The 2026 State of Skills and How It Impacts Your Talent Strategy

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Initiatives: Strategy, Risks and Opportunities; Shape Work for the Human-Machine Era

> Fifty-nine percent of CHROs feel that skill needs are changing faster than their organizations' ability to develop support plans. To maintain organizational skills preparedness, avoid falling into the trap of creating a skills strategy that prioritizes volume and comprehensiveness, and instead invest in the foundational skills that matter most to the business.

Insights at a Glance

Three in five CHROs report that skill needs are evolving faster than their organizations can develop support plans, making the shift to a skills-based organization a critical priority. [1] To maximize ROI from skill investments, CHROs must adapt their skills strategy to align with the state of skills evolution, changes in macroeconomic conditions, and shifts in employee perceptions.

Key Takeaways:

- **Focus investments in differentiated foundational skills:** Only nine skills account for 50% of the workforce's critical needs. [1] Organizations should prioritize investments in the core skills that differentiate their business value, rather than chasing broad, voluminous skills data.
- **Embed AI usage in high-value tasks:** While AI interest is surging (job postings up 200%), only 4% of employees use AI to support critical skills application. [1,2] Organizations must shift from unguided experimentation to embedding AI into high-value, complex business tasks to realize true performance gains.
- **Building and buying critical skills have become harder; prioritize internal mobility instead:** With building and buying critical talent becoming increasingly difficult, organizations should overindex on internal mobility, using transparent risk-assessment tools to empower employees and reduce barriers to lateral moves.

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Strategic Planning Assumption

By 2028, an average employee will need to learn six new skills to successfully do their job, resulting in 37 to 69 hours of lower productivity per employee annually due to these skill gaps.

Issue

AI is reshaping work and the skills employees need to do their work effectively. Organizations are rushing to keep up and accelerating their journey to become more skills-based. Sixty-one percent of HR leaders believe that their organization will lose its competitive advantage if it does not shift to a skills-based talent management approach. [3] However, the skills landscape continues to evolve faster than HR can keep up. Three in five CHROs say that skill needs are changing faster than their organization's ability to develop support plans. [4]

Prioritizing skills intelligence and acquiring more skills data are only a partial solution. Instead, CHROs must focus investments in a targeted set of differentiated skills that align with core business objectives, the current state of skills available in the market, and employee perceptions about development and labor market conditions.

Impact

Critical skills are skills that employees consider most important for them to successfully do their jobs. Every employee with critical skills gaps is costing an average organization more than $27,000 in lost revenue potential each year. [5]

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Organizations that keep pace with changing skill needs and ensure critical skills proficiency in the workforce successfully insulate themselves against rapid market disruptions. By aligning talent capabilities with real-time business demands, executive leaders can proactively close critical execution gaps before they impact performance. This continuous alignment transforms workforce planning from a reactive cost center into a powerful mechanism for sustained competitive advantage.

