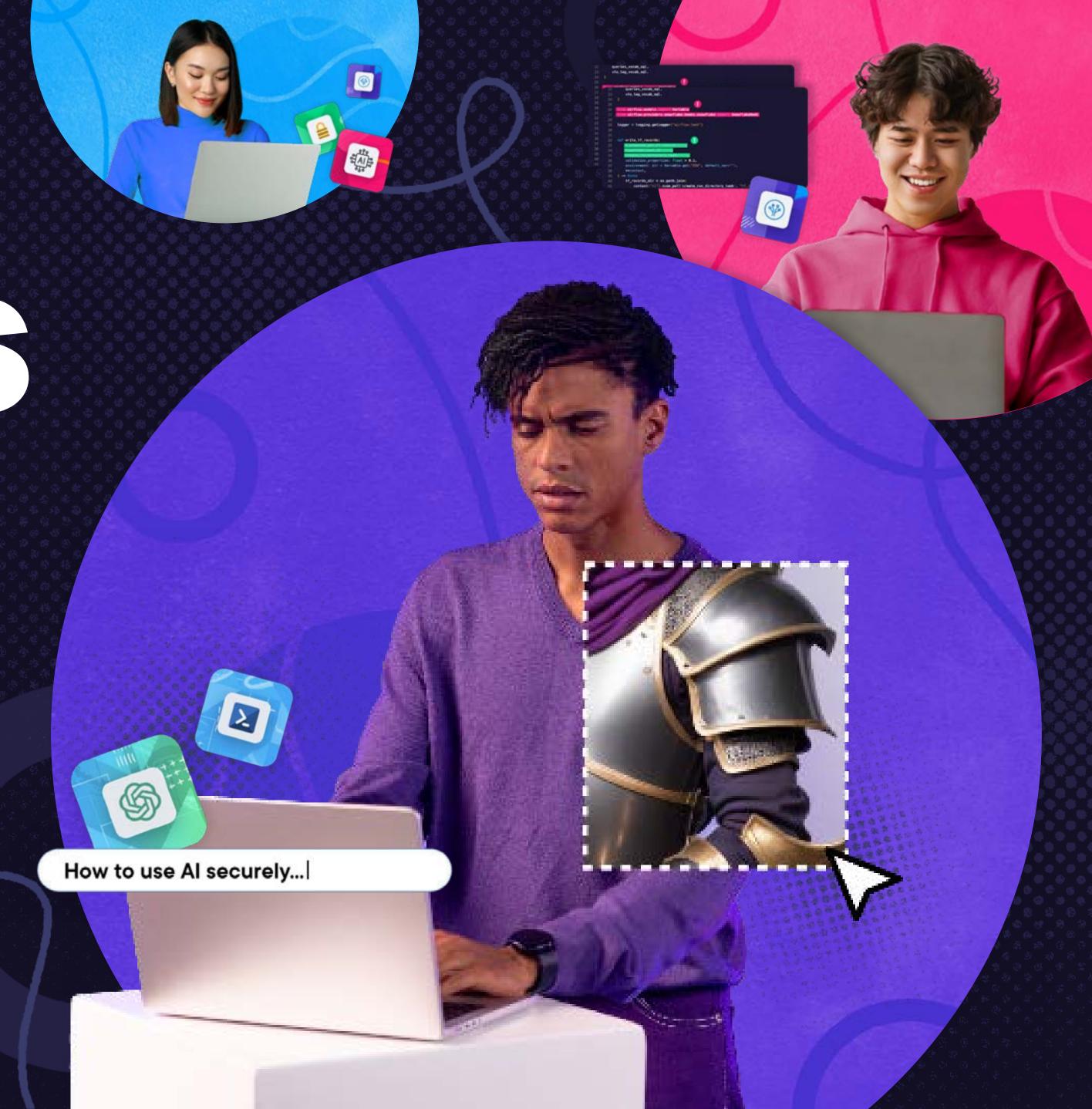


Al skills report

The gap between Al investments and worker readiness



Executive summary

Al isn't only the future—it's already the present. In fact, 81% of executives have formally deployed or plan to formally deploy Alrelated tools and technologies. But to actually innovate, drive more value, and stay competitive, organizations need more than Al technology. They need Al skill development, too.

We surveyed 1,200 executives and IT professionals across the US and the UK to better understand the rapidly evolving Al landscape and how organizations are preparing for the future.

Our main finding? Even as organizations accelerate Al adoption, the majority don't understand what, if any, Al skills their employees possess or have an upskilling strategy to develop them.

This report dives into the Al landscape, how it's impacting organizations, and what you need to do to drive lasting value with your Al investments.

