Compass by Guild

Navigating the future of HR together



Your HR AI roadmap

Learn how HR leaders are using AI and how you can equip your workforce with the skills they need for the future.

Contents

Welcome to Compass: Letter from the guest editor By Matthew J. Daniel

A roadmap for upskilling your workforce on AI By Matthew J. Daniel

10

The real key to your Al strategy: Humans By Dean Carter

14

5 ways HR leaders are using AI today By Dan Tynan

20

How AI is being used across your workforce: An early look By Alex Canon

31

The skill superpower in the Al era? It's not technical By Shana Lebowitz Gaynor

35

Healthcare's Al opportunity is a lesson for every industry By Alex Canon



Welcome to Compass

Letter from the guest editor

In the latest <u>Compass by Guild</u>, we're exploring the technology profoundly shifting how many of us think about and do our work: AI. Since the public release of ChatGPT in November 2022, generative AI's capabilities around creativity and productivity have captured people's attention, imagination — and yes, even fears — in plenty of arenas, including the workplace.

While there's no shortage of curiosity and predictions about the impact of AI on the future of work, I have to say that I'm a bit disappointed by the conversations I've been having with HR executives about their approach to this technology — specifically in the way they're thinking about upskilling their workforce for what's to come.

Many leaders are deferring to the rest of the business to figure out AI upskilling, but let's be honest: Deferring to the business to pull together the first rounds of AI skilling is a recipe for HR irrelevance.

I'm reminded of when the CEO of a company I worked for said that our highest priority was "digital transformation," stirring a debate about what exactly that meant. Years later, I can speak from experience: It was the HR leaders in the organization who embraced "digital," defined it, created upskilling programs, and realigned staff who survived the change the business went through over the next few years.

Now, it's our turn to do the same with Al. In this collection, you'll find real-world examples of HR leaders using Al, data about Al usage in different industries, arguments for prioritizing durable skills and human potential, and my recommendations on ways to build an Al skilling roadmap within your organization.

Feel free to reach out and let me know what you think. I look forward to hearing your thoughts!

Matthew J. Daniel Senior Principal, Talent Strategy, Guild

A roadmap for upskilling your workforce on Al

Now is the time for HR leaders to design an AI workforce skills strategy.



Matthew J. Daniel Senior Principal, Talent Strategy, Guild

The window for HR leaders to build their competitive edge in Al skilling for the jobs of tomorrow is shorter than you might realize.

Take the example of the "digital transformation" movement of the 2010s, when the majority of HR leaders took a position that the "business" should answer the question of what digital upskilling would entail (and exactly what "digital" meant). In the years of change that followed, those who sat on the sidelines and deferred to others were largely left behind.

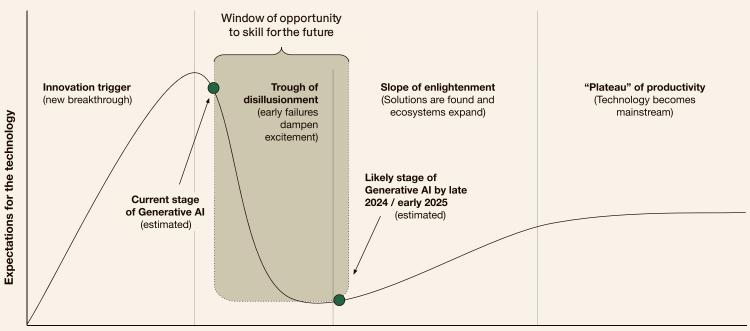
To avoid a similar fate around AI, HR professionals should be ready to dig in and use their expertise to set their organizations on the right path.

So, where to begin? Below, I lay out the context of our current moment and a set of steps to follow as you get your organization started with AI. You'll gain ideas and resources to take back to your teams to help with the following:

- Understanding the initial considerations for your Al journey
- Preparation through AI self-skilling and experimentation
- · Building out personas for Al upskilling
- Defining AI programs your employees need

Let's get started!

Generative Al's current stage on The Gartner Hype Cycle



Time since introduction



A narrow window of opportunity

Gartner's "Hype Cycle" popularized the idea that all the noise around new technology can lead to a "trough of disillusionment." It's the moment when a new technology loses its initial excitement, and the combination of oversaturation, early failures, and complexity causes a loss of energy and enthusiasm for the work.

While the "trough" may feel like a chance to catch up on your other priorities, it's actually a critical moment for reskilling and upskilling on new technology to make it a strategic advantage for your company.

For now, there's still a window of opportunity in which to act without falling behind. Here are the questions I recommend HR leaders explore as they build their AI skilling strategy:

- 1. Which companies are leading the way with Al adoption, and who are the thought leaders I should engage with?
- 2. How do I get connected to existing internal tests and stakeholders to accelerate our learning without introducing new risks?
- 3. Who are the internal partners that will build with me, and how do I identify the most significant needs we can work to address together?
- 4. Which AI tools should my teams and I start experimenting with to build credibility and better understanding?



Learn from "digital transformation" and take an active role

It can be tempting to lean on technical teams to dictate your business needs around AI, but let me be blunt:

Deferring to the rest of the business to pull together the first rounds of Al skilling is a recipe for missed opportunities and HR irrelevance.

As I mentioned at the start, the HR leaders who made it through the years of "digital transformation" were those who embraced "digital," defined it, created upskilling programs, and realigned staff accordingly. In the case of Al, now is the time to choose your path and decide if you will define the skilling agenda or leave it to the business.



To be clear, HR should absolutely partner with other functions to drive the learning agenda and ensure the most essential needs of your organization are being addressed. My caution to HR leaders is simple: Lean in and stay connected to the decisions around how, what, when, and where Al learning happens.



Building a personabased framework

Part of the challenge of knowing where to start with AI upskilling is addressing the fact that many employees already use AI at work — whether they are telling their managers or not. One survey of primarily office workers found that more than half are using generative AI for job tasks, but only 26% said their organization has a policy governing the use of generative Al. To add to the complexity, another study found that just 14% of frontline employees say they've received Al training.

At Guild, I have the opportunity to talk with our Fortune 500 employer partners about the challenge of reskilling the workforce once again. They have shared that they feel unqualified to decide who gets access to what AI skills and when — and that they might even defer to the business in the ways described above.

Looking at the experiences faced by these companies, we recognized that AI skilling isn't a one-size-fits-all or even a one-size-fits-most proposition. As a result, we developed a personabased framework for approaching AI upskilling.

14%

of frontline employees say they've received Al training.

Al upskilling goals by persona



Leaders & executives

Help me lead my organization through Al transformation and differentiate my strategy with Al.



Technical (AI) professionals

Help me build and scale AI technology throughout my organization without introducing risk.