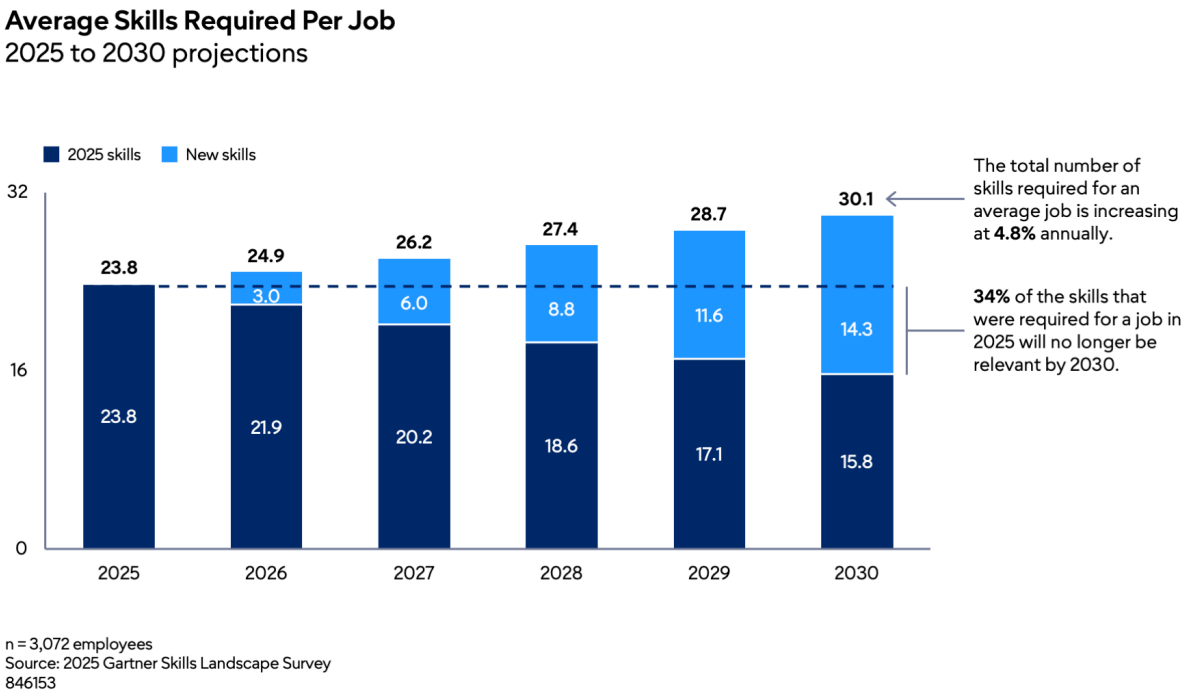
Implications

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Focus Investments in the 20% of Skills That Drive 80% of Value

The number of skills required per job is doubling every 15 years. [2] Skills are also evolving and expiring rapidly. A third of the skills required for a job in 2025 will be obsolete by 2030 (see Figure 1). [2] Acquiring exhaustive skills data will not necessarily help navigate this unpredictability because skills do not have a uniform impact on enterprise value. Some skills matter more than others and the marginal benefit of getting more skills data eventually starts flattening out.

Figure 1: Average Skills Required per Job



Only Nine Skills Account for 50% of Workforce Skill Needs

Skills tend to follow an 80:20 rule, i.e., a large portion of enterprise value is driven by a small number of skills. Only nine skills account for 50% of the workforce's critical skill needs. [2] These nine skills are:

- Oral and written communication
- Collaboration and productivity software (MS Excel, Jira, MS PowerPoint, etc.)
- AI skills
- Programming skills

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- Dependability and attention to detail
- Customer experience
- Coordination and time management
- Teamwork
- Manual dexterity, endurance and precision

The reason why these skills command such high importance is because of the breadth of their applicability. A small improvement in any one of these skills will apply to a large section of the workforce and therefore drive significant gains in enterprise value.

