HR.com's Future of Upskilling and Employee Learning

Future proof your workforce

JULY 2025

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Executive Summary

In the world of upskilling and reskilling, 2025 brings both hope and heartache. The good news: HR pros know reskilling is urgent. The bad news: most think their current programs aren't ready for the future.

To better understand the depth of this challenge, 88% of respondents in our research indicate that at least some employees in their organization are being upskilled or reskilled. The World Economic Forum covers the global labor market extensively and reports that over 1.1 billion jobs will be radically transformed over the next decade.

The sheer magnitude of reskilling will necessitate that HR and L&D teams reassess their approaches to workforce development. It will largely move out of the classroom, be delivered remotely, and be personalized to the needs of each learner. Yet, only 21% rate their L&D efforts as high quality (8 or above out of 10).

In this study, we will closely examine the state of reskilling and upskilling. We will discuss the drivers, barriers, and the impact of technology on the quality of our talent. Finally, we will provide insights to help your organization enhance its upskilling and learning initiatives.

About the Survey

HR.com's "Future of Upskilling and Employee Learning 2025" survey ran between February and May 2025. We gathered usable responses from 146 HR professionals in virtually every industry. Respondents are from all over the world, with the majority from North America, especially the United States.

The participants represent a broad cross-section of employers, ranging from small businesses with fewer than 50 employees to enterprises with 20,000 or more employees. Over half (55%) of them are from organizations with 500 or more employees.

HRRI Insight

We use the term "upskilling" to refer to both reskilling and upskilling because the similarities far outweigh the differences. However, for purposes of workforce planning, there is a key difference. Almost all jobs will require some degree of upskilling. When considering entirely new roles that require different skill sets, HR must determine whether existing employees are motivated and capable of learning a new job or role, sometimes under time pressure, or if an outside hire might be a better option. This is where forecasting future talent needs becomes more essential for these "make or buy" decisions. For example, turning a classroom trainer into an AI learning design specialist.

Defining Upskilling and Reskilling

In the context of our survey and this report, we defined upskilling as follows:

Upskilling involves improving employees' existing skills and abilities and acquiring new ones so these workers can advance in their professional roles and careers. An example might be teaching a classroom trainer how to incorporate AI into personalized learning experiences.

Reskilling, on the other hand, involves developing (or hiring) an employee for a new role or career. An example here might be ensuring one or more professionals in an IT department can lead teams through agile work processes. For purposes of this report, we will use the term "upskilling" to refer to both upskilling and reskilling.

Major Research Findings

Major Finding 1

Upskilling is a high priority, but isn't always high quality.

- A strong L&D function is key to effective upskilling, yet only 21% rate their L&D efforts as high quality (8 or above out of 10), and 56% give scores of 6 or below.

- A minimum of one in three respondents in each of the three segments we asked about—top leadership, HR, and employees—consider upskilling to be among the top three organizational priorities.

- Looking ahead, 69% expect upskilling to become even more important over the next two years.

Major Finding 2

The need to upskill is growing, while barriers remain widespread.

- 45% of respondents expect at least 21% of jobs will be disrupted by technology and market changes in the next two years.
  - Key upskilling drivers include:
    - developing careers (63%)
    - retaining employees (61%)
    - boosting employee engagement (43%)
    - boosting job performance (42%)
  - Common barriers include:
    - lack of time and/or prioritization (81%)
    - budget/resources constraints (58%)
    - lack of management/leadership support (43%)

Major Finding 3

Skill levels of the current workforce are mixed.

- The good news is six in 10 respondents rated current skill levels for different segments of their workforce as above average or far above average. The reported skill levels are individual contributors in professional/technical roles, HR professionals, and senior leaders.

- On the other hand, skill levels in different segments were rated only average, below average or far below average. These include individual contributors in non-technical/professional roles (39%), new hires (32%), and direct managers (36%).

Major Finding **4**

A large percentage of organizations are not using L&D best practices.

- Just 38% match learning to future talent requirements.

- 37% define measurable objectives for the learning program.

- And, just 22% remove barriers to learning experiences.

- Even the most common learning practices, that is remote learning and considering employee interest, goals and learning styles are only used by 54% of organizations.

Major Finding **5**

Corporate culture is aligned with the need for upskilling only on a few aspects.

- Forty-seven percent say their corporate culture supports upskilling by allowing everyone access to learning, 44% encourage everyone to teach others what they know, and 43% stress the role of learning in career development.

- Few organizations recognize employees for learning (24%), or embraces learning from mistakes (32%).

Major Finding **6**

Few organizations are reskilling employees in response to AI.

- Only 8% of organizations have a mostly complete and formalized approach for upskilling employees in response to AI. Over a third (36%) do not have a plan and don't plan on developing one.

- Organizations currently use internal online courses (70%) and learn by using (61%) as the most prevalent methods for reskilling their employees for generative AI.

Major Finding **7**

Upskilling produces significant outcomes.

- 68% agree or strongly agree that upskilling results in a substantial improvement in job performance.

- Other improvements are noted in employee engagement (60%), employee retention (59%) and career mobility (54%).

Major Finding **8**

Compared to organizations that do not rate the quality of their L&D highly (L&D laggards), those that do (L&D leaders) are:

- over 6X more likely to use learner satisfaction scores to measure the impact of employee upskilling

- over 2X more likely to use microlearning strategies over the next two years to support employee upskilling

- over 2X more likely to use a wider variety of practices that support learning channels including:
    - ▸ developing competency-based career paths
    - ▸ matching learning to future talent needs

- about 2X more likely to say they have learning paths for career growth

- more likely to rate the skill levels of employees across all segment as above or far above average compared to laggards

Please note that the findings and recommendations contained in this report are informational only. Nothing in this report should be construed as constituting legal opinions or advice. Please consult an attorney if you have questions about the legal requirements, rules or regulations associated with any content discussed in this report.

The State of Learning and Upskilling Today

Differences based on organization size

For the purpose of our study we defined small organizations as those with 1-99 employees, midsize organizations as those with 100-999 employees, and large organizations as those with 1,000+

Finding: Few respondents rate the overall quality of L&D in their organization highly

Only 21% of respondents give high marks to the quality of learning and development in their organizations (that is, eight or above on a 10-point scale). This finding is similar to HRRI's 2024 upskilling report.

Of course, if the overall quality of learning is low, upskilling will suffer, and, ultimately, so will business.

Differences by organizational size

When it comes to the overall quality of learning, those in large organizations are least likely to rate their organization as an 8 or above on a 10-point scale (5%). Those in small organizations are more likely to say they have high quality learning and development (21%). Midsize organizations, however, are by far the most likely to rate their organization's overall quality of learning as an 8 or above (61%).

Please rate the overall quality of learning and development in your organization.

Bar chart values by rating:
- 1 (It's terrible or non existent): **3%**
- 2: **5%**
- 3: **7%**
- 4: **6%**
- 5: **19%**
- 6: **16%**
- 7: **24%**
- 8: **16%**
- 9: **3%**
- 10 (It's perfect): **2%**
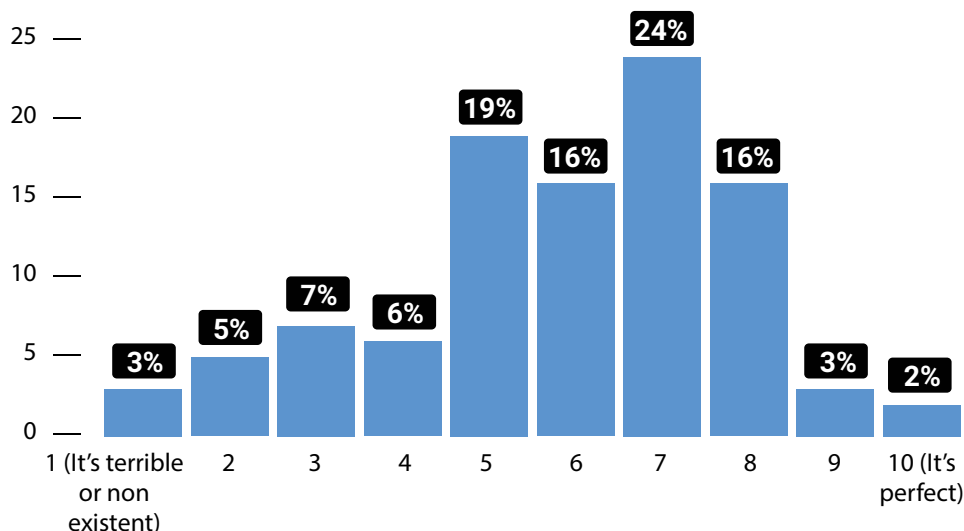
4 in 10 rate their organization's quality of learning as a 5 or below

The Cohort Classification in this Study: L&D Leaders and L&D Laggards

For this report, we conducted various analyses to gain insights into the practices most widely used by organizations with high-quality L&D functions. Specifically, we segmented the data into two cohorts and analyzed the responses.

L&D leaders: Respondents who rank the overall quality of their learning and development in their organization as a minimum of seven or above on a 10-point scale. Note that in 2025, we expanded the definition of "L&D Leaders" to include those who selected 7 to 10 (as opposed to 8 to 10 in 2024) because we wanted a higher number of respondents in that category for the purpose of statistical analysis.

L&D laggards: those respondents who rank the overall quality of learning and development in their organization as a six or below on a 10-point scale.

Of course, correlation is not the same as causation. While we cannot state that any specific practice will lead to a higher quality of learning, we do see intriguing relationships that may, if used, lead to improved upskilling and learning practices. Throughout the report, we will compare some of the key differences between the leaders and laggards within select findings. In describing these differences, we will us the terms L&D leaders and L&D laggards or just "leaders" and "laggards."

Finding: Upskilling and/or reskilling is prevalent in most organizations

The overwhelming majority of respondents (88%) indicate that employees in their organization were being upskilled and/or reskilled in any given year.

Only 12% reported the total absence of reskilling/upskilling efforts. This confirms the magnitude of reskilling/upskilling efforts. In the remainder of this report, we take a closer look at the initiatives organizations are implementing to foster successful upskilling and reskilling.

In any given year, are at least some of the employees in your organization upskilled and/or reskilled?

12%

88%

Yes ■ No ■
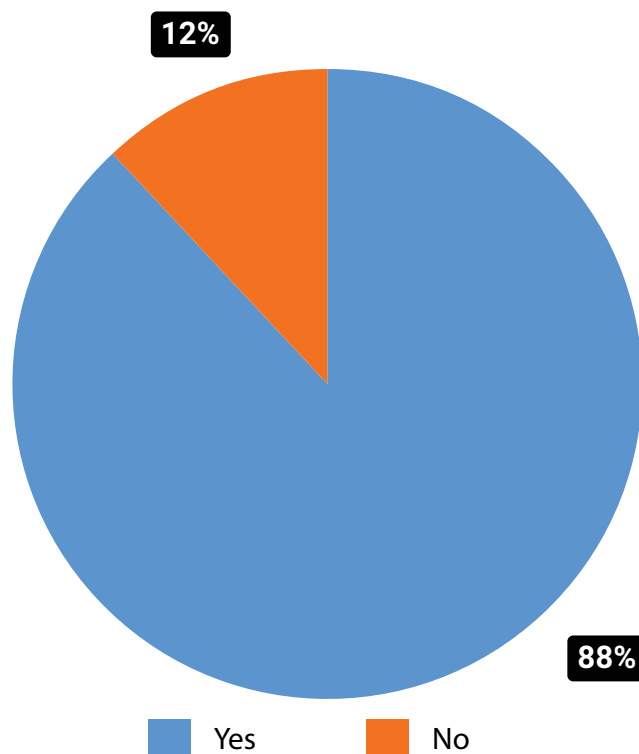
Editor's Note: The 3% of respondents that responded "Don't know" were removed from the data set and responses were recalculated.