Main takeaways

87%

of organizations plan to increase Al spending in the next 12 months. 95%

of executives and 94% of IT professionals believe AI initiatives will fail without staff who can effectively use AI tools.

81%

of IT professionals feel confident they can integrate Al into their roles right now—but only 12% have significant experience working with Al.

74%

of IT professionals worry that AI tools will make many of their day-to-day skills obsolete.

Both executives and IT professionals believe investing in talent, training, and culture is the first step organizations should take to prepare for emerging AI technology and tools.

But only

40%

of organizations have formal structured training and instruction for Al.



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PART ONE

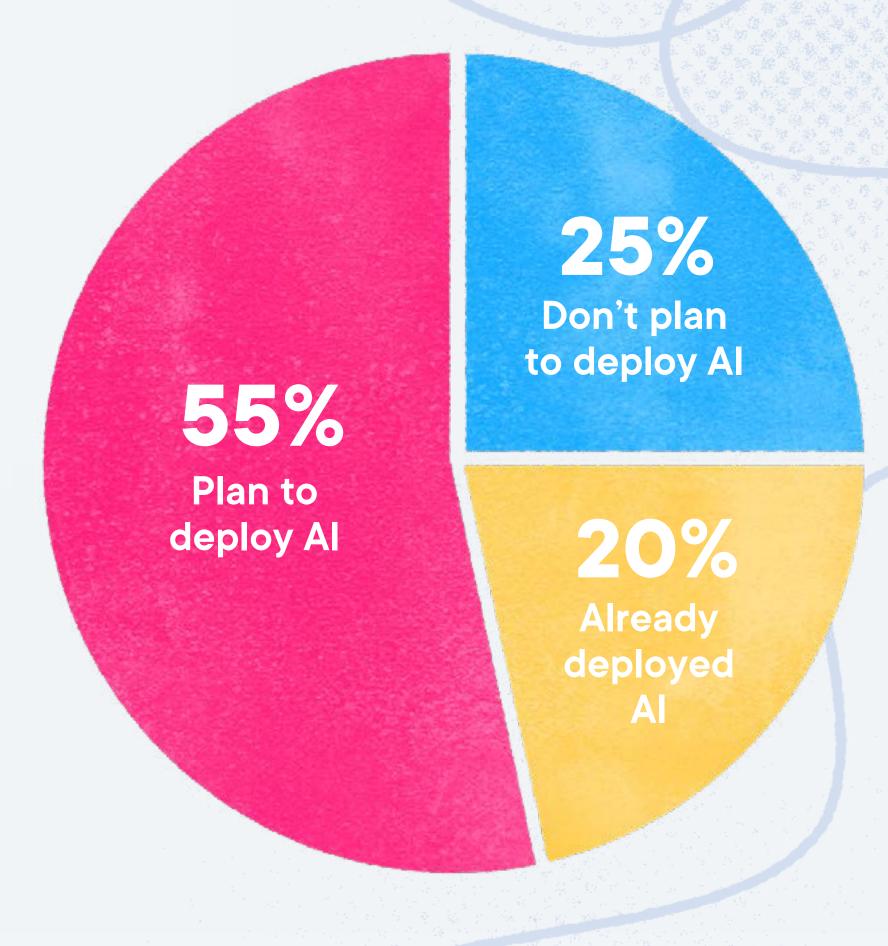
Al adoption on the rise

Organizations are already using AI: We found that 20% have formally deployed AI-related technologies and tools, and 55% plan to soon. And even if they don't have formal deployment plans right now, 46% allow employees to use AI tools on their own.

The surge of generative AI has only sped up AI adoption. In fact, 92% of organizations that have adopted or plan to adopt AI have accelerated their AI initiatives in the past 12 months.

