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## Upskilling staff is key to plugging the skills gap

### **PwC partner for People & Organisation Gerard McDonagh argues that it time for Irish business leaders to focus on upskilling their staff to plug the skills gap.**

A large majority (84pc) of Irish CEOs are concerned that a lack of essential skills in their workforce is threatening the future growth of their organisation, according to research by PwC.

This compares to just 69pc in 2014—confirming that concern over skills has risen in line with the advent of new technologies over the past five years. At the same time, nearly a third (30pc) of Irish CEOs are focusing on upskilling and significant retraining as the most important way to close the skills gap in their organisation.

This is according to PwC global report – [Talent Trends 2019: Upskilling for a Digital World](#). Of those who are most worried, 70pc said the lack of available key skills is pushing up their people costs faster than expected; 45pc said it is impacting quality standards and customer experience and 34pc said their business is not able to innovate effectively as a result.

### **Upskilling and reskilling move up the CEO agenda**

The survey finds that CEOs are shifting how they fill talent gaps. Almost a third —30pc—of Irish CEOs say significant retraining/upskilling is the most important initiative to close a potential skills gap, against just 12pc who say it's hiring from outside their industry.

This is in contrast to previous years' research, which have shown CEOs exploring the idea of hiring from other sectors—particularly industries that are further along the innovation journey—and using 'gig economy' workers.

Although reskilling employees requires investment, when set against the alternatives — such as severance payments for workers who are let go and the cost of finding new workers with in-demand skills — reskilling is the more attractive option.

This focus on reskilling resonates with employees according to PwC research which found that the majority of employees are happy to spend two days a month on training supplied by their employer to upgrade their digital skills.

### **Rebalancing towards 'good work' — and trust**

This refocusing on upskilling is taking place against a background of rising use of automation and artificial intelligence (AI). While these technologies will inevitably displace some workers, CEOs' opinions vary on the scale and speed of that shift. Nearly half (48pc) of Irish CEOs believe that AI will displace more jobs than it creates in the long run. Yet a large majority (84pc) of Irish CEOs are concerned about the availability of key skills.

What's clear is that investment in digital upskilling is just one part of what's needed to create the workforce of the future, because engaging workers to acquire new skills also requires a strong learning culture to be inextricably woven into a high-quality workplace.

Employers need to satisfy the growing desire for 'good work'—a fulfilling, rewarding experience that meets a set of high-quality values. Technology brings opportunities for efficiencies and cost management, but it also brings the opportunity to make working lives more productive and fulfilling.”

To create good work, organisations will need high-quality workforce data—and while 83pc of Irish CEOs say the right people data is vital, only 23pc believe the data they currently receive is adequate.

CEOs are also aware that automation's impact on the workforce has implications for public trust. Nearly four out of ten (38pc) of Irish respondents see a lack of trust in business as a threat to growth—and they know that how they handle automation will publicly test that narrative.

In light of this, CEOs are divided on where the responsibility for workers displaced by automation and AI should fall: Over half (54pc) believe the Irish Government should provide incentives for the development and use of AI, while 43pc think Government should provide a safety net for displaced workers. This debate clearly has much further to run.

The workplace model is moving from the relative stability that has been in place for decades to a time of constant change, with no final agreed destination. Organisations will face many obstacles on this journey. To navigate it successfully, building and maintaining trust will be key—both among employees, and with governments and society as a whole.

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