Early-tomid career professionals

Help me use Al tools effectively in my role and tell me the rules.



Frontline employees

Help me be informed about Al and its implications on my future.



Investing in foundational skills for Al

Once you've identified the segments of learners in your organization, it's critical to define the categories of AI skilling that you want to emphasize. This is especially important when you recognize that employees are hungry for AI content and are likely already seeking it out on their own.

Case in point: At Guild, we found that where Al programs were available, 1 in 10 learners who already had a degree were enrolling in Al certificate programs. In a survey of our users, we also found that 15% of financial services employees and 12% of retail employees said that Al had already impacted their career direction or the types of roles they were considering.

While the categories of relevant skills will undoubtedly evolve over the next few years, we've focused on what we believe are the most foundational skills that will continue to serve employees well even when new and increasingly innovative technologies are released.

Here are the four categories we started with, in case they are helpful in <u>designing your own</u> <u>skilling approach:</u>

- Al Fundamentals: Building literacy and ethics around the use of Al and developing the ability to consider the implications of Al on your work.
- Al in Practice: Understanding the landscape of Al tools available and identifying when and how to practice using those tools in their roles.
- 3. Al Expertise: More technical skills that offer learners the ability to build and scale Al in their area of business.
- 4. Al in Leadership: Empowering leaders to incorporate Al into their business strategy and eventually evolving to an Al-driven strategy.

Core skills and focus areas by Al upskilling category

Al fundamentals Literacy, ethics, & implications

- → Al 101 (e.g., types and core concepts of AI, real-world examples, ethics)
- → Al for knowledge work (e.g., recent advances, Al data risks, economic implications)
- → Al for managers (e.g., Al risk management, communicating Al, encouraging AI use)

Al in practice Understand and use Al tools

- → Generative AI and prompt engineering (e.g., ChatGPT)
- → Al-enhanced productivity (e.g., Al tools for time management, analytics, R)
- → Al for X (e.g., Al for web development, DevOps, customer service, or healthcare)

Al expertise Build and scale Al in the business

- → Natural language processing
- → Machine learning development and deployment
- → Vector database engineering
- → Human-in-the-loop engineering
- → Agent design and management
- → Token management and session chaining

Al for leaders Strategy for AI in business

- → Strategy of AI (e.g., product and solution opportunities and ROI)
- → Creating Al-positive culture (e.g., encouraging learning and experimentation)
- → Using prediction (e.g., why is decision-making different with AI)
- → Global implications (e.g., potential regulatory changes)



Charting a path forward

With your goals, personas, and skilling programs mapped out, it's important to put the work into practice while the timing for upskilling is in your favor.

Below are my suggestions for what to keep in mind as you move forward:

 Continue to view skilling investments through an equity lens.

Guild's research has shown that the groups most likely to use AI tools are those with more education and higher incomes and are younger, white, and male.

As decision outcomes regarding AI will be infused through nearly every part of the business, it's critical to approach skills development such that your entire workforce — including frontline employees — can grow and succeed.

2. Experiment and stay open to how AI can shape your workforce.

The next phases of Gartner's "Hype Cycle," after the "trough of disillusionment," involve rapid expansions and increased energy. Especially if your AI upskilling is on track, you can maintain an open mind toward AI innovation and its potential value for your employees and business.

For inspiration, look at the vision Peter Schwartz, Chief Futures Officer at Salesforce, offered at last year's Guild Opportunity Summit. ↓



3. Remember that people are the real key to your AI strategy.

As Guild's Dean Carter explained, HR is critical in creating a cultural environment that embraces the coming change and helps employees get excited about their role in their organization's future. Just like we've seen time and again over the last several years, HR leaders will have a big opportunity and responsibility to step up and help create the future of work.



Al training for employees: How employers can get - and stay- ahead of an Alpowered future

Get the e-book

The real key to your Al strategy: Humans

Al investments won't deliver their full potential without intentional focus on upskilling and employee confidence.



By Dean Carter Chief People Officer emeritus and Evangelist, Guild

Investments in AI are growing rapidly as organizations race to stay current and increase their productivity.

The current challenge is that employers and employees feel uncertain and unprepared for what's ahead.

Even though roughly 90% of HR leaders believe that up to half of their workforce will need to be reskilled in the next five years, according to research from PeopleScout and Spotted Zebra, only 7% are actively investing in their reskilling programs.

To make the ultimate hill to climb even steeper, 34% have no plans to undertake a workforce transformation initiative to prepare for what's ahead.

When you look through that lens, it's no surprise that an estimated 70% of workers feel unprepared for the future of work.

So, now what?



70%

of workers feel unprepared for the future of work.

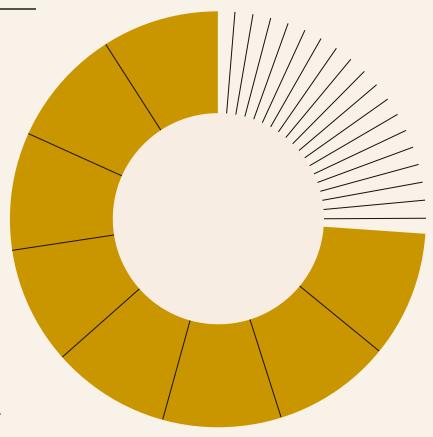
Source: Upskilling Study, Amazon and Workplace Intelligence, 2022

HR leaders must step up to create Al upskilling programs and tap into human potential

Education and upskilling in the use of AI technology is an urgent priority, and HR leaders need to get programs in place now if they hope to mitigate the widening skills gap.

Creating a cultural environment that embraces the coming change, and <u>designing skilling</u> <u>solutions</u> for different types of employees and their respective needs around AI, will not only prepare organizations to incorporate AI technology into different aspects of their business — it will also give employees more confidence in their ability to create sustained, long-lasting contributions to the organization as it evolves.

Ultimately, the integration of new technology into the workplace doesn't change the factor that has the greatest influence on a company's output: human curiosity and potential.



Employees are the ones who will come up with creative, innovative ways to incorporate AI into their workflows to drive results. While humans possess unique abilities in areas like critical thinking and collaboration, we all need ongoing encouragement and "modeling the way" from leaders to develop the highest levels of proficiency and meaningful work.

As a leader charged with facilitating these transitions and balancing the technology and human aspects, you will encounter a lot more resistance from employees if adopting something new feels like work. In my experience, you can get there much faster if you incorporate elements of play and let people have some fun with it. No one went to "phone school" when the smartphone was introduced — we became comfortable with it at work and home by just using and exploring it.



Encouraging experimentation lets people discover how they can benefit from new technology, and doing that on their own builds more loyalty than simply implementing required use cases by the organization.