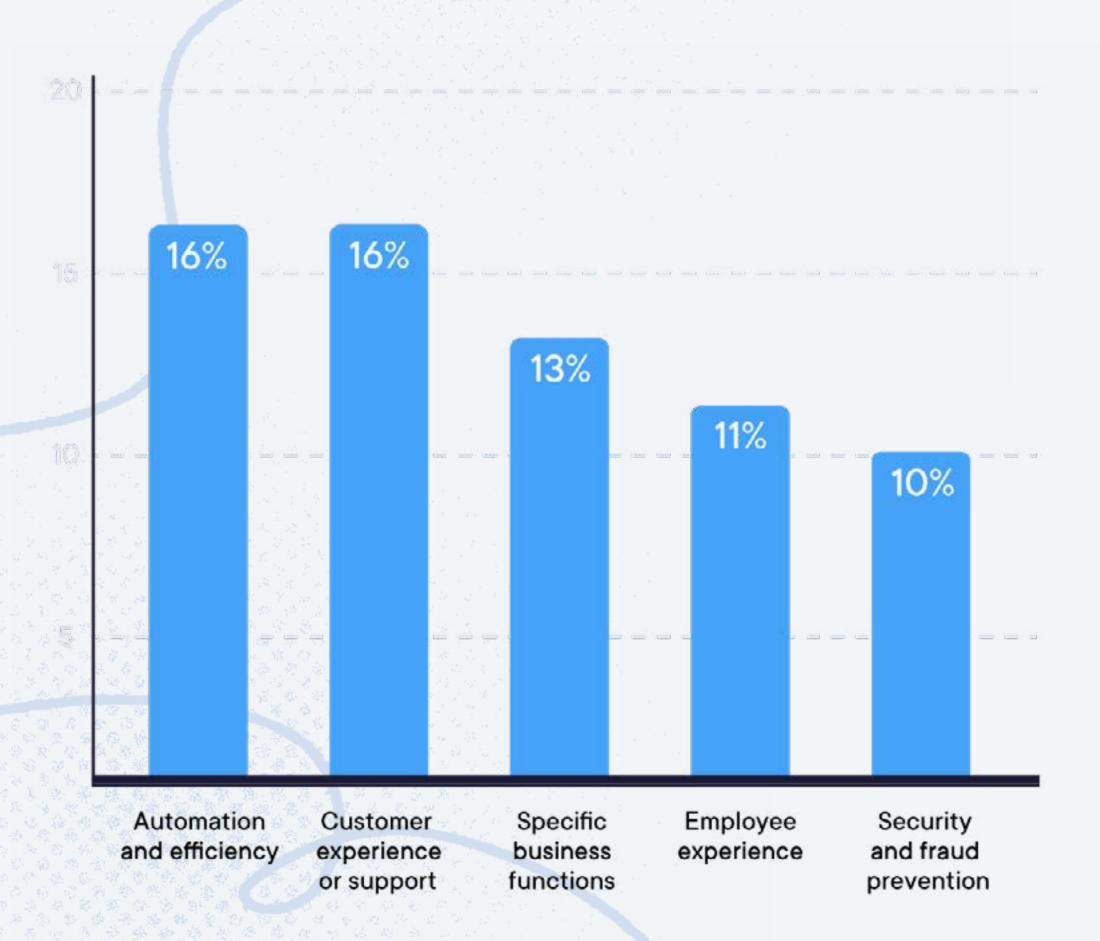
With that acceleration comes an increase in spending for more than 4 in 5 organizations in the next year. On average, these organizations plan to allocate an additional 17% to AI in the next 12 months.

Are organizations deploying AI technologies?



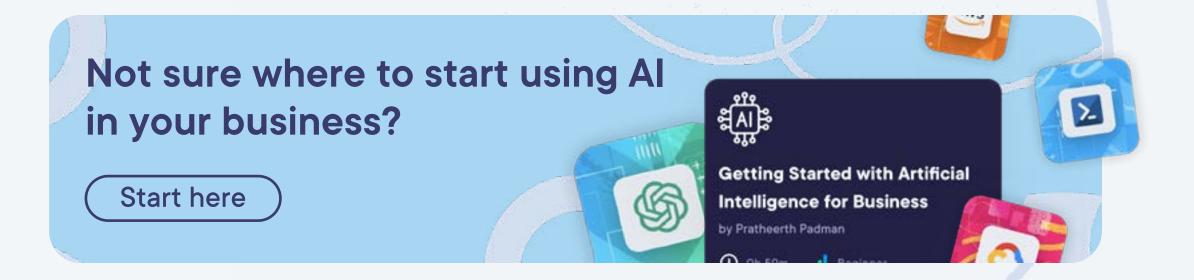
*Note: Al-related technologies include machine learning, automation, generative Al, etc.

Organizations' top 5 reasons for using Al



The promise of improved efficiency drives Al adoption

Organizations are primarily adopting AI to boost efficiency, improve the customer experience, and enhance specific business functions, including fraud prevention, data analysis, and forecasting. Despite the prevalence of generative AI, only 6% of organizations plan to leverage AI technology for generative AI capabilities.



Only the top five responses are recorded in this chart; numbers will not add up to 100%.