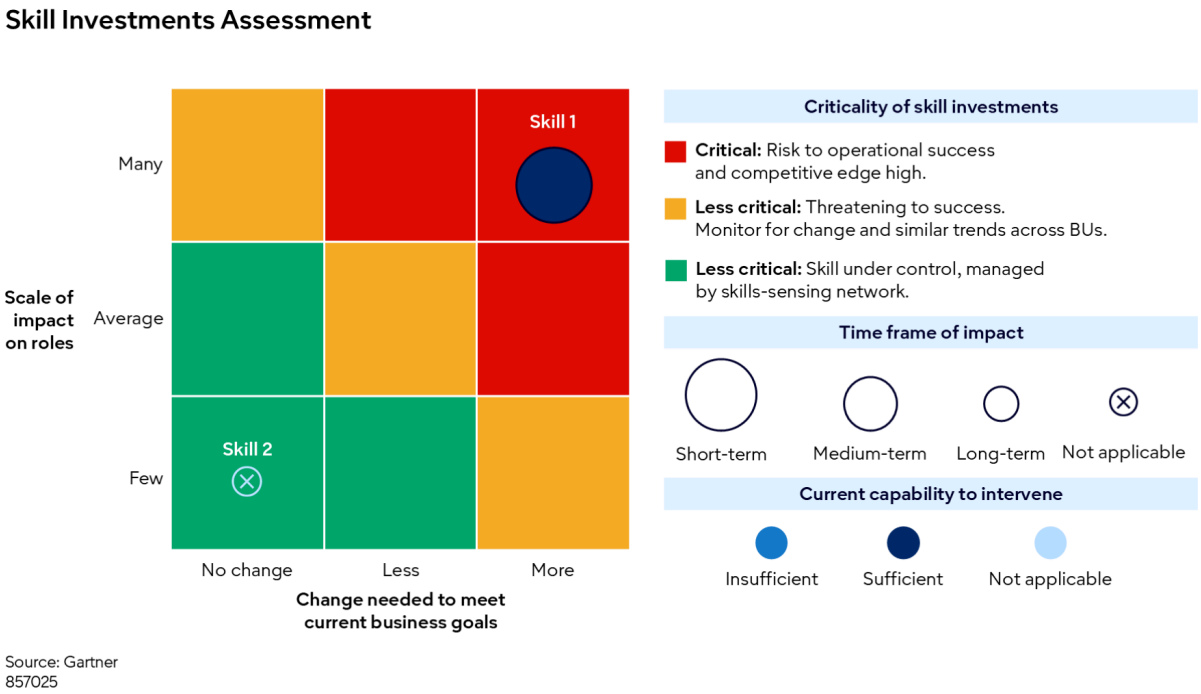
Seven of these nine skills (except AI skills and programming skills) were also equally important a decade ago. This shows that these core and foundational skills are perennial, affect a large proportion of the workforce, and are less prone to fluctuations caused by market shifts. [6]

Prioritize Investments in Foundational Differentiated Skills That Drive the Highest Value

Instead of investing the majority of skills budget in identifying, tagging, acquiring, and developing rapidly evolving and new-to-world skills, prioritize investments in the skills that are likely to drive the most value for a business unit or the organization. Rating skills by the number of roles they impact and the degree of change required to meet business goals can help segment skills and identify areas that require the highest investment (see Figure 2). For details on how to evaluate skill investments, see Tool: Skill Investments Assessment.

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Figure 2: Skill Investments Assessment



Source: Gartner 857025

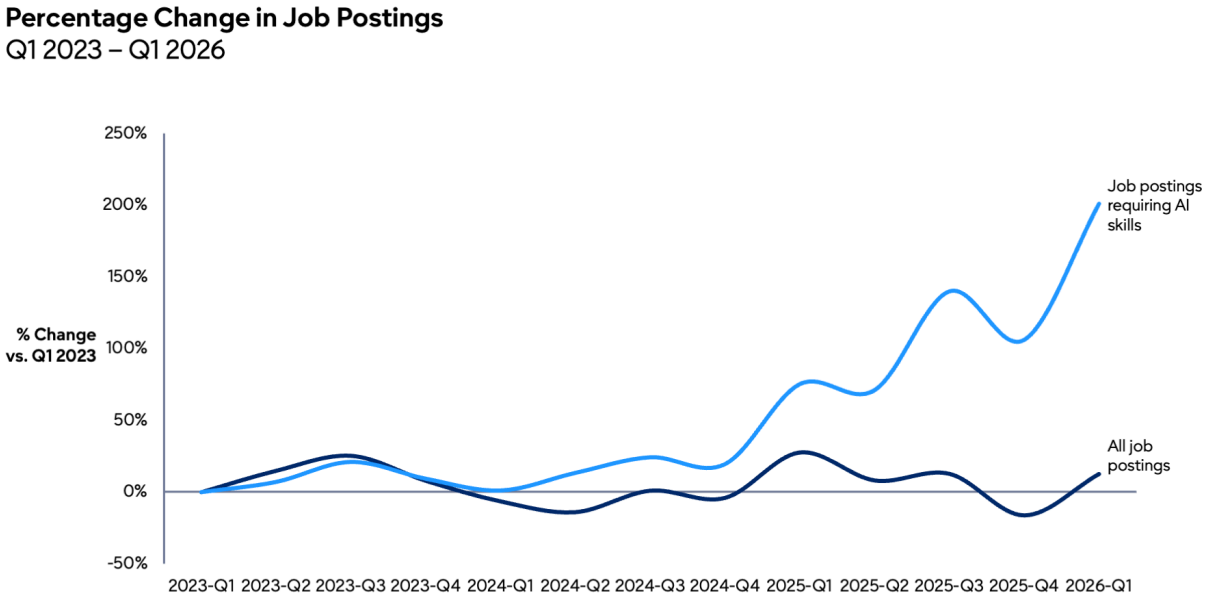
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Shift AI Use from Experimentation to Critical Skills Application