Create the right environment for change by embracing human potential

Looking at our current moment with AI, I think there's a lot of opportunity to apply lessons from past transformations to ensure we continue to emphasize the "human" part of what we do even as technology shows up in new ways.

With the half-life of skills declining, there's an urgency to take on these critical projects and ensure employees are prepared with both the skills and the environment to adapt to the evolving needs of the business. HR leaders are well placed to guide organizations through this massive shift, and just like they've seen over the past four years, proactive CHROs, in partnership with CEOs and Boards, will step up and lead once again.

Here are some strategies that HR leaders can use with their employees to unlock human potential during this period of fast-paced change:



Start with values

Identify alignment between your organization's values and the type of Al you want to introduce to your workforce. Employees need to see how technology can be a powerful tool to advance the mission and augment what they are doing today.



Earn trust

Communicate your goals clearly, create open forums for discussion and questions, and regularly solicit feedback so that employees feel heard. People may have concerns and they will need outlets to speak up and hear from leaders.



Build skills and experiment

Identify skills gaps and design training opportunities to help employees learn more about the technology and how to use it in their roles. Lean into experimentation and play where possible so that people can build a more personal connection to the technology. Familiarity will also lower distrust and unlock creativity.



Develop advocates

Leaders can't implement effective change for the whole organization on their own. If you can find champions who are excited about the technology and can share how it's improving their work and output, they can inspire others and unlock more creativity.

5 ways HR leaders are using AI today

Learn from practical examples of AI in action to drive business outcomes.



By Dan Tynan Contributing writer

Generative AI (GenAI) has captured the public imagination in a way not seen since the internet became broadly available in the mid-1990s. And like the internet, GenAI has already begun to change how we all live and work.

Yet, according to the Society of Human Resource Management's (SHRM) <u>2024 Talent Trends</u> <u>survey</u>, only about one in four organizations use Al regularly to support HR-related activities. For larger, more technology-centric companies, that number edges closer to 40 percent.

What's clear is that the uptake of AI is growing day by day. Three out of four HR professionals surveyed by SHRM believe advancements in AI will increase the importance of human intelligence in the workplace over the next five years.

Here are five ways HR leaders are using AI today to enhance their organization's ability to attract, manage, train, and retain their most valued assets: their people.

1. Al as a force multiplier for small HR departments

Alicia Henriquez, head of people for collaboration tools startup **Liveblocks**, is an HR department of one. But she uses multiple AI chatbots to do the work of many. She uses GenAI daily for content creation, collaboration, brainstorming, and when she needs to access arcane bits of knowledge — like how to handle payroll tax for people working in France. There's a GPT chatbot dedicated to that!

The right chatbots can act as both a research partner and a sounding board, says Henriquez.

"Because I am a team of one, and all of my other colleagues are ruthlessly prioritizing what they need to do on the product side of things, I'm leveraging AI to be more efficient."

Alicia Henriquez | Head of People, Liveblocks



"For example, I'm using chatbots to help me rethink how to assess performance and identify what our core competencies ought to be - to take our core values and distill that into something simple and clear."

And as Henriquez eventually builds her department (Liveblocks currently has 12 employees), she'll be better prepared to look for people who can augment the skills and services that Al already provides.

"When I'm ready to hire for my team, I'll know exactly what I need to hire for and where I can leverage AI," she says.

2. A customized source of **HR** truth

One of the downsides of general interest chatbots like ChatGPT or Gemini (formerly Bard) from Google is that they are not HR experts. Unless you're extremely precise in how you write your prompts, you may get back generic answers and advice, and the sources for this information are opaque at best. This is why many HR leaders are creating their own industry- or organizationspecific chatbots, using OpenAl's Chatbot Builder and similar tools.

For example, when Theresa Fesinstine found ChatGPT wanting, she created her own HR Advisor app using source material she developed over a 25-year career. As founder of peoplepower.ai, she teaches other HR professionals how to get the most from Al tools. Fesinstine says custom bots are especially useful when asking sensitive questions you wouldn't want to share with a public chatbot for security or privacy reasons.

Alicia Henriquez is also creating her own Al chatbot. And they're hardly alone. The **PeopleGPT** community has developed more than two dozen bespoke chatbots, from recruiting and mentoring tools to the different ways you can help startup CEOs build their teams.

"I'm trying to show HR leaders that AI is not a scary beast; it's an opportunity to shine," says Fesinstine. "It allows you to focus your energies on important things, not minutiae. You can use Al bots as real-time management coaches or to enable a more personalized approach to the employee experience. I think AI can be a bridge to reach younger generations entering the job market."

3. When there aren't enough human facilitators to go around

How do you deliver a day-long training session for 3,000 managers, broken out into hundreds of cohorts of six to eight people, when more than half are attending remotely? That was the problem facing Joshua Clark, vice president of learning & careers for open-source software maker Red Hat. He turned to human-like Al avatars to facilitate the breakout groups and run the skill-development exercises.



"I'm trying to show HR leaders that AI is not a scary beast; it's an opportunity to shine."

Theresa Fesinstine | Founder of peoplepower.ai

"It was like having a facilitator in a box," he says.
"The avatar welcomed attendees to Managers
Day and then led them through each of the day's
exercises. You just script it, and then the service
automatically generates the video for you."

Clark says the advantage of using avatars instead of pre-recording videos with human facilitators is that you don't have to reshoot it when you need to update the learning materials or if that facilitator leaves the company. You just submit a new script.

A growing number of services offer realistic Al avatars for a wide range of uses, including **Deep Brain, Soul Machines,** and **Synthesia.** Most let you choose from hundreds of avatars with different skin tones, hair colors, voices, genders, languages, and accents.

In the future, Clark hopes to customize each avatar to match the countries where Red Hat's 24,000 employees are located and deliver content in their native languages.

4. Fostering a more diverse workforce

Multiple studies show that companies with diverse employees outperform those with more homogenous workforces. But if you want to attract a more inclusive pool of job candidates, the words you use to describe positions are critical. Al-powered tools like Textio, Ongig, and Clovers can analyze your language in job postings and suggest ways to remove unintentional bias and broaden their appeal.

For example, Textio data shows that job posts using the words "competitive" and "zero tolerance" are much more likely to attract male applicants. In contrast, words like "collaborative," "fosters," and "our team" are more attractive to female candidates, notes Textio's head of talent acquisition and diversity, Jackye Clayton. Using the right descriptors can also reduce the time it takes to fill a position.

Why using gender-neutral language in job postings matters

29%

There can be a 29% boost in the number of applicants.

40%

Cost per application can be reduced by over 40%.