Orgs foregoing Al cite budget and talent concerns

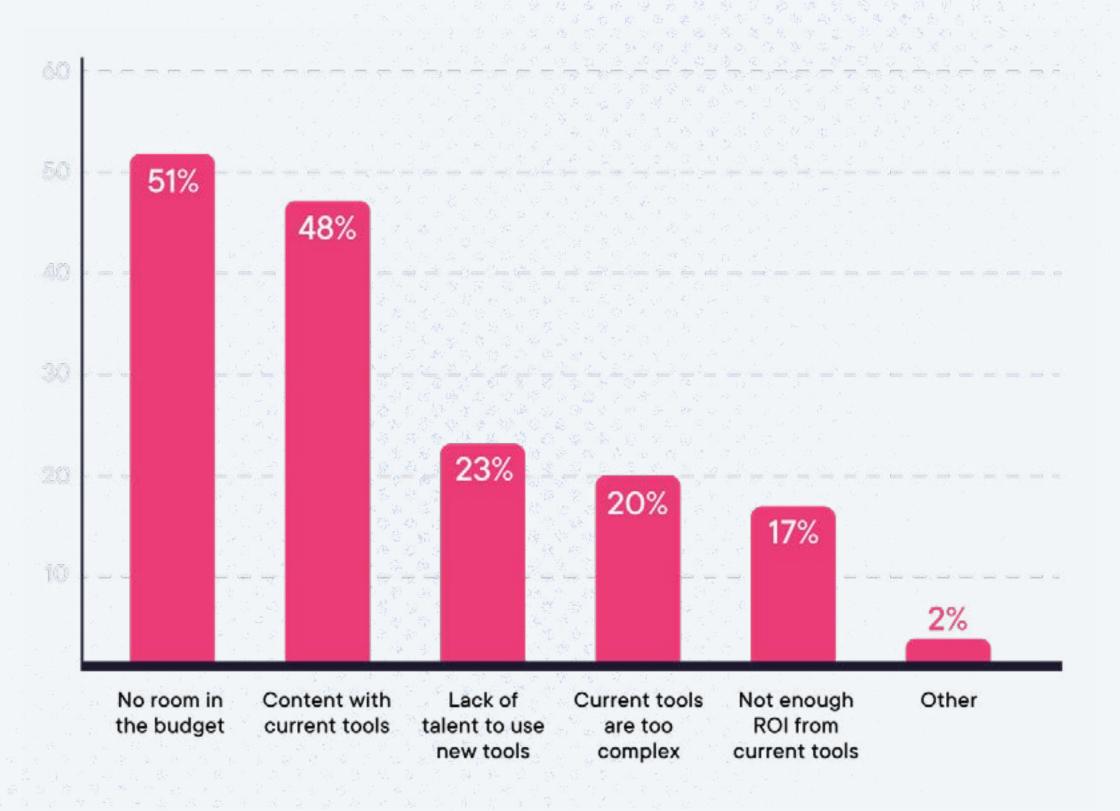
But not everyone is jumping right in—at least, not yet. 25% of organizations don't plan to deploy AI technology within the next year, and 12% aren't increasing their AI spend.

Their primary reasons for waiting? They either lack the budget and/or talent to properly use AI technology or are satisfied with their current tools.

It's easy to assume these organizations will fall behind the early adopters. But that isn't necessarily true. Organizations that develop a strategy and upskill their teams before adopting AI will drive value faster than organizations that adopt AI without a plan or the people to use it.

The takeaway? Even though the vast majority of executives and IT professionals believe organizations that don't invest in AI will fall behind the competition, AI alone doesn't guarantee future success. Organizations need an AI deployment and skill development strategy to improve efficiency, enhance the customer experience, and otherwise drive value from their investments.

Why organizations aren't investing in Al



94% of executives and 92% of IT professionals believe organizations who do not invest in AI in the near future will fall behind the competition.