Organizations' demand for AI skills is increasing exponentially. The number of U.S. job postings requiring AI skills has increased by more than 200% since 1Q23. [3] In addition to that, AI skills also rank third in the list of skills employees cite as being most important for them to successfully do their jobs. [2]

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Figure 3: Percentage Change in Job Postings



n = 38,842,533 LinkedIn Job Postings in the US from January 2023 to March 2026
Source: Gartner
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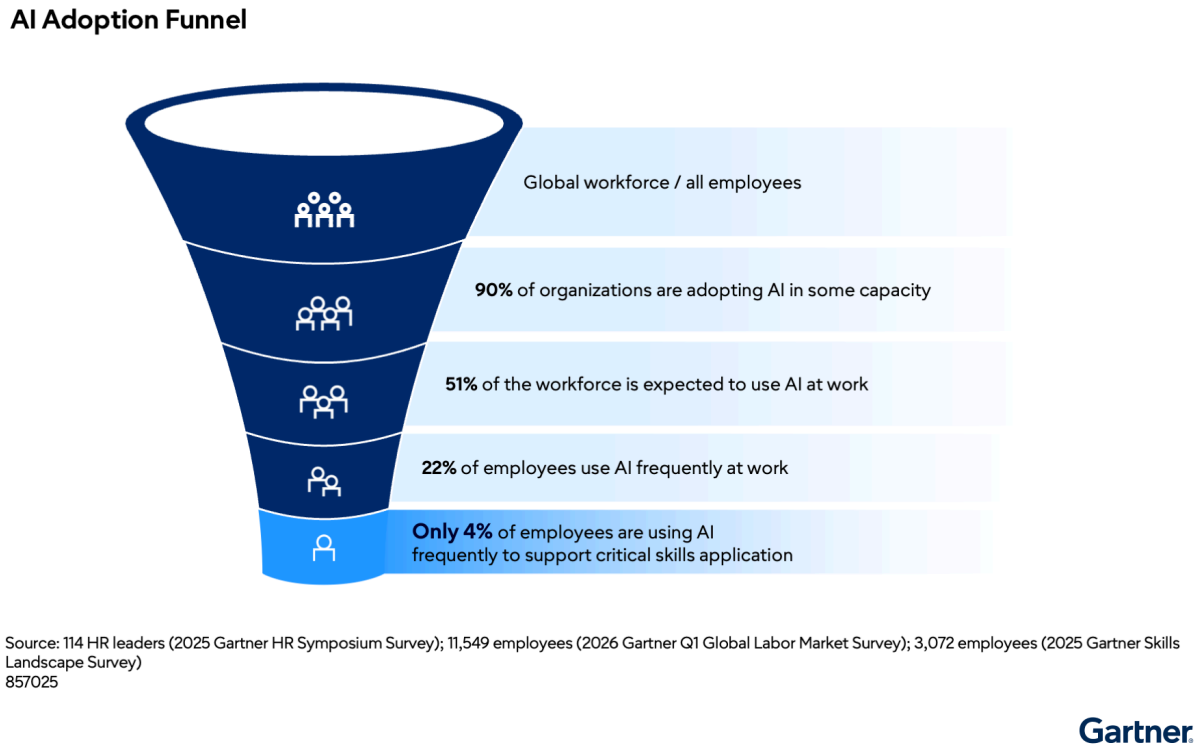
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Despite Performance Benefits, Few Employees Use AI to Support Critical Skills Application

Using AI to augment critical skills application can increase employee performance by up to 17%. [2] For example, software developers can use AI to generate foundational code, create high-level systems designs, and perform interactive debugging and code review, increasing both speed and quality of their code. However, even though 22% of employees frequently use AI for work-related activities, only 4% frequently use it to support critical skills application (see Figure 4). [2,7,8] This shows that employees are mostly using AI for tasks that don't require their most important critical skills. For example, rather than using AI for programming tasks, software developers are using AI for tasks like technical documentation, communication, and project management.

