



News release

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CEOs focus on upskilling their workforce to close the skills gap and boost innovation and trust, says PwC

18 June 2019 – Seventy-nine percent of CEOs worldwide 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 63% in 2014—confirming that concern over skills has risen in line with the advent of new technologies over the past five years.

The PwC report – [Talent Trends 2019: Upskilling for a Digital World](#) – finds that a lack of skills is a key concern in all regions across the world. CEOs in Japan (95%) and Central and Eastern Europe (89%) are the most worried, whereas their peers in Italy (55%) and Turkey (45%) are the least anxious about skills. Of those who are most worried, 55% say their business is not able to innovate effectively as a result, and 52% that it is pushing up their people costs faster than expected.

Upskilling and reskilling move up the CEO agenda

The survey finds that CEOs are shifting how they fill talent gaps. Almost half—46%—of CEOs globally say significant retraining/upskilling is the most important initiative to close a potential skills gap, against just 18% who say it's hiring from outside their industry.

This is in contrast to previous years' surveys, 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.

Carol Stubbings, Joint Leader, Global People & Organisation, PwC UK, says:

“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. A global survey of more than 12,000 workers found that 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.



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.

Carol Stubbings, Joint Leader, Global People & Organisation, PwC UK, says:

“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 86% of CEOs say the right people data is vital, only 29% believe the data they currently receive is adequate.

CEOs are also aware that automation's impact on the workforce has implications for public trust. Half of the 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: 66% believe government should provide incentives for the development and use of AI, while 56% think it should provide a safety net for displaced workers. This debate clearly has much further to run.

Bhushan Sethi, Joint Leader, Global People & Organisation, PwC US, says:

“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.”

Five recommendations for CEOs

1. People-related analytics must improve
2. Business leaders need to be much clearer about their reskilling strategy and what that really means for their workforce
3. The external narrative will be equally important
4. Reskilling is only part of the story
5. A changing workplace needs a new approach to workplace management

Notes to editors

About the report

‘Talent Trends 2019: Upskilling for a Digital World’ is part of PwC's 22nd Annual Global CEO Survey trends series. PwC conducted 3,200 interviews with CEOs in more than 90 territories. To download the report, visit <https://www.pwc.com/talent-trends-ceo-survey>

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