PART TWO

The Al skills gap impedes success

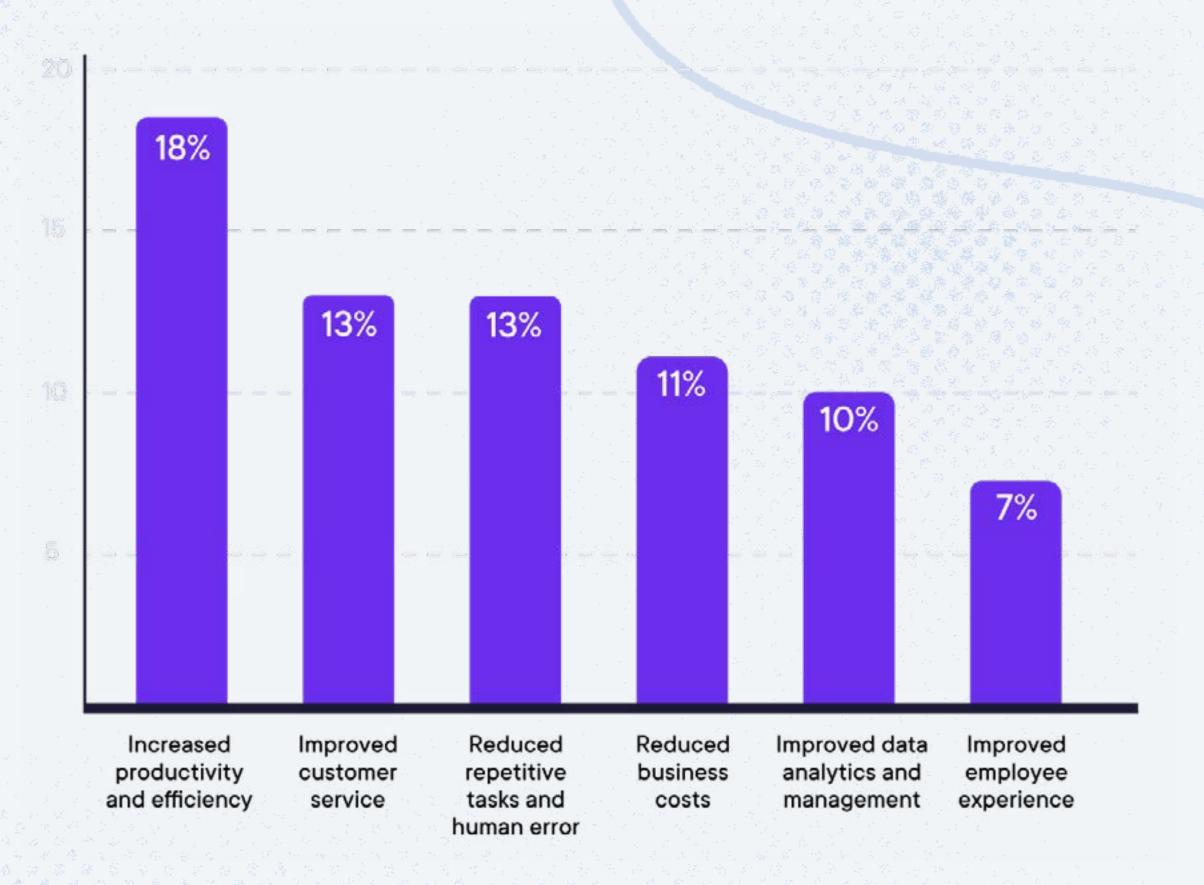
Among the organizations that have already deployed AI technologies, 97% have benefited, citing increased productivity and efficiency, improved customer service, and reduced human error.

For IT professionals, job security drives interest in Al skill development

But AI isn't without its challenges, especially for technologists worried about job security. Nearly 3 in 4 IT practitioners worry the skills they use in their daily role will become obsolete very quickly because of AI tools. And 69% think they're at least somewhat at risk of being replaced by AI.

With 35% of executives investing in AI technology and tools to eliminate unnecessary positions, their concerns aren't unfounded. Despite these concerns, or perhaps because of them, IT professionals know they'll need to learn AI skills to secure their careers. In fact, 96% say staying up to date with AI skills is the best way to ensure their job security in a competitive market.

Benefits of using Al for organizations



Only the top six responses are recorded in this chart; numbers will not add up to 100%.

Leaders lack visibility into Al skills and literacy

IT professionals' desire to learn means they'll be more receptive to any upskilling opportunities their organization provides. There's just one problem: The vast majority of executives lack insight into their teams' AI skills and expertise. And until leaders understand the skills their teams *have*, they won't be able to develop the skills they *need*.

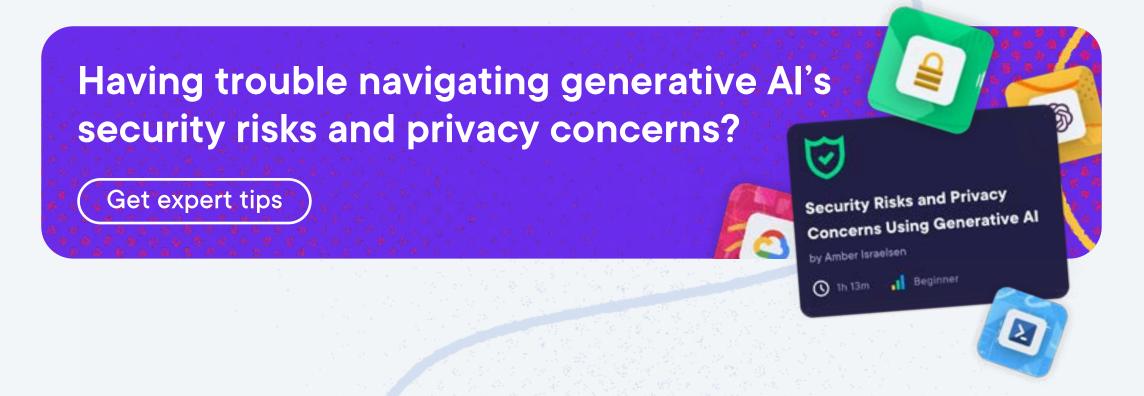
90% of executives don't completely understand their team's Al skill and proficiency.