Finding: Employees want to learn, but few believe employees are satisfied with their organization's learning culture

Successful upskilling depends on the quality of L&D within their organizations. To understand the current state of learning, we asked respondents to weigh in on six indicators related to high-quality education and development.

On a positive note, we found several relatively strong learning areas. Over 90% of respondents agree or strongly agree that employees want to develop their skills and 79% also agree or strongly agree that employees often teach one another work skills.

However, few organizations have what we call "cultures of learning," meaning that they support learning by providing an environment in which learning can thrive. We found that only 30% agree or strongly agree that employees are satisfied with the organization's learning culture, and 32% say the same about employees being given dedicated time for learning. Less than half believe that managers in their organization encourage employees to develop their skills, and only 52% actively agree that employees are provided with identifiable career paths and opportunities for growth and promotion.

This indicates a disconnect, employees want to grow, but many aren't getting the time or support they need. Yes, core responsibilities and duties are important, but dedicated learning time is also needed for future success of employees and organization.

Differences by organizational size

Sixty percent of those in midsize organizations agree or strongly agree managers encourage employees to develop their skills. A similar proportion (55%) of those in small organizations say the same. However, those in large organizations (42%) are least likely to agree or strongly agree managers encourage employees to develop their skills.

This may be because large organizations often have more formal, top-down structures where development is handled by HR or learning teams rather than individual managers.

To what extent do you agree with the following statements about your organization?

[Percent responding agree or strongly agree]

Statement	Percent
Employees in your organization want to develop their skills	**92%**
Employee often teach one another work skills	**79%**
There are learning paths for career growth	**52%**
Managers encourage their employees to develop their skills	**52%**
Employees are given dedicated time for learning	**32%**
Employees are satisfied with the organization's learning culture	**30%**

Scale: 0 20 40 60 80 100

Just 30% agree or strongly agree employees in their organization are satisfied with their learning culture

Finding: L&D leaders are far more likely to say employees are satisfied with the learning culture

Having a strong learning culture is a key component of upskilling programs. L&D leaders are nearly four times more likely than laggards to say their employees are satisfied with their organization's learning culture (47% vs. 12%). This satisfaction with the learning culture may be in part due to L&D leaders also being more likely to have learning paths for career growth and given dedicated time for learning.

To what extent do you agree with the following statements about your organization?
[Percent responding agree or strongly agree]

There are learning paths for career growth
- **67%**
- **35%**

Employees are satisfied with the learning culture
- **47%**
- **12%**

Employees are given dedicated time for learning
- **40%**
- **23%**

0 10 20 30 40 50 60 70

■ L&D leaders   ■ L&D laggards
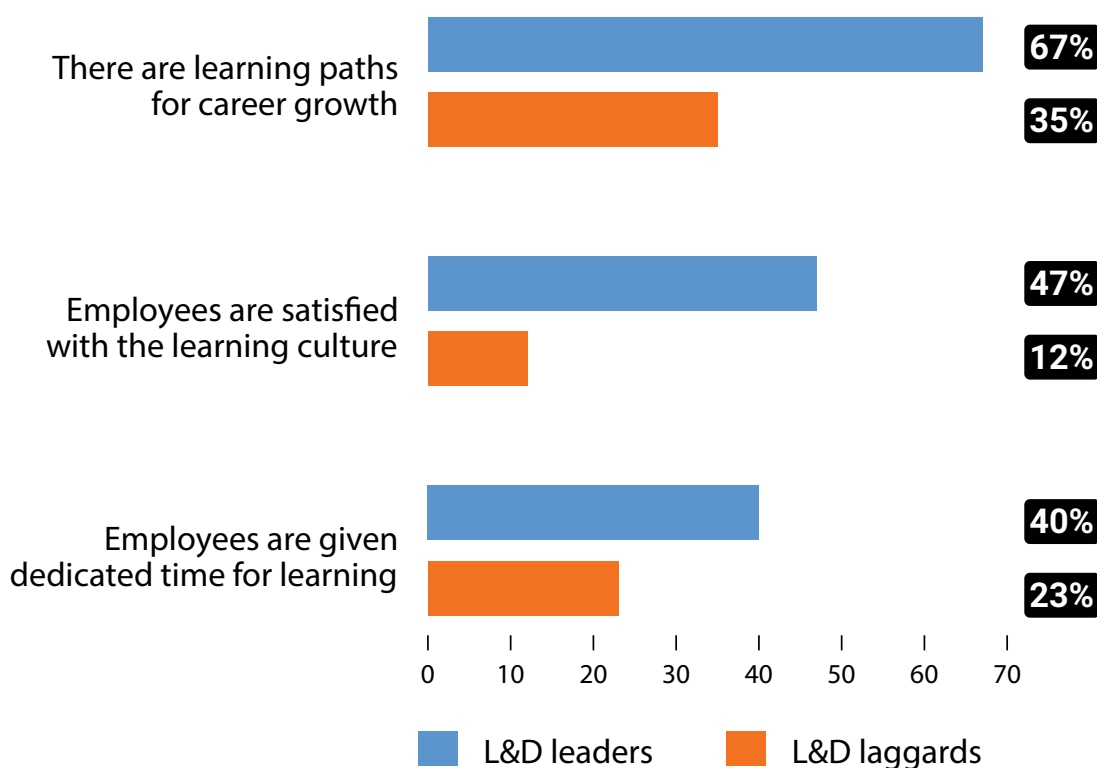
Finding: Key learning practices are absent in many organizations' L&D processes

Organizations are most likely to ensure remote learning is possible and consider employees' interests, goals, and learning styles (both at 54%). Remote learning enables employees to access training at any time and from anywhere, effectively reaching a dispersed employee population. Matching training to employee interests, goals, and learning styles can personalize learning, making it more relevant and interesting to the learner.

Fifty-one percent assess employee skills and knowledge gaps, enabling training in the skill areas most in need of development.

However, across all ten practices, none are embraced by an overwhelming majority of respondents. For example, just 37% define measurable objectives for their learning programs or align learning with the organization's needs. And, worryingly, only 22% remove barriers to positive learning experiences.

Which of the following practices does your organization engage in while designing/ implementing the learning and development processes? (select all that apply)

Practice	Percentage
Ensure that remote learning is possible	54%
Consider employees' professional interests, goals and learning styles	54%
Assess employees' needs and gaps in skills/knowledge	51%
Develop career paths involving competencies and skills	50%
Provide regular feedback to employees on their progress	45%
Match learning to future talent management needs	38%
Define measurable objectives for the learning program	37%
Educate employees to self-evaluate their skills gaps	28%
Consolidate input from multiple stakeholders	27%
Remove barriers to positive learning experiences	22%

0   10   20   30   40   50   60

Editor's Note: The 10% of respondents who responded "Don't know" were removed from the data set and responses were recalculated.

28% of organizations educate employees on how to self-evaluate skills gap

Finding: L&D leaders are more likely to use a variety of key learning practices when designing/implementing L&D processes

L&D leaders are more likely than laggards to engage in most of the L&D practices listed. For example, they are more than twice as likely as laggards to develop career paths based on competencies and skills (60% vs. 26%), provide regular feedback to employees on their progress (56% vs. 21%), as well as match learning to future talent management needs (46% vs. 19%).

Only one practice, assessing employees' needs and gaps, is more likely to be used by laggards.

**Which of the following practices does your organization engage in while designing/
implementing learning and development processes? (select all that apply)**

Practice	L&D leaders	L&D laggards
Develop career paths involving competencies and skills	60%	26%
Provide regular feedback to employees on their progress	56%	21%
Consider employees' professional interests, goals and learning styles	52%	43%
Match learning to future talent management needs	46%	19%
Define measurable objectives for the learning program	40%	26%
Assess employees' needs and gaps in skills/knowledge	37%	57%
Educate employees to self-evaluate their skills gaps	33%	16%
Remove barriers to positive learning experiences	25%	14%

■ L&D leaders   ■ L&D laggards

HRRI Strategic Recommendations

- Audit your L&D department to gauge the overall quality of learning and development in your organization.

- Conduct a gap analysis of your learning culture. Survey employees to benchmark their desire for growth against their satisfaction with current opportunities. Use this data to identify the most critical areas for improvement.

- Consider aligning learning opportunities with employee career aspirations. Move beyond generic training by linking development plans to individual career goals, showing employees a clear path forward within the organization.

- Empower employees to take ownership of their development. Provide resources and frameworks for self-directed learning. This may include giving employees times they can set aside to learn new things.

- Ensure managers are trained to support and guide individual journeys.

Trends and Priorities in Upskilling and Reskilling

Finding: New hires and direct managers are seen as the least skilled employees

We asked respondents to assess perceived skill levels among six employee categories. Only 45% believed direct managers currently possess above average overall skill levels. This highlights the need for ongoing development, especially in interpersonal and emotional intelligence skills. Senior leaders, however, ranked higher with 63% of respondents saying they believe they have above average overall skill levels.

In your organization, how would you rate the current overall skill levels of:

Category	Average, below and far below average	Above average or far above average
HR professionals	37%	63%
Individual contributors (professional and technical roles)	38%	63%
Senior leaders	38%	63%
Individual contributors (other roles)	51%	49%
Direct managers	55%	45%
New hires	60%	40%

Scale: 0 20 40 60 80 100

■ Average, below and far below average
■ Above average or far above average

Editor's note: The respondents who responded "Don't know" were removed from the data set. They represented between 1% to 4% of respondents. Numbers may not add up to 100% due to rounding.
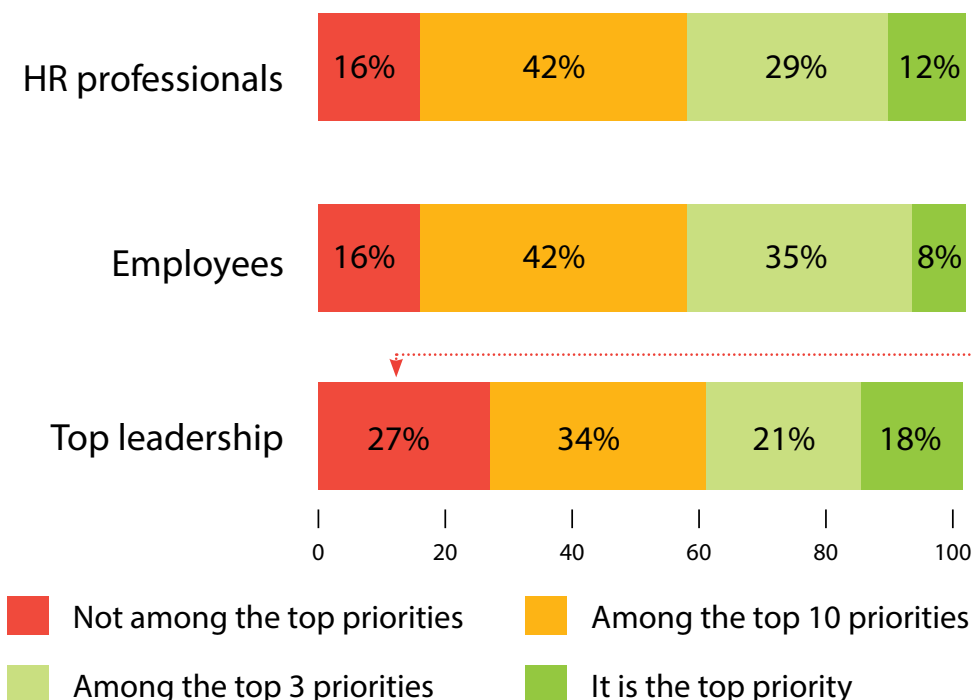
Finding: The majority say upskilling is among the top 10 concerns across all employee segments

Many organizations have placed a high priority on upskilling. In fact, 43% say it's a top or high priority for employees. HR follows at 41%, and top leadership at 39%. It's encouraging that HR, which leads most upskilling efforts, recognizes the need to keep pace with ongoing change.