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Figure 4: AI Adoption Funnel



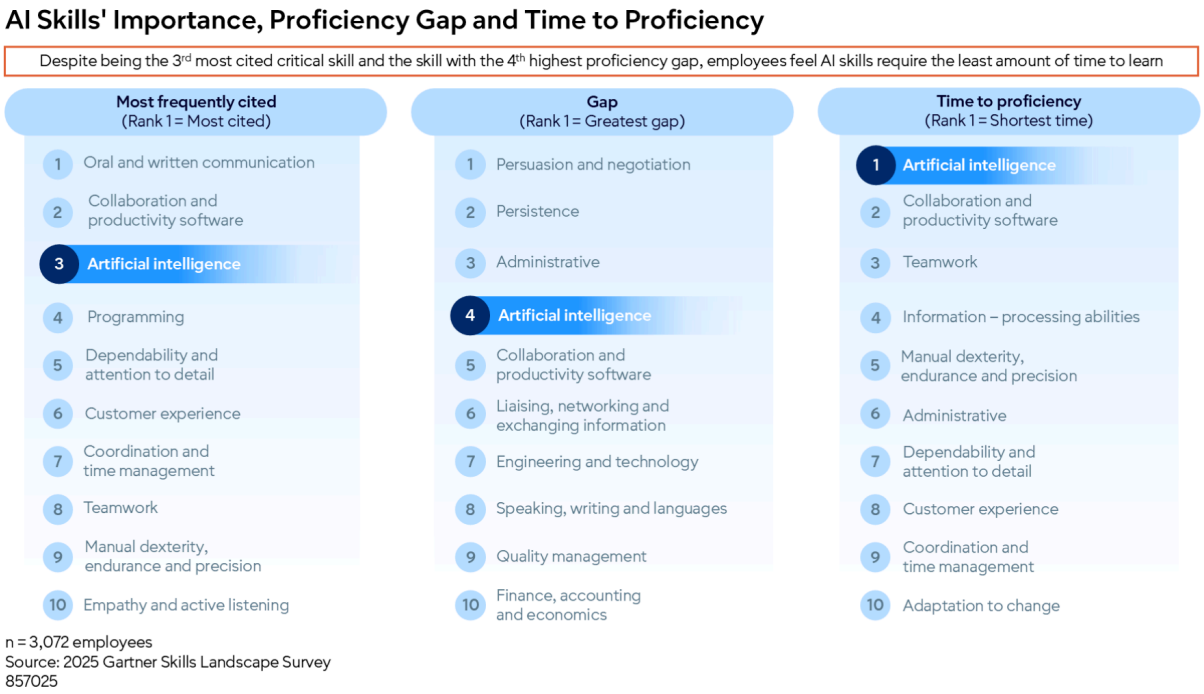
Source: 114 HR leaders (2025 Gartner HR Symposium Survey); 11,549 employees (2026 Gartner Q1 Global Labor Market Survey); 3,072 employees (2025 Gartner Skills Landscape Survey)
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Break the Inertia by Embedding AI Usage in High-Value Tasks

Despite being cited as the third most important skill and the skill with the fourth highest proficiency gap, employees think AI skills take the least amount of time to learn (between four and eight months) (see Figure 5). [1] This misalignment indicates that employees do not have a good understanding of AI's capabilities and its complexities. Initiatives to encourage AI experimentation are increasing employees' familiarity with the technology. But unguided experimentation without understanding what effective AI usage looks like prevents adoption from translating into business value.

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Figure 5: AI Skills' Importance, Proficiency Gap and Time to Proficiency



To ensure employees are using AI more frequently during critical skills application, they need to be challenged to use AI for tasks that they feel comfortable doing without the help of AI. Beyond its obvious performance benefits, this approach reduces employees' cognitive burden of working on high-complexity tasks and gives them the opportunity to expand the scope of their role (e.g., from being limited to a software developer to taking on some responsibilities of a technology architect).