1/2

Women are half as likely to consider roles if they sense hidden bias in the job descriptions.

Source: Appcast Research

According to studies by Ongig, using genderneutral language in job postings can boost the number of applicants by 29 percent while lowering the cost per application by more than 40 percent. Clovers reports that women are half as likely to consider roles if they sense hidden bias in the job descriptions.

In addition to recruiting, the language used in performance reviews can impact a company's ability to retain a diverse workforce, notes Clayton. Per <u>Textio studies</u>, employees who receive biased or unhelpful feedback are 63 percent more likely to leave their jobs. The company recently introduced a feedback management product, Textio Lift, which flags problematic language in manager reviews.

"Looking for the best talent is hard, and it gets even harder if you're turning people away from your job posts before they even get a chance to apply," says Clayton. "Al can both reduce bias in hiring and help managers get better at the people side of their jobs."

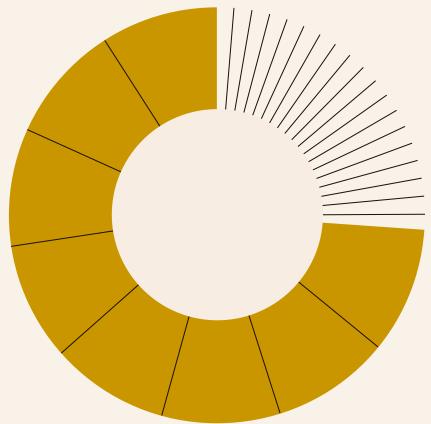
Employees who receive biased or unhelpful feedback are 63% more likely to leave their jobs.

Source: Textito

5. Transforming the employee learning experience

Accelerating skills development is an area ripe for help from generative AI. Chatbots can help HR pros research topics, create course content, directly teach skills, and provide real-time feedback. SHRM's Talent Trends survey indicates that learning and development is the second most popular application among HR organizations that employ AI; 43 percent of HR organizations use it for L&D after hiring (64 percent) and above performance management (25 percent).

In addition to enhancing content creation, GenAl tools are enabling employers to create more personalized learning experiences, notes Dieter Veldsman, chief HR scientist for the <u>Academy to Innovate HR</u> (AIHR).





"Al can both reduce bias in hiring and help managers get better at the people side of their jobs."

Jackye Clayton | Head of Talent Acquisition and Diversity, Textio

For example, <u>Dextego</u> delivers real-time learning in soft skills for Gen Z employees. Curation tools such as <u>Quuu</u>, <u>UpContent</u>, and <u>Scoop.it</u> allow L&D specialists to incorporate public domain content into their development platforms. The <u>Narrato</u> platform enables organizations to automate and accelerate their content-creation workflows.

"Al helps integrate learning into work," says Marna van der Merwe, an HR subject matter expert for AIHR. "By automating learning path suggestions, broadening access to highly curated learning content, and offering multiple opportunities to apply learning and new skills in real time, Al has the potential to completely transform what learning looks like in organizations. That, in turn, will lead to better and sustainable talent pools."

How are HR organizations using AI?



Source: SHRM's Talent Trends survey, 2024

How Al is being used across your workforce: An early look

Research across healthcare, finance and retail industries highlights opportunities—and gaps.



By Alex Cannon Contributing writer, Guild

Today's business leaders are not only bullish about Al adoption — they're also eager to find ways to implement it for their workforces.

According to a recent <u>report from KPMG</u>, 72% of CEOs say generative AI is an investment priority, even in an economically uncertain time.

The excitement is understandable, but do organizations have the in-house expertise needed for the broad implementation that executives expect?

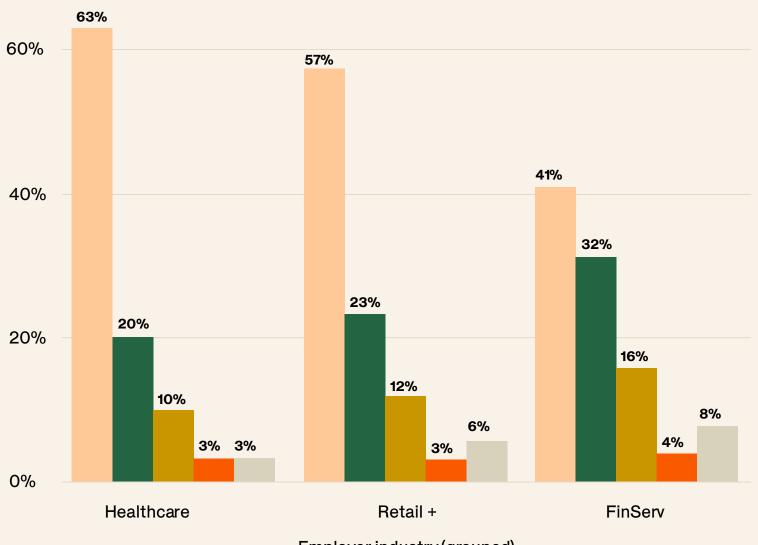
For most companies, there are still critical knowledge gaps, though some industries and personas are starting to pull ahead.

Demographically, the employees who do seem to be using AI tend to have higher household incomes and have already achieved higher levels of education than employees who aren't using AI.

The problem is that the significant investments employers are making in AI are at odds with the low percentage of their workforces currently using AI on the job.

That discrepancy puts Al investments at greater risk than companies may realize.

Most employees are missing the opportunity to use AI tools at work.



Employer industry (grouped)

None
 A little: Seen or used these tools a few times
 Some: Mainly for personal reasons
 Some: Mainly for job tasks
 Moderate to a lot: Use for both personal purposes and jobtasks

Source: Guild survey data, 2024, n=4,640

For any employer hoping to see their AI initiatives produce business outcomes, focusing on employee awareness, use, and sentiment toward AI is critical. To gain a better understanding of the current landscape, Guild recently surveyed employees from a range of job sectors and levels.

Below, we share who's leading, who's lagging, and what leaders across the healthcare, retail, and financial services industries can do today to meaningfully prepare their entire workforces for an Al-driven future.

Healthcare

1. Healthcare has been slow to warm to Al.

Significant concerns about managing risk, maintaining patient confidentiality, and ensuring health equity outcomes have made organizations reluctant to adopt Al. As a result, healthcare employees report having fewer opportunities to use Al at work than employees in other industries.



Many healthcare workers have Al awareness...

50%

of healthcare workers have basic AI awareness.

Source: Guild survey data, 2023 (n=392)

Yet, Al does have the potential to make a significant positive impact on healthcare professionals and patients. "In healthcare, Al can create space for more connection between providers and the people they are caring for," said Hanna Patterson, Senior Vice President of Healthcare and Applied Learning at Guild. "That can lead to deeper relationships and more time spent aligning on achievable approaches to treatment."