However, some respondents say their organization does not prioritize upskilling. Given the predicted gaps in employee skills essential for their organization's future success, this finding should raise significant concerns.

How high a priority is upskilling among the following groups in your organization? (select the one that best applies)

	Not among the top priorities	Among the top 10 priorities	Among the top 3 priorities	It is the top priority
HR professionals	16%	42%	29%	12%
Employees	16%	42%	35%	8%
Top leadership	27%	34%	21%	18%

Editor's Note: The respondents who responded "Don't know" were removed from the data set. They represented between 3% to 7% of respondents. Numbers may not add up to 100% due to rounding.

Over a quarter say upskilling is not a top priority for top leadership

Finding: L&D leaders are more likely to say upskilling is at least among the top three priorities in each workforce segment

L&D leaders place a higher priority on upskilling. For top leadership teams, almost half of the respondents deemed upskilling to be the top priority or among the top three priorities. Only 26% of top leadership in laggard organizations consider upskilling as one of the top three priorities.

How high a priority is upskilling among the following groups in your organization?
[Percent responding "among the top three priorities" or "it is the top priority]

Top leadership
- 47%
- 26%

Employees
- 53%
- 29%

(Scale: 0, 10, 20, 30, 40, 50, 60)

■ L&D leaders   ■ L&D laggards
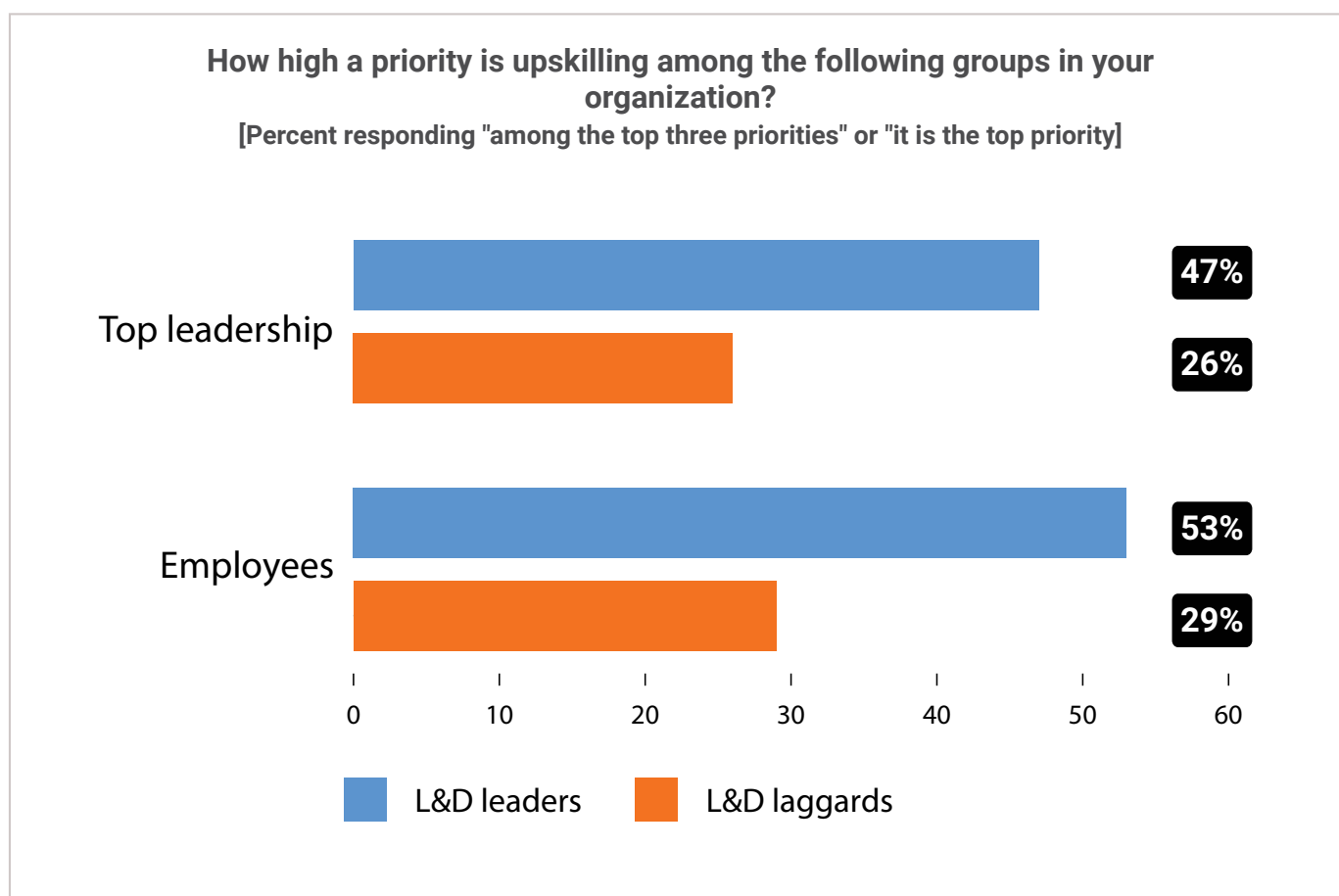
Finding: The need for upskilling varies considerably by organizational function

Nearly half of respondents believe operations (46%) or HR/talent management (45%) will be one of three organizational functions that will require the most upskilling over the next two years.

Thirty-eight percent believe senior leadership will require the most upskilling. This is understandable since this function determines new strategies, keeps on top of industry and technological trends, and ensures a competent workforce. While some functions will require more immediate upskilling, all functions must remain agile and responsive to change.

Employees from which three organizational functions will require the most upskilling over the next two years? (select up to three)

Function	Percentage
Operations	46%
HR/Talent Management	45%
Senior leadership	38%
Information technology	36%
Customer service	33%
Sales	17%
Corporate strategy	16%
Marketing	14%
Finance/Accounting	13%
Research & Development	13%
Legal/Compliance	4%

0   10   20   30   40   50

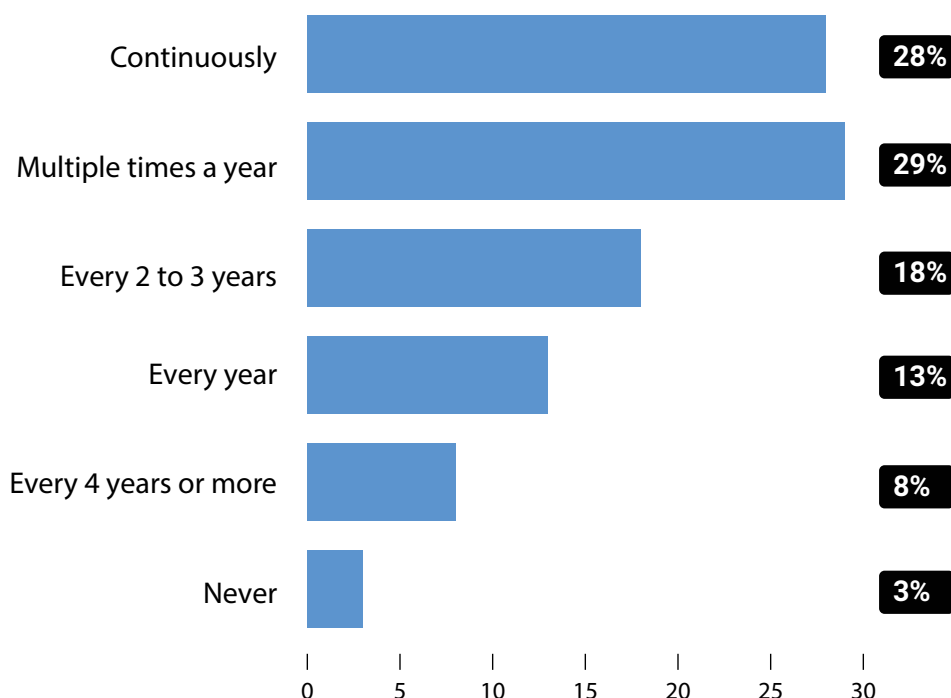**Just 4% say legal/compliance will require the most upskilling over the next two years**

Finding: Upskilling is a continuous process

Forty years ago, the half-life of a skill was estimated to be ten years. Due to technological advancements and rapid changes in business models, the number has dropped to only four years and is continuously getting shorter. The implication is that upskilling and reskilling will need to be a continuous process.

Only 28% of our respondents agree with that assessment, indicating that the upskilling process must be continuous. However, another 29% feel employees must be upskilled multiple times a year. Of course, these percentages are likely to vary considerably depending on the nature of the business and the type of job or role. Technical jobs may require more frequent upskilling.

About how often are most employees in your organization upskilled and/or reskilled? (select the one that best applies)

Category	Percentage
Continuously	28%
Multiple times a year	29%
Every 2 to 3 years	18%
Every year	13%
Every 4 years or more	8%
Never	3%

Editor's Note: The 6% of respondents who responded "Don't know" were removed from the data set and responses were recalculated.

13% say employees are upskilled or reskilled every year

Upskilling and Corporate Cultures

Finding: Most organizations say that their culture supports upskilling (to some degree), but no approach is used by a majority

We examined ten elements integral to a learning culture to see how organizations support learning and upskilling. No option was selected by a majority; the options selected by more than two-fifths are:

- allowing all employees access to learning (47%)

- encouraging everyone to teach others and share what they know (44%)

- stressing the role of learning in career development (43%)

- communicating the importance of learning (42%)

More experienced employees can serve as coaches, mentors, and teachers to their peers. This type of learning can be informal and occur on the job, or it may be formal and created and shared via technology. At the same time, peer-to-peer learning builds teamwork and can be more engaging. Further, reverse coaching/mentoring can also be beneficial as the younger generations help with new skills, especially in technology.

How does your corporate culture support learning/upskilling?
(select all that apply)

Category	Percentage
Allows everyone to access learning	47%
Encourages everyone to teach others and share what they know	44%
Stresses role of learning in career development	43%
Communicates often about the importance of learning	42%
Attaches learning goals to performance goals	35%
Makes learning engaging	34%
Embraces learning from mistakes	32%
Provides opportunities to experiment and try new skills	31%
Recognizes employees for learning	24%
Financially rewards learning	15%
Our culture does not support learning/upskilling	9%

Axis: 0 10 20 30 40 50

Finding: L&D leaders have a stronger corporate culture that supports learning in multiple ways

L&D leaders are more than twice as likely as laggards to allow everyone access to learning (64% vs. 30%). Similarly, 60% communicate the importance of learning while only 23% of laggards do the same. Upskilling and learning appear to be more ingrained in L&D leader corporate cultures.

How does your corporate culture support learning/upskilling?