One approach to operationalize this is by building critical skill AI enhancement workshops (see Figure 6). These workshops would require partnership between HR business partners (HRBPs), AI experts and operations subject matter experts (SMEs). The workshop can be broken down into four stages and steps:

- **Step 1 (core group selection):** A team intending to enhance its performance through AI expresses interest in participating. The HRBP of the relevant business unit creates a tiger team to design and oversee the workshop.
- **Step 2 (high-value process and task identification):** Operations SMEs identify high-value business processes or tasks that require team members to apply role-specific critical skills. HRBPs ensure critical skills identified align with the organization's competency frameworks and skill taxonomies.

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- **Step 3 (task reenvisioning live exercise):** Teams explore how AI can be used to augment or redesign selected processes and tasks. AI experts provide guidance and help employees unlock the full potential of AI.
- **Step 4 (feasibility and scalability analysis):** Proposals are evaluated for feasibility and impact. HRBPs work with business leaders to scale successful practices across other teams having similar skills and doing related tasks.

Figure 6: Critical Skill AI Enhancement Workshop



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Prioritize Internal Mobility in an Environment Where Both Building and Buying Critical Talent Are Harder

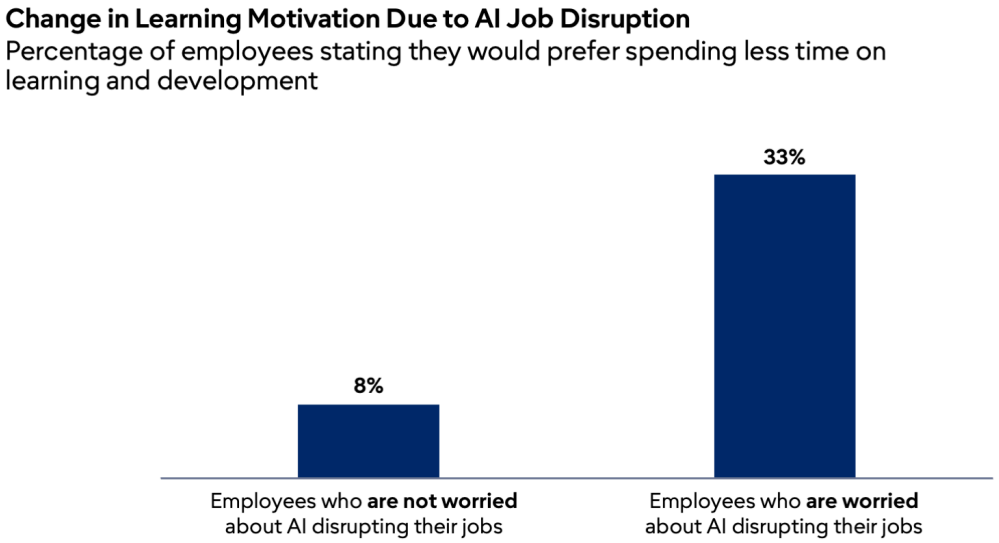
One in three employees do not have the required proficiency in the skills critical for their role, and the resulting skills gap is costing an organization with 10,000 employees $85 million in lost revenue potential annually. [2,5] Normally CHROs would consider building or buying critical talent to close skills gaps. However, the current macroeconomic volatility and AI disruptions are making building and buying strategies harder than usual.

Hiring and Developing Will Be Insufficient to Close Skills Gaps in the Near Term

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HR leaders might assume that the threat of AI-driven job disruption would make employees more eager to learn new skills. But the reality is the opposite of this. Employees who are worried about AI disrupting their jobs want to **spend less time** on their own development (see Figure 7). [1]

