
But digital skills (52%) is currently the most impactful missing expertise field due to skills shortages.



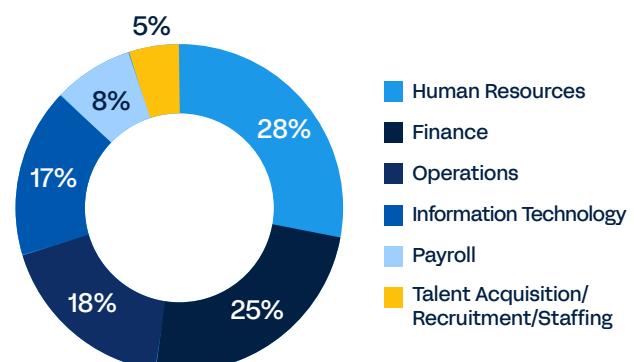
Research methodology

These findings are based on a global study of 2,300 business leaders in director-level positions or higher from organisations employing at least 100 people worldwide. The survey was administered by Hanover Research on behalf of Workday in November 2024. All respondents were employed full time across the following regions: North America, EMEA and Asia Pacific and Japan. Workday leaders and employees were not included in the survey set.

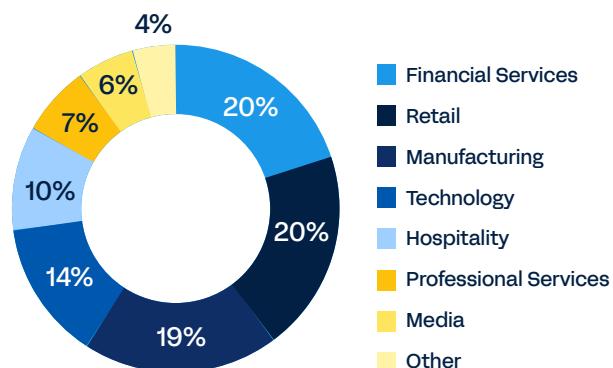
Results by role



Results by department



Results by industry



Sample size by country

Australia	151	Japan	150	South Korea	100
Austria	75	Luxembourg	26	Spain	98
Belgium	26	Mexico	99	Sweden	50
Canada	100	Netherlands	100	Switzerland	75
France	150	New Zealand	50	United Kingdom	149
Germany	150	Republic of Ireland	50	United States	301
Hong Kong	100	Singapore	149		
Italy	100	South Africa	51		

Sources:

¹ [Workday, "Elevating Human Potential: The AI Skills Revolution"; 2025.](#)

² [Ibid.](#)