	L&D leaders	L&D laggards
Allows everyone to access learning	64%	30%
Communicates often about the importance of learning	60%	23%
Stresses role of learning in career development	58%	26%
Makes learning engaging	50%	17%

■ L&D leaders   ■ L&D laggards

HRRI Strategic Recommendations

Some of our considerations for building a stronger learning culture include:

- Integrate a learning culture into your overall culture. For example, consider shifting from event-based training to continuous learning journeys. Frame upskilling as an ongoing process, not a one-time event.

- Empower managers to be "always-on" learning facilitators. Train and equip managers to identify skill gaps in real-time and to help employees evaluate their own skills gaps.

- Make skill development a core component of the corporate culture, including performance management. Include progress on learning goals in every performance review and check-in conversation to signal its importance and create accountability.

- Visibly reward and recognize continuous learners. Celebrate employees who consistently acquire and apply new skills, making them role models for the learning culture you aim to build.

Finding: A large majority say on-the-job learning is the most effective way to upskill
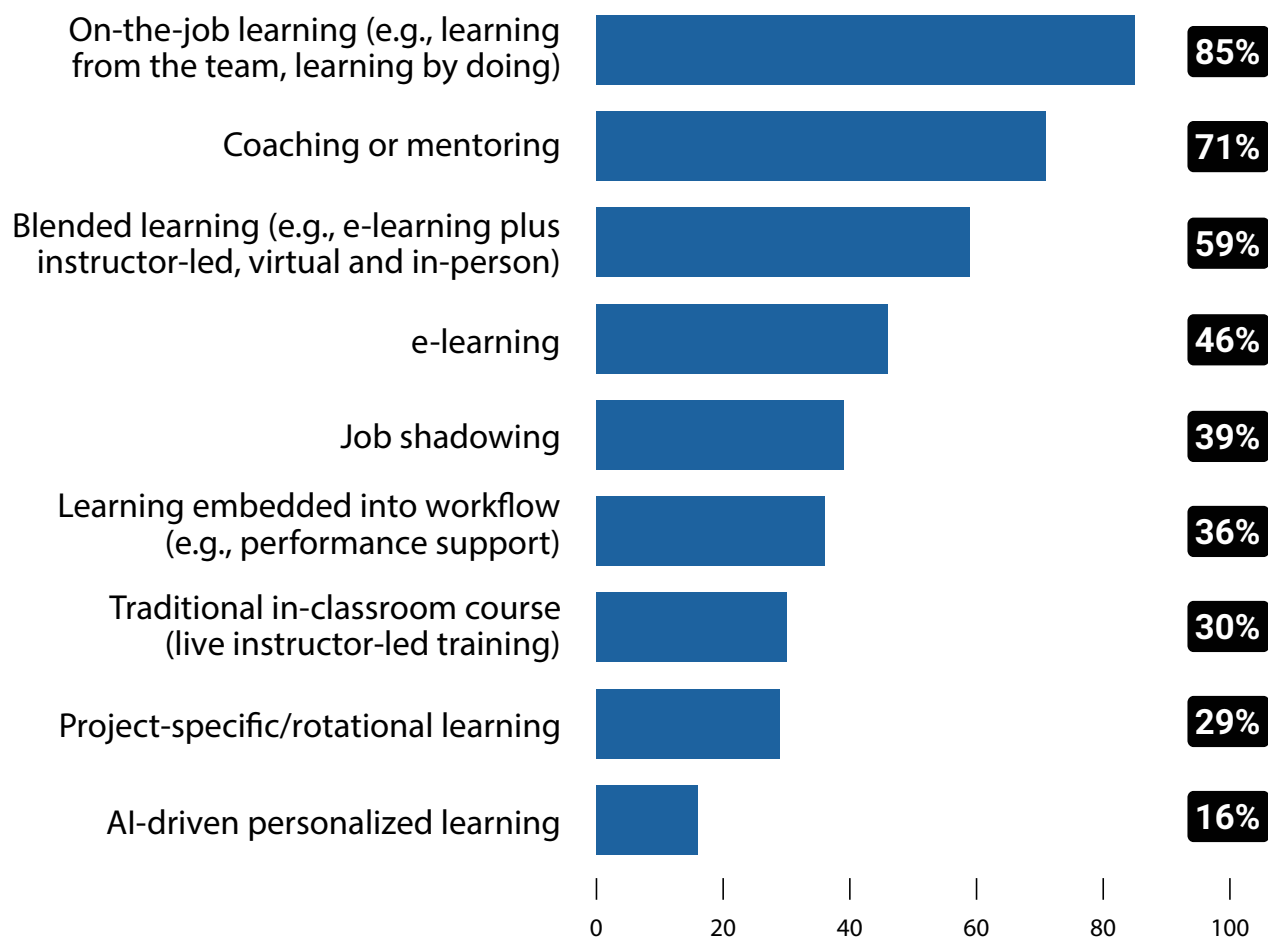
The need for upskilling is apt to span thousands of skills and millions of jobs. As such, learning must be available to employees wherever and whenever they need it and will typically demand various learning methods. We asked respondents to identify the five most effective methods for upskilling and found three responses were selected by a majority:

- on-the-job learning (85%)
- coaching and mentoring (71%)
- blended learning (59%)

Just 16% say AI-driven personalized learning is one of the most effective learning methods for upskilling. We expect this to increase over the next several years as AI becomes more sophisticated and widespread.

What do you consider the five most effective learning methods for the purpose of upskilling in your organization? (select up to five)

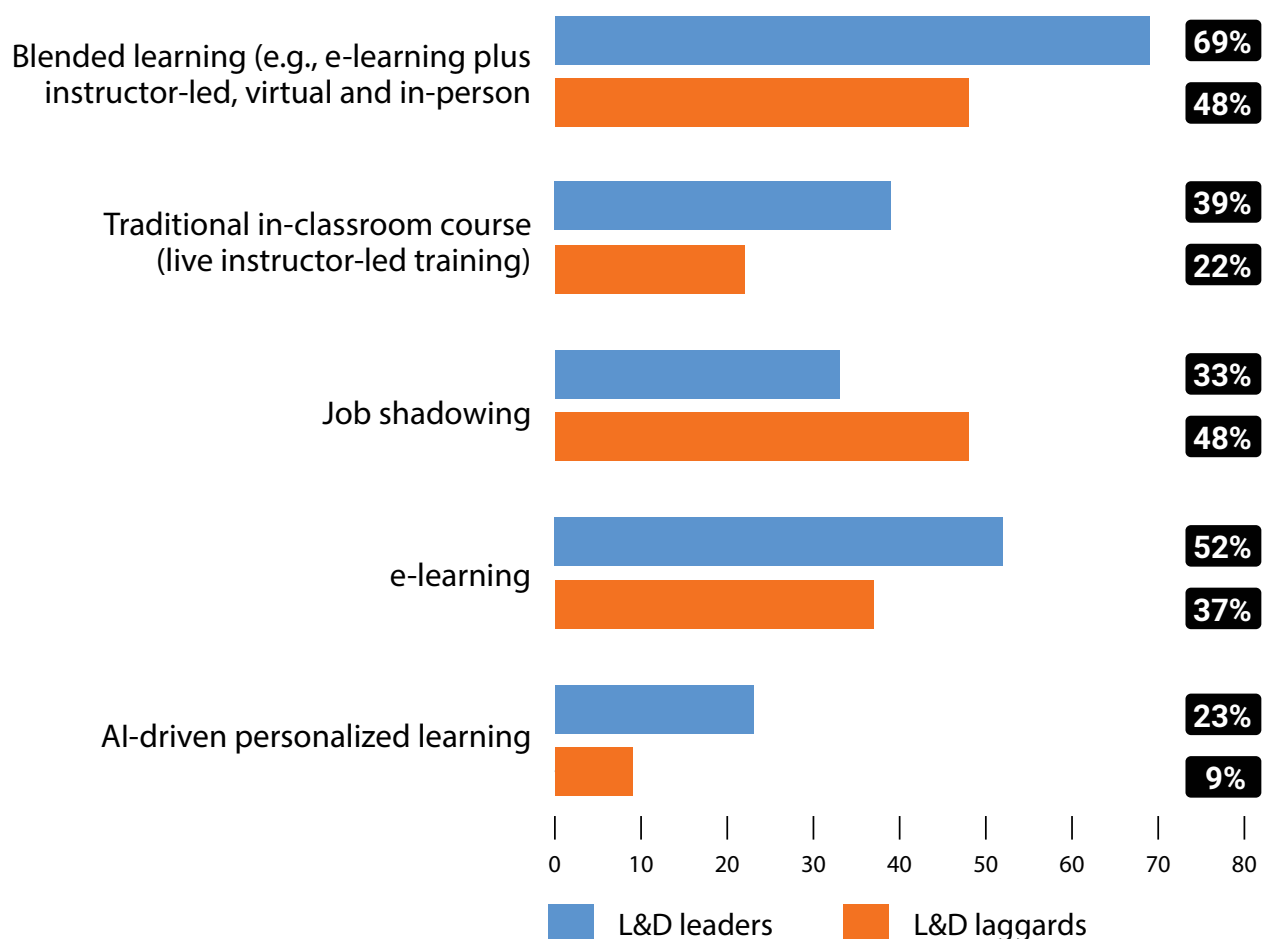| Method	Percentage
On-the-job learning (e.g., learning from the team, learning by doing)	85%
Coaching or mentoring	71%
Blended learning (e.g., e-learning plus instructor-led, virtual and in-person)	59%
e-learning	46%
Job shadowing	39%
Learning embedded into workflow (e.g., performance support)	36%
Traditional in-classroom course (live instructor-led training)	30%
Project-specific/rotational learning	29%
AI-driven personalized learning	16%

Scale: 0, 20, 40, 60, 80, 100

Just 30% say traditional in-classroom courses are the most effective methods for upskilling

Finding: L&D leaders are more likely to use blended learning for upskilling

L&D leaders are more likely than laggards to say they use blended learning (69% vs. 48%). And, while still in the minority for both cohorts, leaders are also much more likely to have AI-driven personalized learning (23% vs. 9%). These tools help make learning more relevant, and L&D leaders are ahead in putting them to use.

What do you consider the five most effective methods for the purpose of upskilling in your organization? (select up to five)

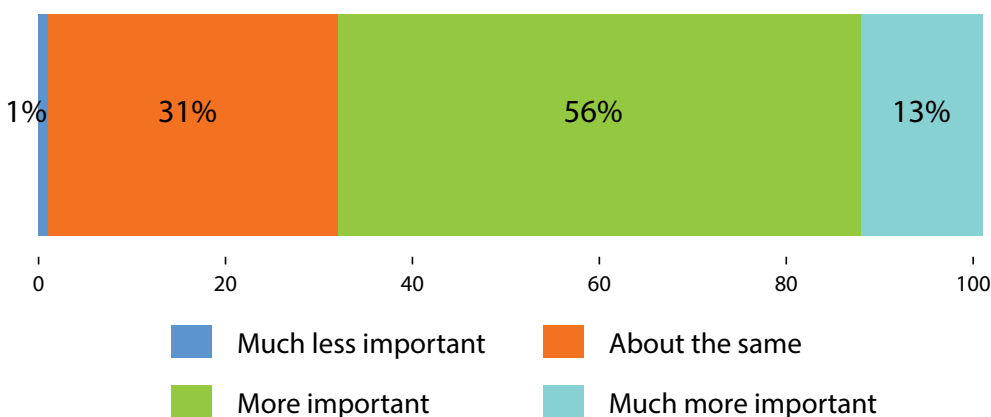| Method	L&D leaders	L&D laggards
Blended learning (e.g., e-learning plus instructor-led, virtual and in-person	69%	48%
Traditional in-classroom course (live instructor-led training)	39%	22%
Job shadowing	33%	48%
e-learning	52%	37%
AI-driven personalized learning	23%	9%

L&D leaders   L&D laggards

Expected Trends in Upskilling

Finding: Upskilling will become more critical over the next two years

Sixty-nine percent of respondents expect upskilling to become more or much more critical over the next two years. The nature of jobs is changing and organizations must upskill or reskill to keep up. Major advances in AI, remote and hybrid work, and the influx of Gen Z into the workplace are just a few examples.