2. Healthcare workers are skeptical of the potential of Al to impact their careers.



...but, adoption in the workplace is lagging.

12.5%

of healthcare workers have used Al tools in the workplace.

Healthcare employees generally don't anticipate any impact from AI on their current or future careers.

1%

of healthcare workers said Al changed their career goals.

3%

of healthcare workers said Al expanded the types of roles they'd consider.

1%

of healthcare workers said Al narrowed their future role options.

3. The majority of healthcare workers don't think they'll need new AI skills for their current job.

Only 32% of surveyed healthcare employees saw a need to develop new technical skills for their current job as a result of Al.

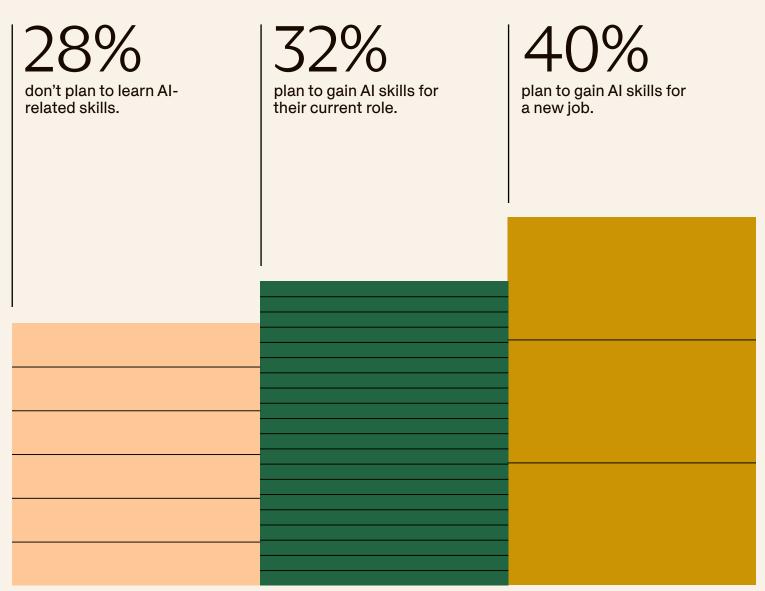
For Al adoption to take off, healthcare workers

— including frontline staff — will need education

and support from their employers. Providing the necessary training will require <u>significant</u> investments in digital and Al literacy, among other measures.

"Al skilling accountability sits with healthcare employers," Patterson said. "Teams will look to leadership for guidance, which should come from the organizational Al strategies that leaders need to develop now to ensure their workforces are ready to use Al as part of their work in the near future."

Healthcare workers on Al-related upskilling

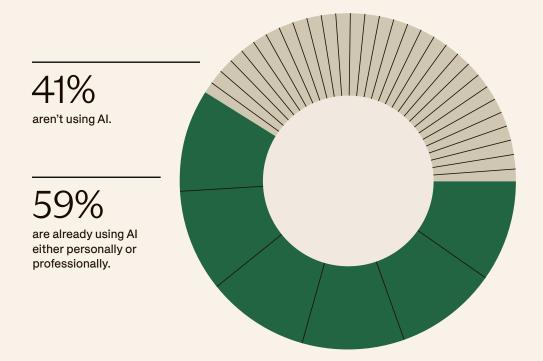


Financial services

1. Six out of 10 financial services employees are already using Al.

Unlike other industries we surveyed, most financial services employees already used Al.

Source: Guild survey data, 2024



2. Al use at work is twice as common among financial services employees as it is among healthcare or retail employees.

The financial services industry is data-intensive. Compared to professionals in other sectors, financial services employees recognize Al's potential to streamline work through predictive analytics, risk assessment, and risk management capabilities.

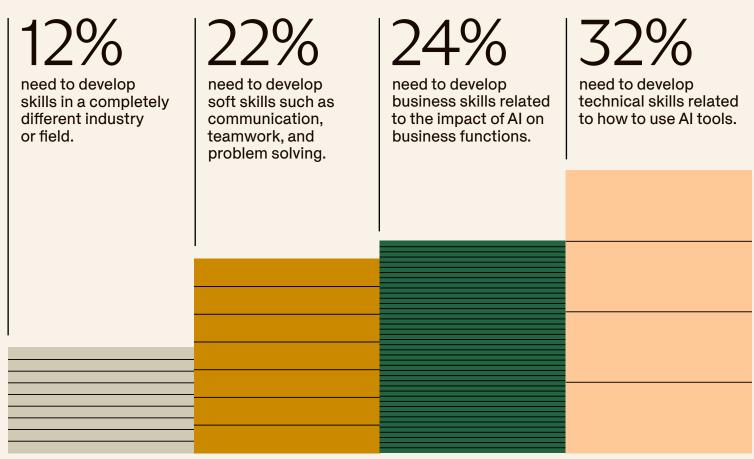
	Heard of Al tools	Have tried Al tools	Use at least weekly	Use for learning programs	Use for work
FinServ	85%	48%	20%	16%	16%
Healthcare	54%	21%	10%	10%	9%
Retail	59%	36%	15%	16%	8%

3. Nearly 1 in 3 financial services employees say they need to develop technical skills to keep up with AI.

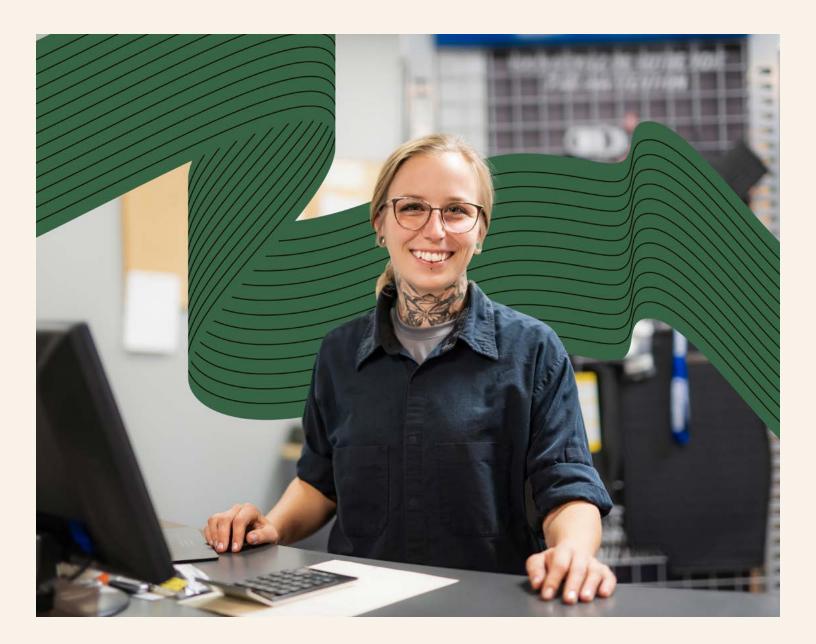
Financial services employees responding to a Guild research survey conducted in the summer of 2023 said they recognized a broad need to develop skills ranging from technical to more durable.