Even IT practitioners seem unsure of their Al skills: While 81% of IT professionals feel confident they can integrate Al into their roles right now, only 12% have significant experience working with Al.

In other words, leaders can't rely on employee self-assessment as an accurate measure of Al skills. If they do, they open themselves to risks down the line.

Employees who are confident in their AI skills but lack formal training and experience won't build and deploy AI technology with <u>best practices</u>, data security, and privacy concerns in mind.

The AI skills gap doesn't only apply to advanced technical skills, either. To make the most of AI, organizations need an accurate way to benchmark AI skills across their organization and use their insights to create a plan for skill development. This should include basic AI literacy as well as hands-on experiences where employees can apply what they learn, experiment, and make mistakes in a safe environment.



PART THREE

Preparing the workforce to use Al

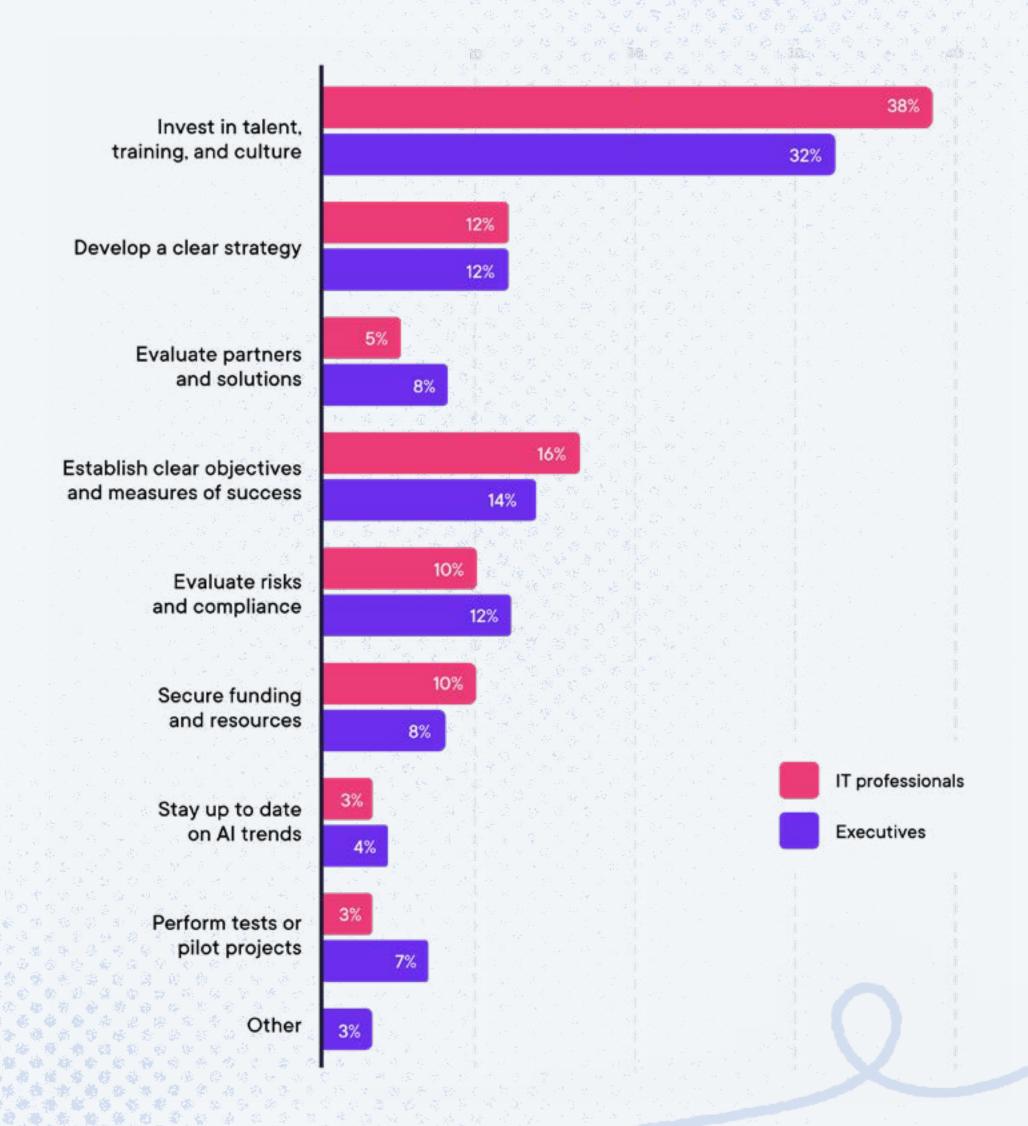
IDC research indicates that about two-fifths (41%) of global organizations say that investments in skills and digital training of employees will be their most enduring technology investment in 2023 and 2024, even outpacing pressing investments in generative AI solutions such as OpenAI's ChatGPT and Google's Bard.