Will employee upskilling in your organization become more or less important over the next two years?

1%	31%	56%	13%

0   20   40   60   80   100

- Much less important
- About the same
- More important
- Much more important

Just 1% expect employee upskilling to become much less important over the next two years
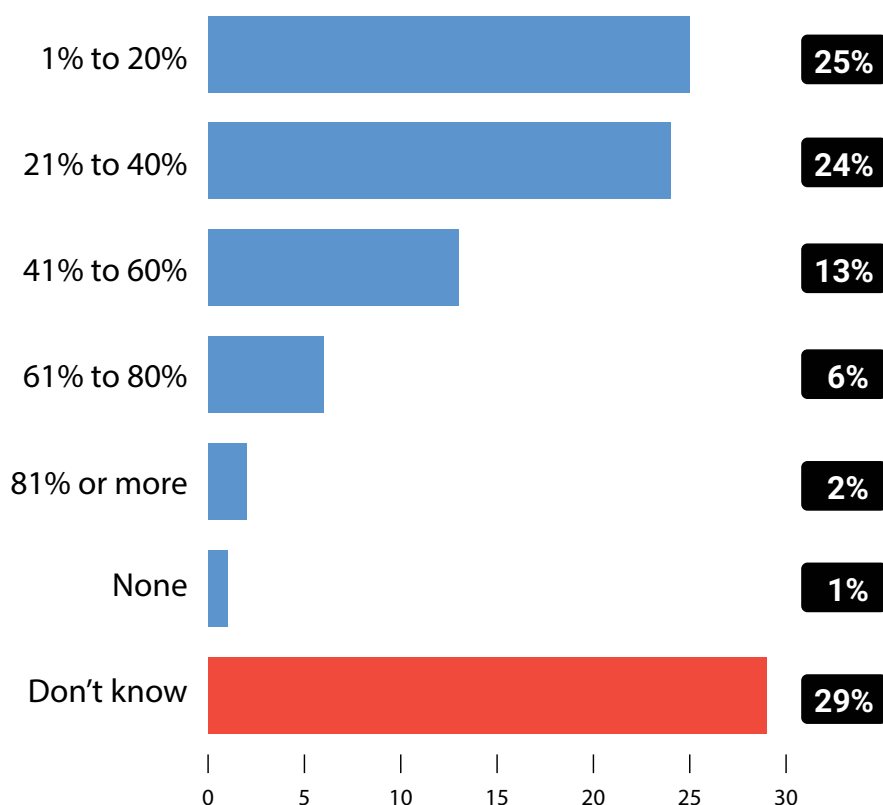
Finding: A large portion of jobs will be disrupted by market and technology trends over the next two years

About one-fifth expect that over forty percent of their current jobs/roles will be substantially disrupted by technology and market trends over the next two years. It isn't easy to know how this will play out, and in today's world, two years is a considerable amount of time. However, in our opinion, these estimates are conservative. AI alone can potentially change or even replace many different jobs while creating new ones. Job disruption will vary widely for various roles and businesses.

Additionally, 29% report that they are unsure about the percentage of jobs in their organization that will be disrupted, which may limit their ability to adequately prepare their workforce for future changes.

In your organization, what percentage of jobs/roles will be substantially disrupted by market or technological trends over the next two years?
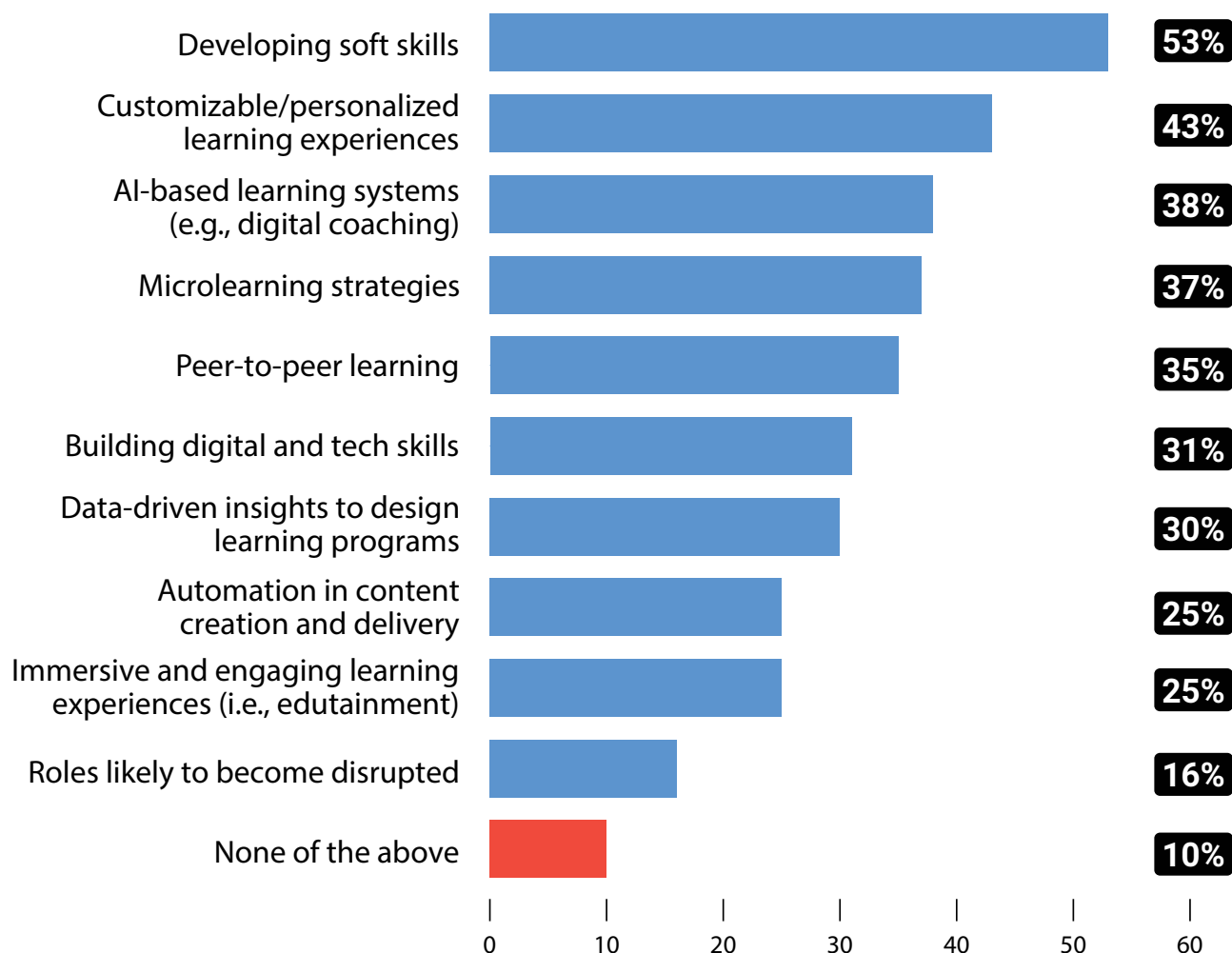
Category	Percentage
1% to 20%	25%
21% to 40%	24%
41% to 60%	13%
61% to 80%	6%
81% or more	2%
None	1%
Don't know	29%

Finding: Upskilling must accommodate the need for soft skills

We asked which skills and practices L&D teams are focusing on to support upskilling. Over half (53%) chose soft skills as their top priority, just like last year. Senior leaders often focus on technical skills. That makes sense since keeping up with new tools and systems is crucial. But HR teams know soft skills matter just as much, and sometimes more.

Mastering soft skills can be just as tricky as many complex hard skills. Changing employee expectations and varied work arrangements have made these skills even more critical. Employees at all levels still need to focus on soft skills such as empathy, frequent and effective communication, agility, collaboration, critical and analytical thinking, curiosity, and the willingness to learn.

Over the next two years, which of the following areas will your organization focus on to support employee upskilling? (select all that apply)

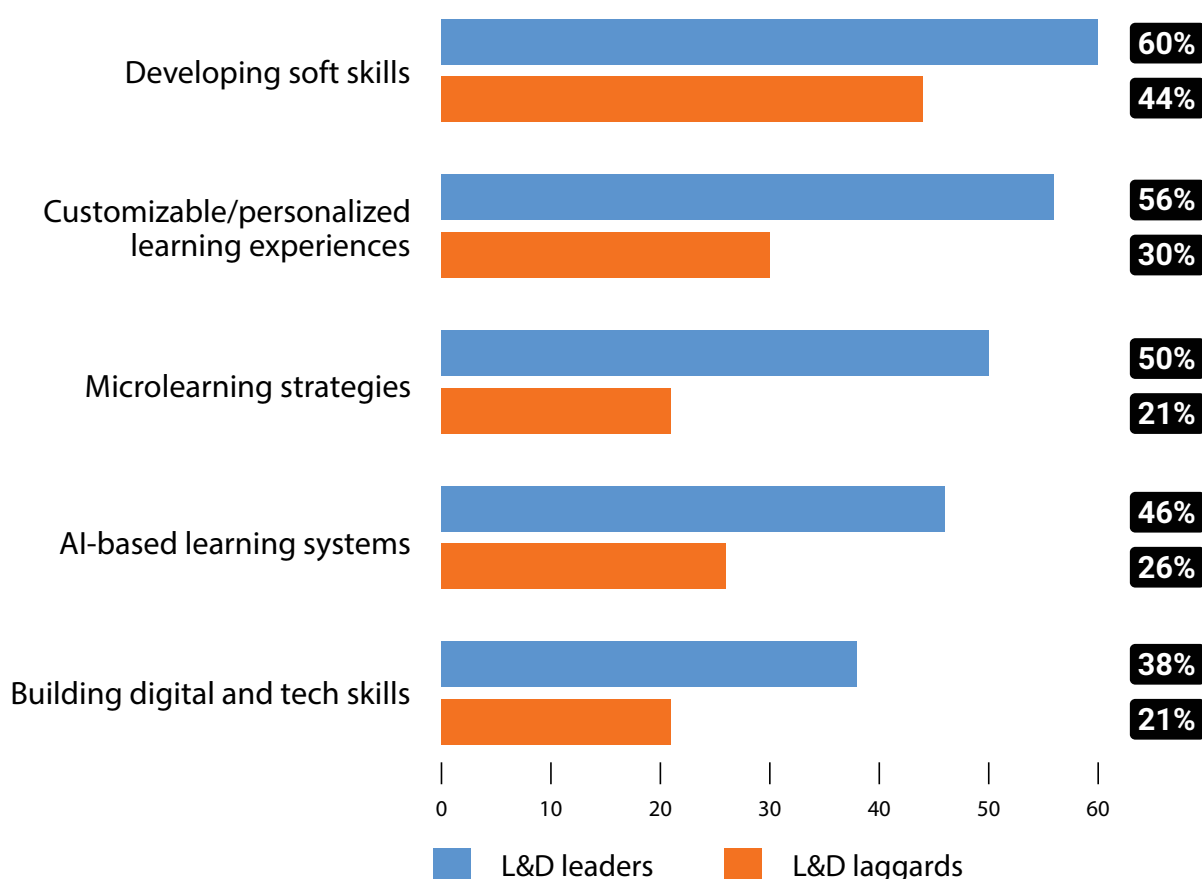| Category	Percentage
Developing soft skills	53%
Customizable/personalized learning experiences	43%
AI-based learning systems (e.g., digital coaching)	38%
Microlearning strategies	37%
Peer-to-peer learning	35%
Building digital and tech skills	31%
Data-driven insights to design learning programs	30%
Automation in content creation and delivery	25%
Immersive and engaging learning experiences (i.e., edutainment)	25%
Roles likely to become disrupted	16%
None of the above	10%

Over a third expect to focus on peer-to-peer learning in the next two years

Finding: L&D leaders are much more likely to focus on numerous areas to support upskilling

L&D leaders are almost twice as likely as laggards to offer personalized learning and microlearning. They are also much more likely to spend more time on soft skills, tech skills, and AI-based learning systems. This finding suggests that L&D leaders thinking long-term. By building key skills now, they're helping employees grow with the business.