What skills do financial services employees say they need to develop?



Source: Guild survey data, 2023, n=21



Retail

1. Retail employees are eager to learn about Al.

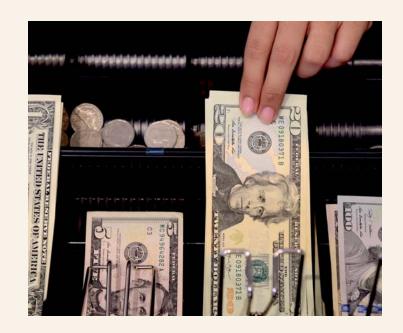
80%

of retail employees (including hospitality and restaurant workers) said they want to build new AI skills either for their current or future roles. 2. Although Al shifts the types of roles retail employees might consider, Al's precise impact on career trajectories remains uncertain.

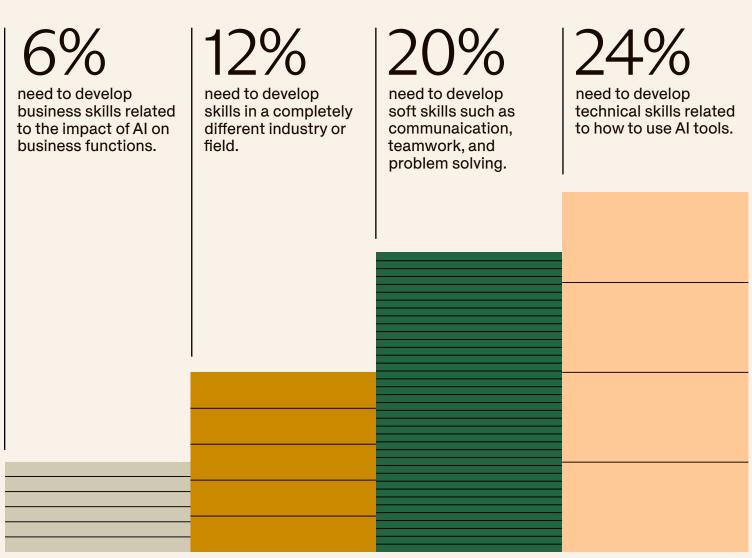
Only 9% of surveyed retail employees said they're expanding their ideas of the roles they may pursue in the future, and 0% felt that Al changed their career goals in a specific direction.

3. Despite concerns about job loss due to automation, only 12% of retail workers said they need to learn skills in a new field or industry.

Results from an earlier survey could indicate employees in retail intend to stay in retail. They could also point to a broader lack of awareness of how AI may impact their jobs in the future.



What skills do retail employees say they need to develop?



Who's using AI today?

When we look beyond specific industries and focus instead on broader populations of Al users, equity imperatives become clear.

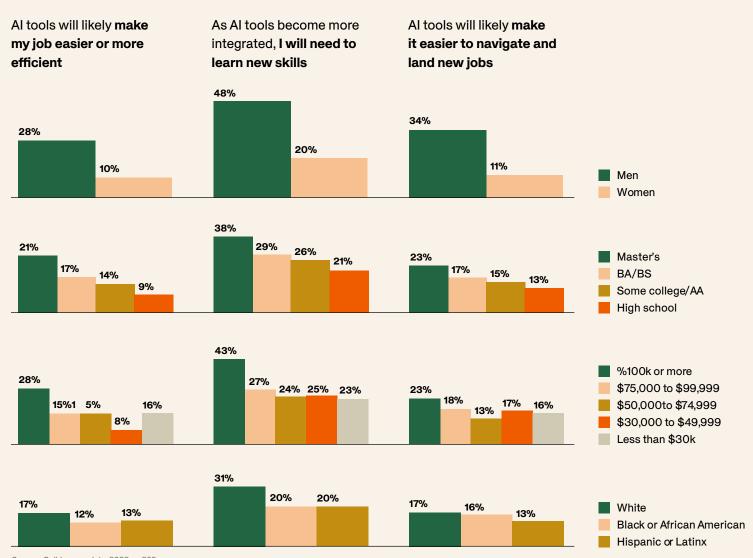
According to Guild research data, the groups of people most likely to use AI tools today are highly educated, affluent, male, white, and young.

Twenty-four percent of people with an annual household income of \$100,000 or higher say they're already using AI for work — that drops sharply to just 9% for households earning

\$75,000 - \$99,000. Roughly half of male respondents said they have used AI tools, compared to one in five women.

The same demographic groups most likely to use AI are also most likely to benefit from its effect on their role performance, competitiveness, and ability to navigate the job market. That dynamic threatens to worsen equity gaps across race, gender, educational attainment, and socioeconomic status.

Current demographics among AI users point toward equity gaps.



Demographic differences in AI use point to broader DE&I implications.

"It is a harsh reality that many people will be out of work; however, it is an extreme advantage to those who understand how to use Al effectively and develop skills for the future." White man

Early 20s

Financial services

High household income >\$100k

"I don't know much about AI tools, so I'm not sure how I would even use them or what I would use them for. Hopefully, in the future, I will be able to learn more about them and try them out."

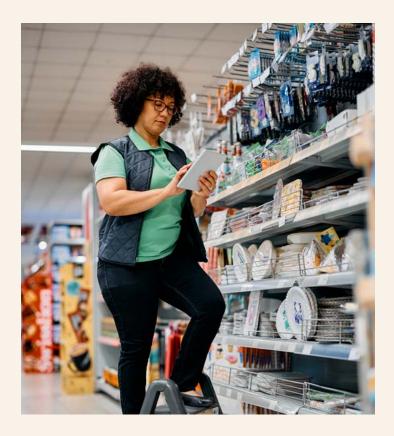
Hispanic/LatinX woman

Early 40s

Retail

Low household income <\$50,000

Has a BA and \$40,000+ in student debt



Getting and staying ahead means addressing skills gaps now.

Upskilling takes time. Acting now can help workforces build future-facing skills proactively.

1. Think of AI skilling in terms of job level.

Not everyone will need to know machine learning. Considering AI needs in terms of job level can help talent leaders identify relevant skills needs.

For example, frontline employees may benefit more from learning about Al literacy and ethics, whereas executives may need to build skills to implement Al-driven strategies.

