



Executive insights by Eightfold AI

# Skills are the key to successfully navigating a recession

**92% of HR leaders are planning on increasing their use of AI in at least one area of HR in the next 12-18 months.**

– [“The Future of Work: Intelligent by Design,”](#) Eightfold AI

## Higher skilled workers can produce more, helping economies and businesses thrive.

### How to out-skill a recession

There are several approaches organizations take when managing an economic downturn: They might hunker down, lay off employees, and freeze hiring, or go all-in on innovation, developing new products and ways of operating. But is one approach better — and why? And how can organizations ensure they’re equipped to succeed?

According to a 2022 Gallup and AWS [study](#), “digital skills provide immense economic value to businesses and workers worldwide, raising gross domestic product (GDP), revenue growth, innovation, wages, job security, and job satisfaction for businesses that integrate these technologies and the workers who acquire the needed skill sets,” but “while both workers and organizations cite strong interest in digital-skills training, companies around the world are struggling to fill vacant jobs that require these skills.”

As AI and digital transformation redefine the skills required in today’s economy, organizations focused on hiring and developing talent with highly sought-after digital skills will have the most productive workforces and the strongest ability to weather economic turbulence.



## How skills are changing the nature of work

The half-life of skills — the amount of time before a skill loses half its value — is quickly shrinking. In 2017, the measure was about [five years](#). By 2021, that estimate dwindled to four years. The longevity for technical skills is even shorter at just [2.5 years](#).

For years, AI has been slowly taking over repetitive tasks that don't require human supervision or expertise. More recent advances in generative AI — AI that creates content based on data, like [ChatGPT](#) or [Deep Dream](#) — have accelerated what AI can do. A new [report](#) by Goldman Sachs predicted the latest advancements in AI could lead to 300 million jobs being lost or degraded.

As a result, jobs that AI can't perform will become [more specialized](#). Complex human skills, like problem-solving and creativity, will grow in value, and workers with these skills will likely have more employment opportunities and command higher salaries in the near future — especially if they can easily work with AI-based tools and technologies. But this also means that the competition for top talent, which is already tough, is going to get tougher.

To acquire the skills necessary for a changing economy, organizations will need to adopt a [skills-based approach](#) to hiring and upskilling. As industries evolve, [reskilled](#) or upskilled workers will be more likely to transition to new jobs, which will help reduce unemployment and mitigate the adverse effects of economic downturns.

Additionally, upskilling helps employees work more efficiently, produce higher quality work, and improve their problem-solving abilities. These outcomes improve morale, with nearly three-quarters of employees with advanced digital skills expressing [high job satisfaction](#) and higher confidence in their job security.

To create a flexible, teachable workforce, organizations must first identify the job requirements of tomorrow and the people with the potential to do them. With skills-based talent planning, leaders can assess and adjust their workforce strategies to changes, internal or external, by proactively upskilling employees full-time or contingent talent for others.



**“Organizations with a skills-based approach are 57% more likely to be agile.”**

– [“Navigating the end of jobs,”](#)  
Deloitte

**Only 35% of employers offer all employees opportunities to pivot into new roles within the company.**

– [“The Future of Work: Intelligent by Design,”](#) Eightfold AI

### 3 steps to build a skills-based talent strategy

**1 Identify the most immediate skills needs**  
Creating programs to advance the skills and engagement of people isn’t enough. Organizations must identify the most immediate skill needs and prioritize these areas for the greatest return on investment. With limited budgets for professional development, organizations must ensure they’re investing wisely.

[Talent Intelligence Platforms](#), like Eightfold AI, enable organizations to identify current or future skills gaps. Talent leaders can then use that information to build a plan for acquiring those skills through hiring, upskilling, or even bringing in contingent talent for project-based work.

**2 Increase awareness about skills-development programs**  
Talent leaders must make an ongoing effort to alert employees about skills-development programs. Workers may not be aware of career-advancement opportunities and may miss out on participating in these programs. Organizations should use communication campaigns and feature ambassadors to highlight the benefits of skilling and coaching initiatives.

For example, organizations could create an internal [talent marketplace](#), a hub where the organization lists new projects, gigs, mentorships, and events that can help employees gain desired skill sets. A talent marketplace like this could also help managers identify employees outside of their teams with the skills they need to complete a critical project.

**3 Create the time and space for people to participate**  
Employees’ lack of dedicated time to improve skills to reach professional goals is a significant obstacle in their career advancement. Organizations should give employees the time and space to focus on learning and development. In doing so, organizations will get the skills they need to grow, and their employees will feel engaged and valued.

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## Discover your workforce's potential

Workforces fueled by skills-based talent planning, upskilling, and professional development are essential for organizations as the global economy enters its next phase. To succeed, organizations must have the ability to adapt and pivot to constantly changing needs.

Eightfold's Talent Intelligence Platform uses deep-learning AI and one of the world's largest global talent data sets to provide unrivaled insights into your workforce and the industry at large. Recruit talent efficiently, exceed diversity goals, retain top performers, and upskill and reskill your workforce with a single solution for all your talent needs.

[Transform your workforce.](#)

Eightfold AI's market-leading Talent Intelligence Platform™ helps organizations retain top performers, upskill and reskill their workforce, recruit talent efficiently, and reach diversity goals.