Over the next two years, which of the following areas will your organization focus on to support employee upskilling?

Area	L&D leaders	L&D laggards
Developing soft skills	60%	44%
Customizable/personalized learning experiences	56%	30%
Microlearning strategies	50%	21%
AI-based learning systems	46%	26%
Building digital and tech skills	38%	21%

■ L&D leaders   ■ L&D laggards
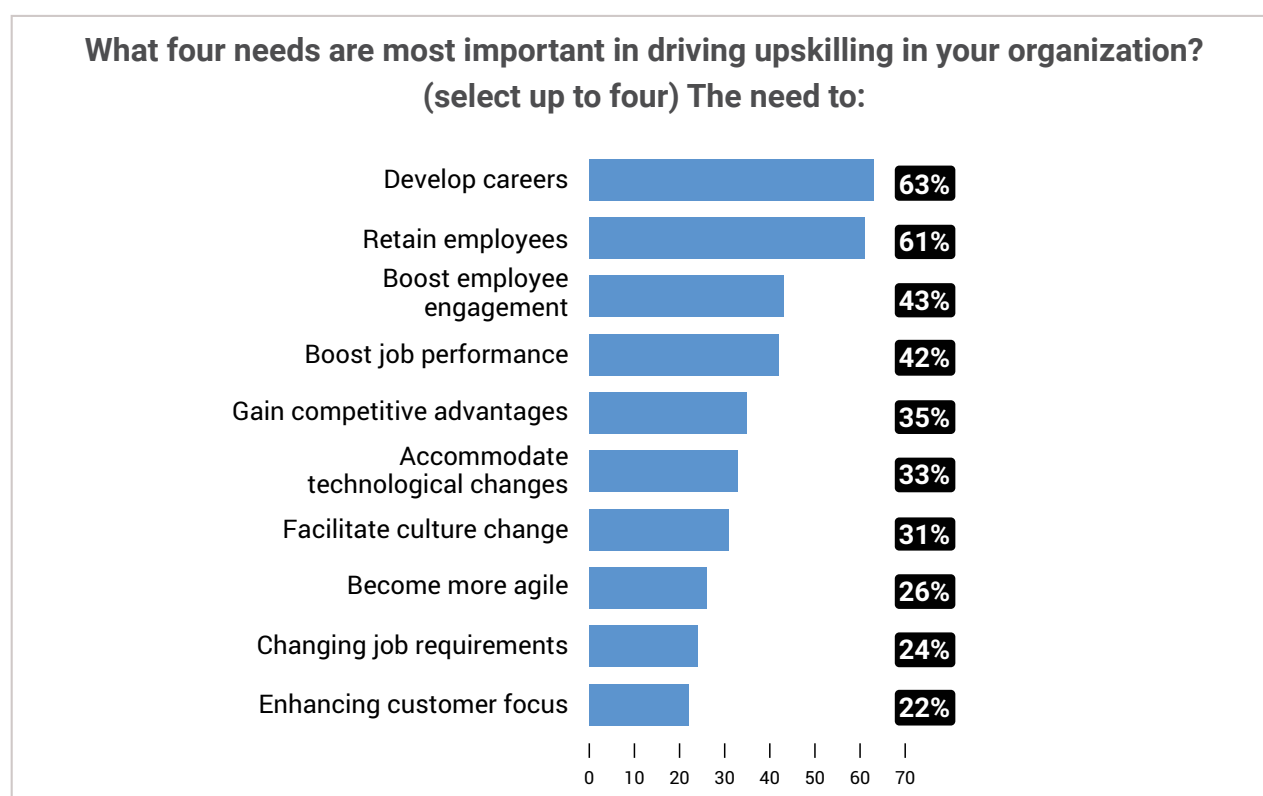
Factors that Drive and Hinder Upskilling

Finding: Four key HR priorities drive upskilling

What talent management needs are most likely to accelerate the need for upskilling? We asked participants to choose the four most essential upskilling drivers from a list of nine. The four top drivers cited are:

- developing careers (63%)

- retaining employees (61%)

- boosting employee engagement (43%)

- boosting job performance (42%)

Compared to some other drivers in this question, there appears to be a greater focus on the needs of employees. Upskilling and reskilling have two equal payoffs: preparing your organization for the future while simultaneously benefiting your employees now.

What four needs are most important in driving upskilling in your organization? (select up to four) The need to:

Develop careers	63%
Retain employees	61%
Boost employee engagement	43%
Boost job performance	42%
Gain competitive advantages	35%
Accommodate technological changes	33%
Facilitate culture change	31%
Become more agile	26%
Changing job requirements	24%
Enhancing customer focus	22%

Editor's Note: Those who responded "Don't know" were removed from the data set and responses were recalculated.

Finding: Lack of time is by far the most widely cited barrier to upskilling

Out of ten possible barriers to upskilling, two garnered a considerably larger percentage of responses:

- lack of time and/or prioritization (81%)

- budget/resources constraints (58%)

We believe this is not only short-sighted but also irresponsible. Even in the short term, upskilling may improve performance and help retention. About two-fifths (43%) cite a lack of management/leadership support for upskilling. Managers and leaders should not only welcome upskilling for themselves but also lead the way for their teams.

In your organization, what are the biggest factors preventing upskilling? (select all that apply)

Lack of time and/or prioritization	81%
Budget/resources constraints	58%
Lack of managerial/leadership support	43%
Lack of alignment with strategic priorities	30%
Poor training skills among managers	28%
Lack of effective tools/technologies	27%
Lack of collaboration between L&D/HR and other business units	21%
Learning content that's not current, accessible or engaging	20%
Unengaging learning tools and technologies	18%
Employees' resistance to learning new things	17%

30% find lack of alignment with strategic priorities a challenge

Finding: Poor integration and customization are the most often cited weaknesses of today's learning technologies

Digital technologies are now widely used to personalize customer experiences. That same approach is being used within the L&D function to personalize employees' learning experiences since different employees require different learning experiences and needs.

The biggest barrier is system integration. About a quarter (26%) say it's hard to connect learning tools with systems like performance management. This makes it harder to spot and address individual skills gaps.

What are the 3 biggest technological weaknesses of your learning technology system? (select up to three)

Weakness	Percentage
Poor ability to integrate with other systems	26%
Not sufficiently customizable	26%
Lacks AI functionality (GenAI and deep search)	25%
Lacks personalization	22%
Outdated interface	19%
Limited collaboration functionality	17%
Not user-friendly and/or mobile-friendly	12%
We have no learning technology system	11%
Limited language capability	10%
Not easily scalable	9%
Lacks xAPI conformance	2%
We have no weaknesses	10%

Twelve percent say their learning technology system is not user-friendly or mobile-friendly

Upskilling Metrics

Finding: Organizations use a variety of metrics to measure L&D and upskilling outcomes
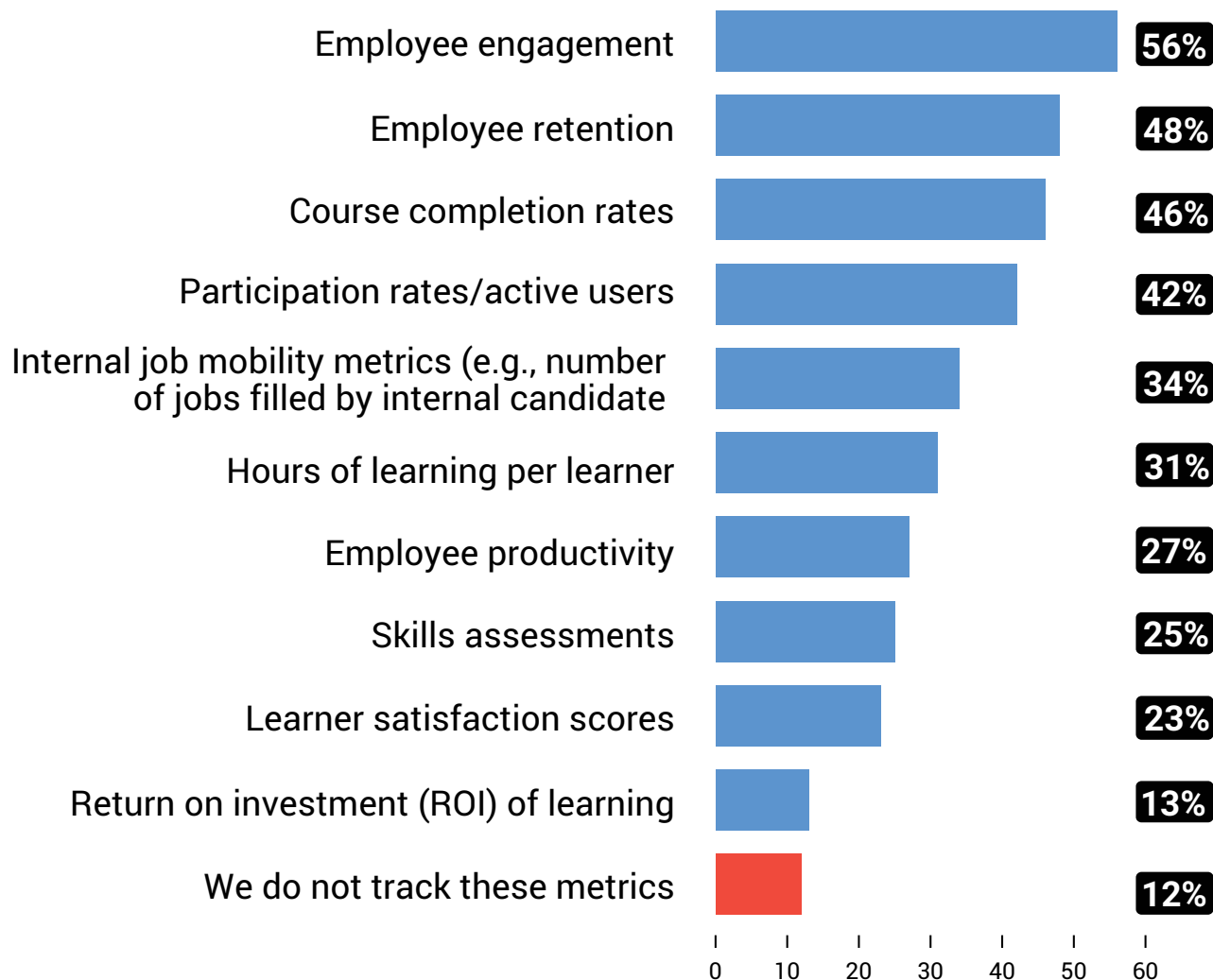
U.S. corporations spend close to $98 billion on workforce training. However, measuring the exact ROI will require a robust array of metrics. Metrics provide a foundation for determining which training program is making the most impact on both employee experience and organizational performance.