2. Take an accessibility-centric approach to building Al skills.

Talent leaders can disrupt unintentional bias by offering AI upskilling programs that don't have prior education requirements.

Guild recently worked with our network of innovative learning partners to release an Al skilling bundle of over 40 programs designed to meet a breadth of AI skills needs — including accessible learning options. Most of these programs do not require a prior degree, and several require no prior formal education.

3. Weigh the benefits, risks, and drawbacks of Al-assisted talent management.

There are many ways AI can support talent goals, but as with any new technology, adoption and use should be a strategic, active, iterative process with solutions designed to improve employees' lives.

Harvard Business Review recommends a variety of mitigation strategies for AI-related risks, including:

- Ensuring diversity and representation across engineering and decision-making teams
- Examining levels of decision control (i.e., is Al making a recommendation or a choice?)
- Reviewing and building internal processes to identify and address potential biases driven by AI

The skill superpower in the Al era? It's not technical

How to equip your workforce with durable skills for the future of work.



By Shana Lebowitz Gaynor Contributing writer

Charged with maintaining a competitive workforce, HR leaders might believe that the rapid rise of AI requires a narrow focus on employees' technical skills. However, despite the business advances AI adoption brings, it's critical that employees don't fall short on other humancentered, business-critical skills.

These "soft skills," like problem solving, creativity, and critical thinking are increasingly called "durable skills" in recognition of their value and longevity. Durable skills reflect key competencies that ensure employees can meaningfully engage with their work, peers, and managers, regardless of their specific occupation.

To Ty Beasley, the Chief Talent Officer at accounting firm RSM, durable skills are an essential complement to technical skills.

"You can have all the technical expertise you want, but it's useless if you cannot communicate it in a way that we can digest it and understand it, if you cannot put it in a framework for us."

Ty Beasley | Chief Talent Officer, RSM



Technical skills → equip employees for the jobs of today.



Durable skills → equip employees for the jobs of tomorrow.

Many workers are missing critical durable skills

The ultimate goal of investing in employees' durable skills, at any organization, is **mobility** — both equipping your business with the skills it needs to grow and helping your employees move into new roles where they can add greater value to the company.

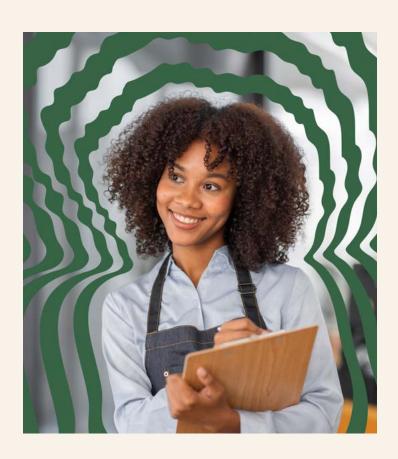
A growing body of research supports the business benefits of these kinds of skills investments. For example, a **2017 report** from Deloitte Australia found that investing in employees' soft skills could increase an individual firm's revenue by \$90,000 AUD.

Still, some employers are noticing a gap between the durable skills necessary for success at their organizations and the skills that entry-level workers are bringing in.

A 2021 paper found that many employers in the IT industry say their entry-level candidates have fewer durable skills than are required for the job. Meanwhile, 40% of employers in a survey of about 1,200 business leaders from 2023 said that

recent college graduates are unprepared for the workforce, thanks largely to gaps in durable skills such as communication.

Without these skills under their belts, new employees and job seekers will have trouble meeting expectations for the world of work where Al use is rising.



40%

of employers said that recent college graduates are unprepared for the workforce, thanks largely to gaps in **durable skills** such as communication.

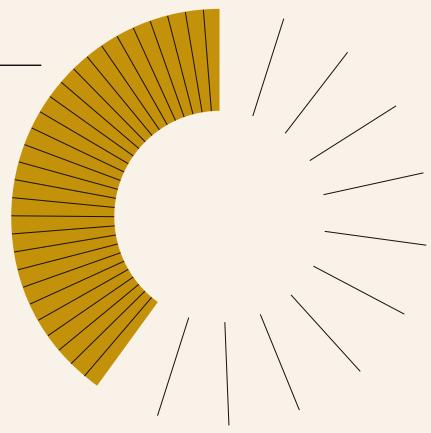
Source: Intelligence.com

Technical understanding is rarely enough

Some business leaders say that focusing on their workforce's durable skills has a bigger and longer-term payoff for both employers and employees. For example, Guild's Matthew J. Daniel wrote in CLO Magazine that technology-specific skills have a half-life of under 2.5 years, whereas the half-life of durable skills such as problem-solving or decision-making is greater than 7.5 years.

Recent trends in job postings also reflect an emphasis on durable skills. A 2021 analysis by America Succeeds and Emsi Burning Glass (now Lightcast) found that 7 of the 10 most requested skills for the 82 million US job postings they studied between 2019 and 2020 were durable skills. And according to recent LinkedIn research, communications tops the list of 2024's most in-demand skills.

Employers' demand for adaptability — the ability to manage change effectively and to find relevant opportunities amid the change — has also grown more than demand for any other skill since last year.



Durable skills are "critical in positions where you are required to interact with and help solve problems for different groups of people," said Amy Garefis, the Chief People Officer at employment marketplace ZipRecruiter. Garefis cited customer support and sales roles as examples of frontline positions in which "it's essential to be able to listen to what stakeholders are telling you, adapt to the information you're being given, and react with both professionalism and respect to resolve issues or make a sale."

How to close the durable skills gap

Addressing these gaps requires investment and creativity from leaders to put their employees on the right path to gain the skills their businesses need to remain competitive and deliver in the areas where AI still lags behind.

Foster a learner's mindset in the workplace

In the case of RSM, investing in durable skills starts during the hiring process and continues in the form of ongoing learning and training for employees at all levels. Beasley said RSM looks for candidates who are what the company calls the "5 C's": caring, collaborative, curious, courageous, critical thinkers. Drawing on these traits, Beasley said, any employee at any level of the corporate hierarchy "can profoundly impact their clients and their colleagues if they embrace leading from where they are."

RSM has also been focusing on crafting individualized learning experiences tailored to the specific employee's learning goals. Last quarter, for example, new managers received training on communication and delegation.

Leaders must display their own durable skills growth

Another option for leaders is modeling the kinds of durable skills they hope to see in their workforce. To emphasize the importance of building relationships with colleagues, Aytekin Tank, the CEO of online-form-builder Jotform, wrote in **Fast Company**, "I never implement a new idea without asking for feedback." Likewise, Tank wrote, he fosters a culture of transparency by proactively sharing challenges and even failures to build trust and demonstrate the fact that open communication is prioritized within the company.