In other words, when it comes to long-term value, training trumps tech. And with AI, we found both leaders and IT practitioners know this: 95% of executives and 94% of IT professionals believe AI initiatives will fail without staff who can effectively use these tools.

On top of that, executives and IT professionals agree investing in talent, training, and creating the right culture are the most important steps an organization should take to prepare for emerging AI technology. But only 40% of organizations have formal structured training and instruction for AI.

IDC Skills Forward: Staying Competitive Amid the Worsening IT Talent Shortage, Doc #US51248323, September 2023

What should orgs do to use Al technology effectively?



Common barriers to Al upskilling

If everyone is aligned, why haven't most organizations implemented Al upskilling programs? Our research found three primary reasons.



Organizations adopt technology first and train employees later

80% of executives and 72% of IT practitioners agree their organization often invests in new technology without considering the training employees need to use it. Without a skill development strategy for their tech investments, organizations struggle to achieve their goals and drive customer value.



Organizations believe they can outsource Al skills

91% of executives are at least somewhat likely to replace or outsource talent to successfully deploy Al initiatives.

But outsourcing is only a stopgap solution.

Because Al is still relatively new, there's a limited number of Al experts, and the ones available on the market may not possess the right skillset.



Organizations encounter general upskilling challenges

Even if organizations decide to upskill their employees, they often encounter barriers that prevent them from implementing successful skill development programs. The most common challenges they face? Finding the right training (42%), ensuring training is the right fit for the AI tool (49%), and procuring budget (48%).

Creating an upskilling program that (actually) solves the Al skills gap

To clear these hurdles, close the AI skills gap, and drive value from their AI investments, organizations need to:



Reconsider outsourcing vs. upskilling

Finding Al experts in the market is a gamble. Organizations that develop Al talent from their existing workforce will build the exact Al skills they need while providing valuable professional development opportunities to their teams.



Create an Al skill development strategy before adopting Al technology

Organizations that want to take advantage of emerging technologies don't always have time to train their employees first. But if they can implement an upskilling strategy before deploying AI technology, their teams can start driving value from day one.



Executive summary

Assess employees' current Al knowledge and skills

Organizations need visibility into their teams' Al capabilities. Once they understand their strengths and weaknesses, they can develop an upskilling program that fills in the gaps and gives them the skills they need to use AI tools effectively.



Provide hands-on learning opportunities

Technologists find it easier to learn and retain new information with hands-on activities. Labs and sandboxes give them a risk-free way to learn new Al tools while navigating the myriad ethical, security, and privacy concerns.



Track AI upskilling success and build a continuous learning culture

Once organizations have implemented an upskilling program, they need to measure its impact. Course completion and employee satisfaction are useful metrics, but skill improvement and impact on ROI provide a better understanding of long-term Al success.