When we asked about the metrics organizations used for employee learning/upskilling, the two most widely cited are employee engagement (56%) and employee retention (48%). Higher engagement may link to better business outcomes, and retention lowers the cost of turnover.

Other commonly used metrics include course completion (46%) and participation rates (42%). These are easier to track but say less about actual impact. They help support bigger goals, but on their own, don't show if upskilling is working.

Which of the following metrics related to upskilling and employee learning does your organization track? (select all that apply)
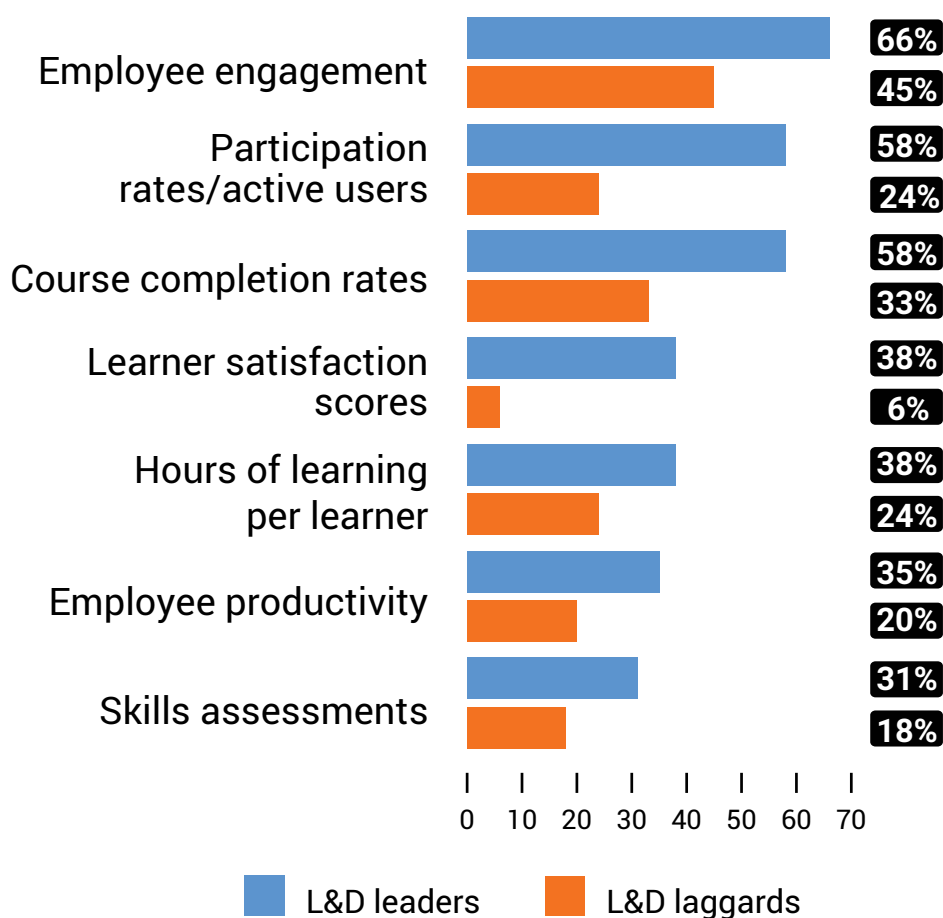
Metric	Percentage
Employee engagement	56%
Employee retention	48%
Course completion rates	46%
Participation rates/active users	42%
Internal job mobility metrics (e.g., number of jobs filled by internal candidate	34%
Hours of learning per learner	31%
Employee productivity	27%
Skills assessments	25%
Learner satisfaction scores	23%
Return on investment (ROI) of learning	13%
We do not track these metrics	12%

Finding: L&D Leaders place more of an emphasis on measuring the impact of their upskilling and learning functions

Compared to L&D laggards, L&D leaders are far more likely to deploy most of the upskilling metrics we provided. For example, 66% of L&D leaders measure employee engagement, compared to only 45% of laggards. Further 35% of leaders gauge employee productivity while only 20% of laggards do.

Which of the following metrics related to upskilling and employee learning does your organization track? (select all that apply)

Metric	L&D leaders	L&D laggards
Employee engagement	66%	45%
Participation rates/active users	58%	24%
Course completion rates	58%	33%
Learner satisfaction scores	38%	6%
Hours of learning per learner	38%	24%
Employee productivity	35%	20%
Skills assessments	31%	18%

L&D leaders ■   L&D laggards ■

L&D leaders are far more likely than laggards to track learner satisfaction scores (38% vs. 6%)
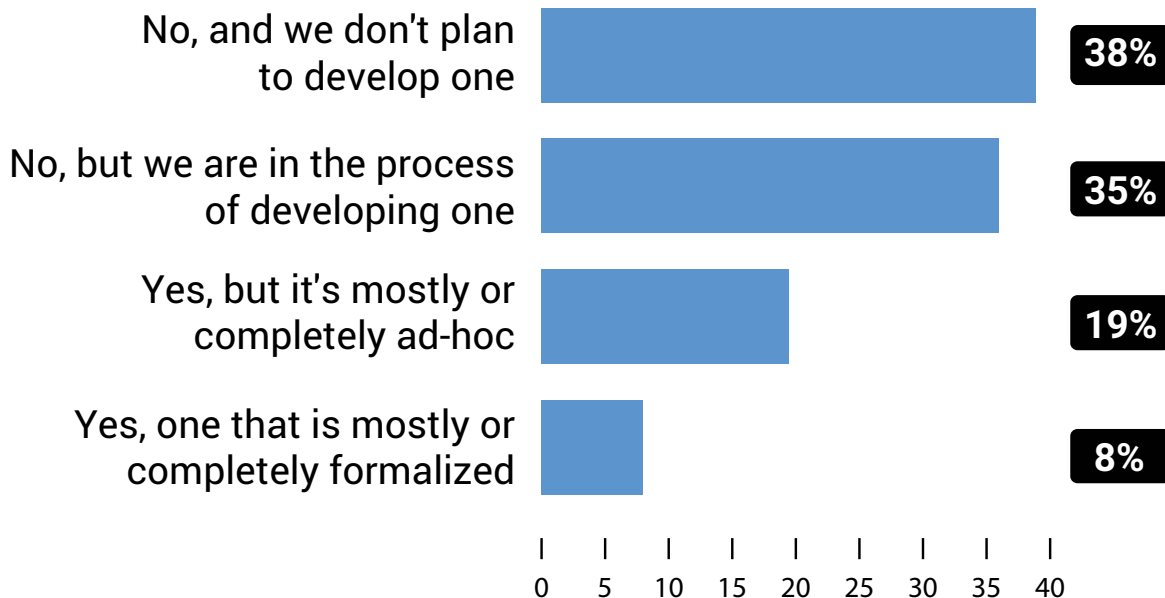
L&D Technologies and AI

Finding: Few organizations have an approach in place for reskilling in response to generative AI technology

AI is changing jobs fast. It's taking over some tasks entirely and reshaping others. As a result, many employees will need to reskill to keep up. But most companies aren't ready. Only 8% have a formal plan for how they'll respond. Another 19% are doing something, but it's mostly or completely ad-hoc. Without a clear approach, it will be hard to prepare workers for the shifts AI is bringing.

Does your organization currently have an approach in place for reskilling employees in response to generative AI technologies?
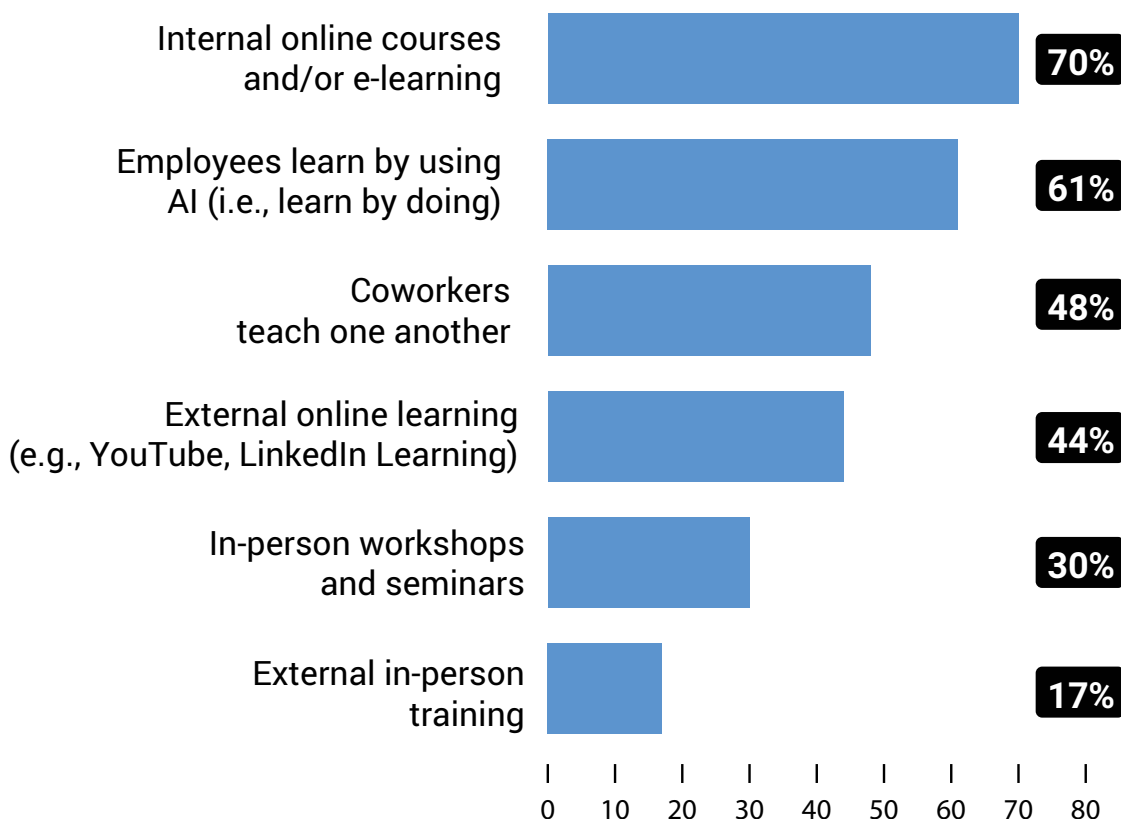
Response	Percentage
No, and we don't plan to develop one	38%
No, but we are in the process of developing one	35%
Yes, but it's mostly or completely ad-hoc	19%
Yes, one that is mostly or completely formalized	8%

Editor's Note: The 10% of respondents who responded "Don't know" were removed from the data set and responses were recalculated.

Finding: L&D leaders are much more likely to have a reskilling plan in place in response to AI

L&D leaders are ahead of laggards when it comes to reskilling in response to AI. Fourteen percent of leaders have a formal plan in place, while none of the laggards do. Twenty-four percent of leaders are taking informal or ad hoc steps, compared to just 9% of laggards.

Does your organization currently have an approach in place for reskilling employees in response to generative AI technologies?