Similarly, Garefis said that when ZipRecruiter leaders show excitement about working collaboratively to solve business problems, "the junior members of our team 'grow up' learning the importance of communication and creativity and rolling their sleeves up."

The growth of AI in the workplace will only increase the demand for durable skills, and HR leaders have a prime opportunity to create an impact. With a combination of proactive upskilling for employees and conscious modeling of the skills they want to see, businesses can gain resiliency and better position themselves for the future of work.



Employers look for candidates who embody the "5 C's"

- 1. Caring
- 2. Collaborative
- 3. Curious
- 4. Courageous
- 5. Critical thinkers

Healthcare's Al opportunity is a lesson for every industry

Practical suggestions to make sure your business doesn't fall behind.

By Alex Cannon Contributing writer, Guild

The transformative potential of AI in healthcare is staggering. From streamlining administrative tasks that currently take clinical time away from patients to improving diagnostics and treatment, AI seems poised to reshape how we experience healthcare.

But what happens when workforces aren't ready to work alongside AI?

Compared to other industries, healthcare has been slow to adopt AI. Regulatory barriers and understandable concerns about data privacy, security, and the challenges of integrating and operationalizing AI (known as "switchover disruptions") have slowed integration.

Although multiple health systems have begun to introduce various Al tools across a range of clinical and non-clinical <u>use cases</u>, most healthcare workers still haven't had the chance to explore using Al tools on the job.

That lack of opportunity can limit the return on investment many healthcare organizations stand to gain from Al adoption.

"For an industry all too familiar with the negative effects of burnout, Al is a clear opportunity to address the administrative burdens their employees face."

Hanna Patterson | Senior Vice President of Healthcare and Applied Learning, Guild

This opportunity isn't unique to healthcare. Al will impact virtually every industry — and Al skills are already becoming a labor market **commodity**. Imagine if your workforce already had them.

Here are some early lessons from healthcare and AI that apply across industries.

Reducing administrative burden is the start line.

One of the most significant challenges healthcare faces today is worker burnout. The problem is so pervasive and severe that the U.S. Surgeon General, Dr. Vivek Murthy, issued an advisory on the dangers burnout poses to healthcare workers and patients.

One of the drivers of burnout Murthy identifies is the increased administrative burden on a workforce already stretched to its breaking point. "Inefficient work processes, burdensome documentation requirements, and limited autonomy can result in negative patient outcomes, a loss of meaning at work, and health worker burnout," Murthy says, calling on employers to reduce administrative burden by 75% within the next few years.

Al could alleviate a significant amount of that burden, operationally and economically.

A recent **report** from Citi Global Insights shows that AI-driven automation could save approximately 25%-30% of administrative costs. Less time spent on administrative tasks leaves more time for patient care.

Other industries see analogous benefits. In financial services, for example, an Nvidia survey found that 36% of executives have already saved at least 10% on costs thanks to Al. Across industries, automating certain administrative tasks seems to be the low-hanging fruit.

There's just one problem: most healthcare organizations aren't giving employees the opportunity to explore AI tools at work, and they're not alone. Although healthcare is significantly behind, multiple industries are lagging in offering their workforces the chance to learn AI skills.

Al learning opportunities are lagging in healthcare...

12.5%

of healthcare workers have used AI tools in the workplace. ...and not looking much better in other industries.

employees in retail and financial services industries who have used AI have access to resources or guidelines for its application in the workplace.

Source: Guild survey data, 2023 (n=392)



Viewing the people who make a business possible as cost centers is a mistake. When employers take a people-centric approach to Al, the connection between overcoming barriers to efficiency and opening up internal talent pipelines becomes clear. Future-oriented skills now prepare employees for the roles companies will need soon.

Employees who want to explore AI don't know where to start or what to trust.

Poor use of Al is, in itself, inefficient. Disaggregated use of AI tools can inflate operational costs and lead to inadequate implementation of AI solutions.

That's because, as intuitive as AI tools can be, users failing to know best practices leads to missed opportunities and, often, redundancies.

Building this muscle takes time. For AI to provide the diagnostic, procedural, and preventative support that can save more lives, today's healthcare workforce must start building Al literacy now.

Al use and guidance are decentralized in many companies. Some employees use generative AI, and some don't. Most of us don't fully understand the tooling and solution landscape. That lack of fluency and guidance can lead to mistrust and confusion.



Adding to the complexity, there are a staggering number of AI tools and solutions.

The FDA has approved over 500 Al algorithms for healthcare.

That's algorithms, not apps. These algorithms could represent tens of thousands of healthcare-focused tools and solutions.

Here's the argument for healthcare organizations to step up and provide more training and clarity: Al stands to influence every role in healthcare. It has the potential to drastically reduce administrative burden and the negative impacts that accompany it — but the healthcare workforce needs to be ready to work alongside it.

No organization has the time to slow-walk AI skills.

The stakes are always high in healthcare, and the potential repercussions of implementing AI without a strong strategy are no exception. Poor oversight can lead to the use of datasets that fail to address (and therefore perpetuate) racial, gender, and other demographic biases.

Lacking an AI strategy can put any organization at risk. That doesn't mean workforces should be kept waiting to start building job-relevant Al skills.

What these skills tend to look like is already known. A strategic approach to relevant skills from foundational Al literacy to more technical use — is imperative.

01

Get ahead of the "hype cycle."

As with any exciting new technology, employers have a short window before the "hype" dissipates to drive employee engagement, adoption, and the <u>integration of new Al skills into daily work</u>. Gartner calls this the hype cycle, which Guild's Matthew Daniel discusses <u>here</u>.¹

02

Reduce the inefficiencies that hold employees back.

In healthcare, AI has the potential to reduce burnout-inducing administrative burden significantly. Beyond that, AI stands to impact all of healthcare — from systems and records to procedures to equity in patient care across diverse populations — meaning AI skills matter across roles in healthcare.

Regardless of the industry, leaders should consider the impact AI has on current role types. For example, technical teams may benefit from diving straight into hard AI skills. In contrast, non-technical employees may benefit most from foundational learning that builds AI literacy and covers ethical considerations. Executives may benefit from short-form learning on AI strategy.

03

Get strategic with education benefits.

Make sure <u>education benefits cover AI upskilling</u>, connect employees with job-relevant AI skills, and include options from trusted institutions for programs that don't have <u>prior education requirements</u>. (No one should be required to get a degree to learn foundational AI skills.)

In combination, these steps can start to position employees to prepare for how AI may impact their roles and build business-aligned skills as organizations implement AI.

¹ Gartner, The Gartner Hype Cycle, 2023.

guild.com











