

33. Upskilling for Sustainable Success

To pre-empt any disruptions in the middle or the base of the org chart, HR and business leaders are acknowledging the importance of two upskilling initiatives:

- Using AI to be more efficient in current roles.
- Preparing people for new or expanded roles within the organization.

People are the base of the age-old people, process, and technology triangle. Several organizations highlighted in this chapter are already investing heavily in upskilling their workforces. Even so, many underinvest. A Recent Boston Consulting Group (BCG) study suggests that organizations should spend 10% on algorithms, 20% on tech and data, and **70% on people, process, and behavior change.**¹

What Leaders and Employees Want

Leaders want results. Employees want time to learn about AI and develop solutions. Both agree that time is hard to find. According to a recent Microsoft study, “53% of leaders say productivity must increase, but 80% of the global workforce (both employees and leaders) say they’re **lacking enough time or energy to do their (current) work.**”²

Skills (and the time to build them) are becoming a constraint on AI adoption itself. The Organisation for Economic Co-operation and Development (OECD) research finds that around 40% of (non-adopting) employers in manufacturing and finance said **skills are the main barrier to AI adoption.** At the same time, nearly 40% of those surveyed say GenAI helps compensate for those gaps, illustrating the two-way relationship between AI adoption and workforce capability.³

What Upskilling Should Cover

Upskilling programs should focus on more than just the tech. The International Labour Organization (ILO) argues that **the primary challenge is to help the broader workforce work effectively alongside AI, supported by foundational cognitive and socio-emotional skills**. For most roles, which LLM to use isn't important; it should be more about **AI literacy combined with critical thinking, domain knowledge, communication, ethical judgment, and the ability to verify AI-generated work**.⁴

So L&D programs should help employees **develop skills that complement Copilot's capabilities, such as data analysis, critical thinking, and problem-solving**.

Upskilling Success Stories

Several organizations are out in front of upskilling their employees with AI skills, cross-training, and critical thinking. Global technology giant Ericsson raised its AI-literate workforce from 300 to 30,000 in five years, making this high-priority, high-investment project a part of the objectives and key results that executives review quarterly.⁵ Executive support is a consistent theme in success.

An upshot at the tech company is that more than 45% of job postings are filled by internal candidates.⁶ This is approximately double their pre-AI education programs. **Giving people access to AI tools can ease their transition into new roles and lower hiring expenses.**

Success Factors

Don't let these case studies trick your HR department into thinking upskilling and reskilling are easy. At least two factors stand in the way of success:

- Some middle managers don't like reskilling because they fear their people will neglect their regular duties during training, and then leave for other roles after training. "Talent hoarding" can set in.

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- In a BCG survey, 65% of the 209,000 participating workers said they prefer to learn on the job.⁷ As a result, the best approach for reskilling is to do as much training as possible by means of shadowing assignments, internal apprenticeships, and trial periods.

According to that BCG survey, **upskilling alone won't be enough for millions of workers** who may need to be entirely reskilled in the coming decades.⁸ That'll catalyze fundamental and profoundly complex societal challenges that will require workers not only to acquire new skills but to use them to change occupations.

The Upshot of Upskilling

On the positive side, while it is true that AI and automation will displace some jobs, it is also true that these technologies can create new jobs. For example, the development and deployment of AI systems require skilled workers in fields such as data science, machine learning, and software engineering. New industries borne from AI's productivity and efficiency will ultimately lead to economic growth and the creation of new jobs. However, **it is important to ensure that workers are equipped with the necessary skills and knowledge to take on these new jobs.** This is where upskilling and reskilling come in, allowing workers to adapt to the changing job market and take advantage of new opportunities

Retooling and upskilling the employee base is key to sustainability. In McKinsey's survey of 1600+ participants, they found that high-performing AI organizations "are expected to conduct much higher levels of reskilling than other companies are. **Respondents at these organizations say their organizations will reskill more than 30 percent of their workforces over the next three years as a result of AI adoption.**"⁹ Organizations with the tools and training programs in place to upskill their workers will have a competitive advantage.

Most importantly, **upskilling shows people, more than just telling them, that machines are not here to take their jobs.**

Resources

- ¹ <https://www.bcg.com/publications/2026/building-business-value-with-ai-investment#:~:text=In%20practice%2C%20the%20value%20equation%20is%20often,many%20successful%20transformations%20begin%20with%20traditional%20levers>
- ² <https://www.microsoft.com/en-us/worklab/work-trend-index/2025-the-year-the-frontier-firm-is-born>
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- ⁷ <https://www.bcg.com/publications/2021/decoding-global-trends-reskilling-career-paths>
- ⁸ <https://www.bcg.com/publications/2023/your-strategy-is-only-as-good-as-your-skills>
- ⁹ <https://www.mckinsey.com/capabilities/quantumblack/our-insights/the-state-of-ai-in-2023-generative-AIs-breakout-year>