	L&D leaders	L&D laggards
Yes, one that is mostly or completely formalized	14%	0%
Yes, but it's mostly or completely ad-hoc	24%	9%
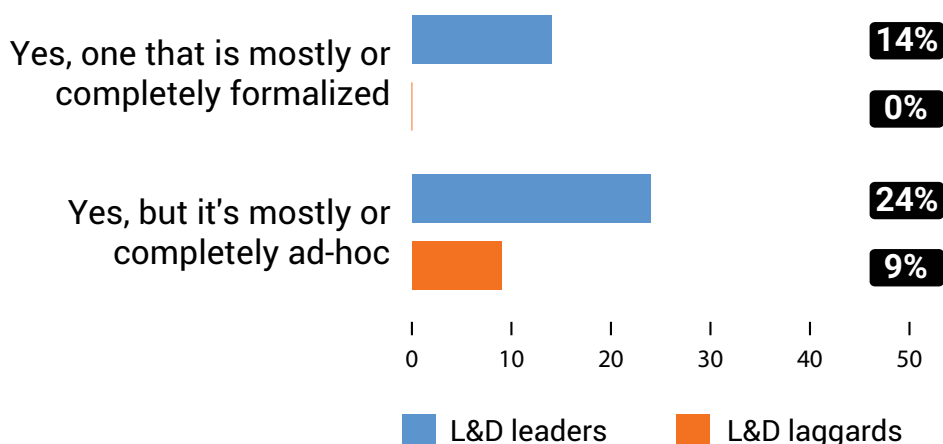
HRRI Strategic Recommendations

- Consider developing an explicit AI reskilling strategy. The majority of firms lack a plan, so this may become a competitive advantage. Make it a priority to identify the roles and skills most likely to be impacted by AI and build a proactive response.

- Go beyond theory: provide hands-on access to AI tools. The most effective way to prepare employees is to let them use the technology. Provide sandboxes and structured projects where they can learn by doing.

- Modernize your learning tech stack. For example, consider moving beyond a simple LMS and invest in a platform that can deliver the personalized, AI-driven content recommendations needed for modern upskilling.

- Launch internal workshops and "AI for everyone" training. Demystify generative AI for your entire workforce, showing them how it can be used as a productivity and creativity tool rather than a threat.

- Partner with IT and tech leaders to build your AI learning curriculum. HR should not go it alone. Collaborate with your internal experts to identify the most critical AI-related skills and co-create relevant, credible training content.

Finding: Organizations use a variety of methods for generative AI reskilling

Given the rise of AI in every aspect of our businesses, our L&D teams face the challenge of reskilling their workforce to understand and utilize AI. For many roles, it has been added to the list of required core skill sets. It is far more complicated and challenging than the introduction of the internet decades ago. To keep pace with the rapid pace of change, organizations have deployed a range of methods to deliver reskilling initiatives related to AI. Of the six options in our survey, the most common method is the use of internal online courses and/or e-learning (70%). Sixty-one percent rely on "learning by doing". And, close to half (48%) encourage coworkers to teach one another.

What methods does your organization use to deliver reskilling initiatives related to generative AI? (select up to three)

Method	Percentage
Internal online courses and/or e-learning	70%
Employees learn by using AI (i.e., learn by doing)	61%
Coworkers teach one another	48%
External online learning (e.g., YouTube, LinkedIn Learning)	44%
In-person workshops and seminars	30%
External in-person training	17%

More than two-fifths use external online learning to deliver reskilling initiatives on AI
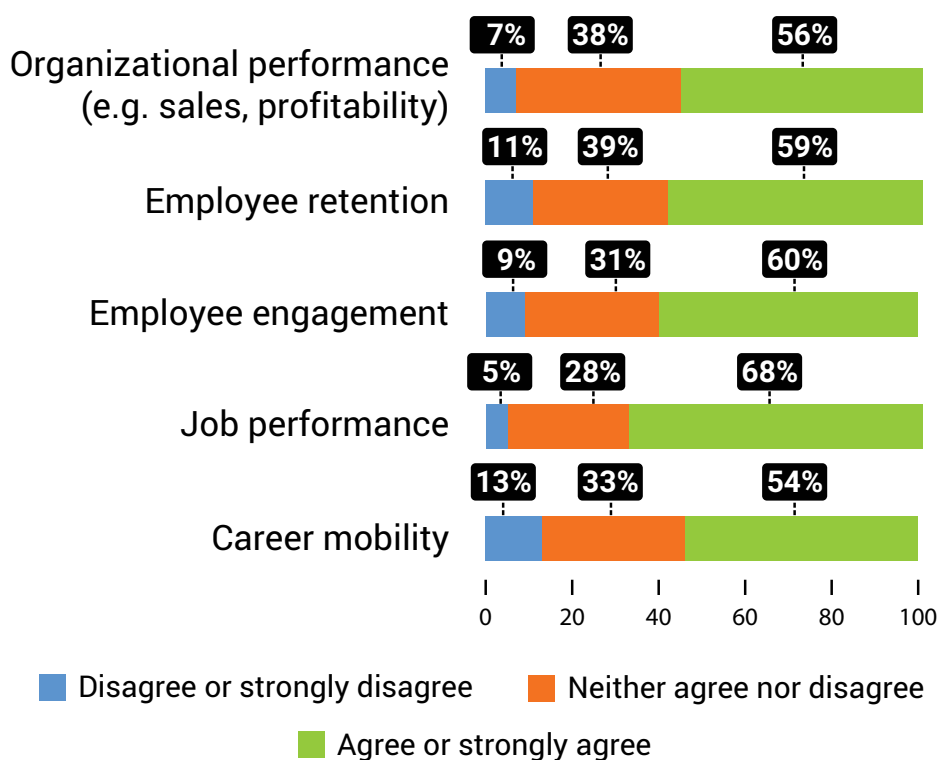
The Upskilling/Reskilling Payoff

Finding: Most believe upskilling has impacted multiple business outcomes

Although quantitative metrics for reskilling are often missing, most respondents at least perceive that it has a positive impact and multiple outcomes. In fact, of the five areas we included in the survey, most respondents agree or strongly agree that upskilling has led to improvements. The top two areas where respondents report improvements are job performance (68%) and employee engagement (60%).

The results align with the factors driving investment in upskilling discussed in the previous section. Since multiple factors may contribute to improving outcomes, such as performance and engagement, it's clear that most view upskilling as having multifaceted benefits for the organization.

In your organization, upskilling has resulting in substantial improvements in:

	Disagree or strongly disagree	Neither agree nor disagree	Agree or strongly agree
Organizational performance (e.g. sales, profitability)	7%	38%	56%
Employee retention	11%	39%	59%
Employee engagement	9%	31%	60%
Job performance	5%	28%	68%
Career mobility	13%	33%	54%

■ Disagree or strongly disagree   ■ Neither agree nor disagree
■ Agree or strongly agree

Finding: L&D leaders are more likely to report a positive impact of their upskilling efforts

In all outcome measures, L&D leaders realized greater benefits due to upskilling. L&D leaders are more likely than L&D laggards to agree or strongly agree upskilling has resulted in substantial improvements in job performance (75% vs. 62%) and employee engagement (73% vs. 44%).

In your organization, upskilling has resulted in substantial improvements in:
[Percent responding agree or strongly agree]

Category	L&D leaders	L&D laggards
Job performance	75%	62%
Employee engagement	73%	44%
Organizational performance (e.g. sales, profitability)	71%	39%
Employee retention	70%	45%
Career mobility	67%	39%

0 10 20 30 40 50 60 70 80

■ L&D leaders   ■ L&D laggards

Key Takeaways

Key Takeaway **1**

Identify skill gaps for today and those that will emerge in the future. Almost every job will need some level of upskilling. HR's challenge is figuring out which skills (or roles) need it most. That's the starting point. There are many ways to find current and future skill gaps: look at industry trends, employee performance data, talk to employees and managers, use scenario planning, and try predictive tools. It's easier to see what skills are missing now than to predict future needs. But both matter. Stay closely aligned with business goals, or your efforts may fall short.

Key Takeaway **2**

Reinventing the learning function. The old model of formal, one-size-fits-all training doesn't work anymore. It's expensive, hard to scale, and often ineffective. New learning models are faster, tech-enabled, and more flexible. These include:

- Delivery of hyper-personalized learning paths based on an AI-driven analysis of employee data to pinpoint skill gaps

- Using shorter, more focused "chunks" of learning embedded in an employee's standard workflow and delivered on demand

- Using data and analytics to measure the effectiveness of training in real time and track employee progress

- Using collaboration platforms that enable employees to share learning insights with one another

- Applying various technologies to make learning experiences more effective and engaging. These include virtual reality, augmented reality, and mobile learning

- Utilizing AI-driven platforms to create learning assets such as videos, courses, and short microlearning modules

These approaches also mean L&D teams need new skills to keep up.

Key Takeaway 3

Start building your future L&D team today. We've covered some of the trends changing how people learn at work. To keep up, most L&D teams will need to evolve. Right now, only a small number of HR professionals say their organization's training is high quality. One reason may be that many say their HR function, including L&D, needs upskilling or reskilling.

Some current skills will still matter, but others will fade or shift. L&D professionals will need to build new strengths, like:

- Using AI and other tech tools
- Applying user experience (UX) design to make learning better
- Getting comfortable with analytics, especially predictive data
- Working in agile ways to build and improve learning programs
- Understanding business goals and how learning supports them

A helpful exercise is to imagine rebuilding your L&D team from the ground up. Even if you're not hiring, this can help you plan where upskilling is most needed.

Key Takeaway 4

Begin shifting to a skill-based organization. Instead of thinking about work in terms of fixed jobs, think in terms of skills. A skill-based approach lets you assign work based on what people can do, not just what's on their job title. It also helps with promotions, learning, performance reviews, and internal mobility. This approach is more flexible and future-ready.

Key Takeaway 5

Focus on a full spectrum of skills, both hard and soft. To meet future needs, L&D teams will need a wide mix of skills, not just technical ones. These skills fall into three categories:

- professional skills (e.g., project management)
- technical skills (e.g., digital tools and data)
- soft skills (e.g., communication and emotional intelligence)

Most reskilling focuses on the first two. That makes sense since they change fast. But don't ignore soft skills. The research shows that leadership and manager roles, where soft skills are key, are top priorities for upskilling. These include empathy, critical thinking, emotional intelligence, adaptability, and managing change.

And while skills like empathy have been talked about for years, that doesn't mean people are good at them. Often, one short course isn't enough. These skills take time and reinforcement to build.

Key Takeaway 6

Instill a learning culture. Improving the quality of learning not only requires effective processes and content, it also needs to be supported by a strong culture of learning. You need a learning culture where employees feel safe to grow, experiment, and learn from mistakes. Senior leaders must back this up with time, resources, and example-setting. Many organizations still don't provide this support, and that holds them back.

Key Takeaway 7

Investigate and learn from reskilling efforts in other organizations. A few examples of massive reskilling/upskilling are detailed below.

- Professional services and accounting firm PwC announced a large-scale effort to upskill its entire workforce on generative AI. The effort includes an assessment of what kinds of information to provide employees based on their responsibilities and job descriptions.

- Amazon committed $1.2 billion to train 300,000 referred to as "Upskilling 2025." One program, Amazon Technical Apprenticeship, helps non-technical staff learn software engineering.

- McDonald's Archways to Opportunity is a program that supports employees in learning English, finishing high school, going to college, or getting career advice.

Key Takeaway **8**

Maintain a high degree of agility. Things change fast. AI is a good example—few expected its current impact just five years ago. That's why your upskilling systems need to be agile. Build flexible processes and encourage your workforce to be open to change.

About Eightfold AI

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