CONCLUSION

Al skills drive Al success

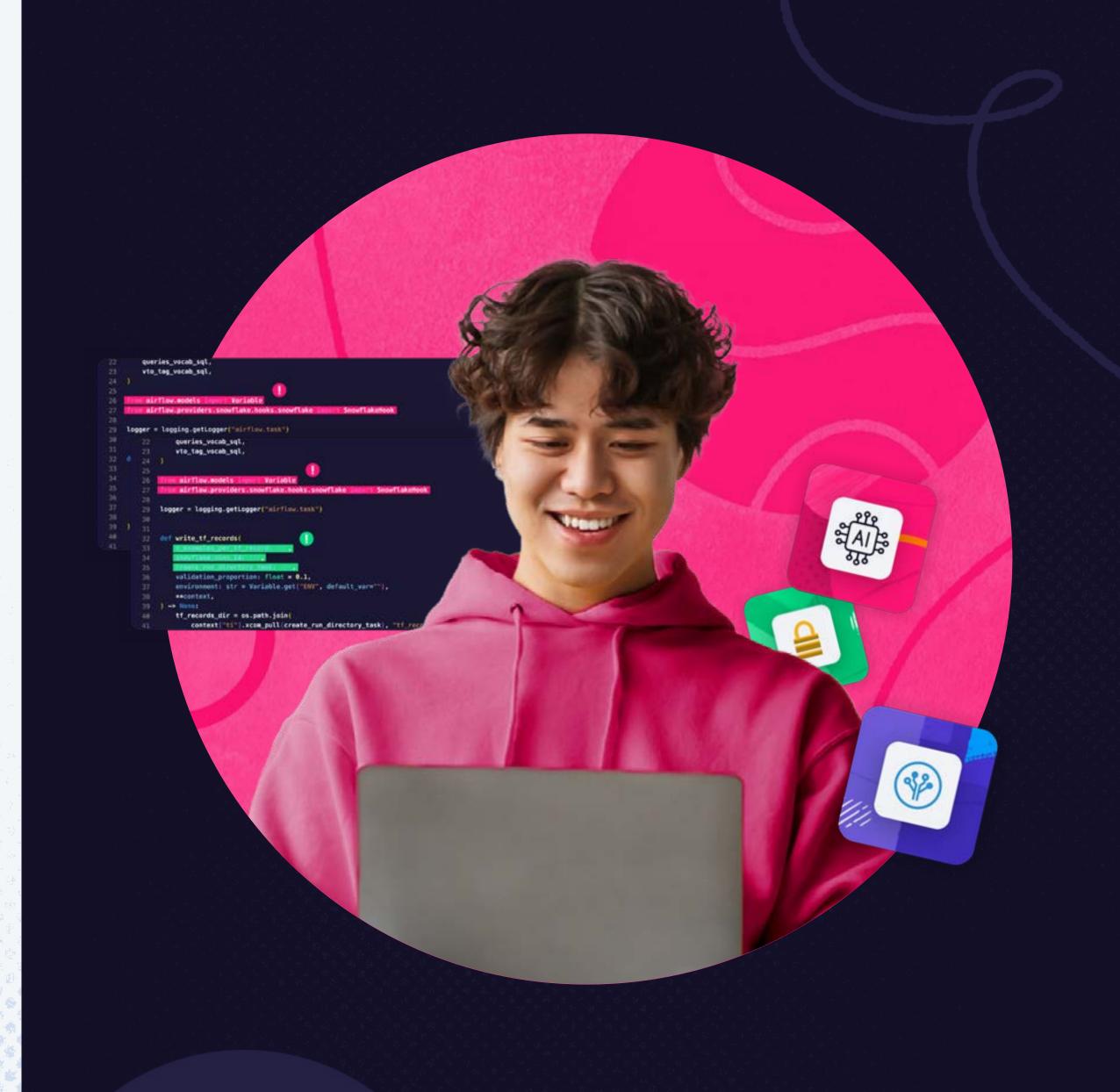
While most organizations are adopting or planning to adopt AI, their teams lack the skills to use these tools and technologies effectively. And the longer they wait to upskill their teams, the wider those skills gaps will grow.

For the majority of organizations, this means rethinking their approach to Al. To drive lasting value from their Al investments, **they need a comprehensive Al upskilling strategy** with skills benchmarking, hands-on learning, and a continuous learning culture.

As Al advances, there will never be a shortage of new skills to learn. You'll need to constantly build up your org's Al skills to leverage the latest tech and keep your competitive advantage.



Build Al skills in your org with Pluralsight



Methodology

For this report, we partnered with Wakefield Research to understand leaders' and technologists' perspectives on Al, uncover its current and future impact, and provide leaders with the actionable insights they need to leverage Al as a competitive differentiator.

To do this, we surveyed 1,200 executives and IT professionals across the United States and United Kingdom.

Position

Executive	600	50%
IT professionals	600	50%

Region

United States	700	58%
United Kingdom	500	42%

About Pluralsight

Pluralsight helps organizations around the globe advance their technology workforce. Because the hardest part of building a business isn't building software and technology. It's building up the people who grow your business. We're the only partner who helps leaders build better teams and better products, all at the same time.

Our upskilling and AI solutions help you create the talent you need, when you need it. From prompt engineering to creating AI models for the cloud and using generative AI techniques for cyber defense, Pluralsight Skills delivers expert-authored courses in the latest technologies paired with hands-on labs and sandboxes. Upskilling with Skills equips your team to execute on strategic investments that ultimately drive innovation, automation, and efficiency.

Explore our AI solution