Figure 7: Change in Learning Motivation Due to AI Job Disruption



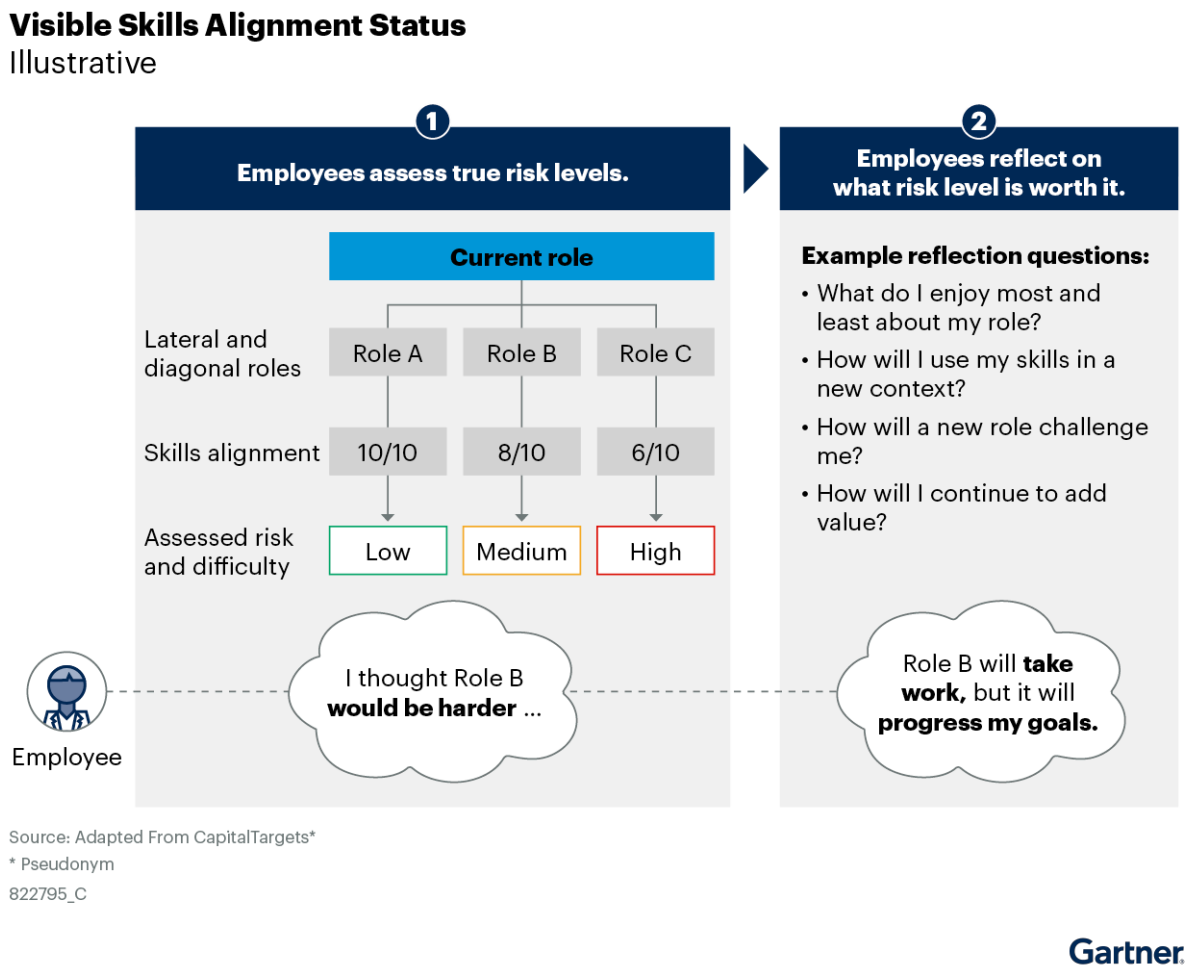
Recruiting critical talent has also become harder as the current labor market instability is pushing candidates to choose job stability over job offer competitiveness. Thirty percent of employees would prefer staying at their current jobs due to the current economic volatility, even if they receive a better job offer. [1] What makes matters worse is that compared to their peers, highly skilled talent is 35% more likely to prefer stability over job offer competitiveness. [2] Even though it may seem like we are in an employer's market, the talent that organizations are looking for is harder to recruit.

Create Visibility into Risks Associated with Internal Mobility and Empower Employees to Make Informed Choices

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In an environment where building or buying critical talent is not going to be enough, CHROs must overindex on internal mobility to fill critical skills gaps. A key reason that prevents employees from pursuing internal job offers is their perception that the risks of internal mobility outweigh the returns. CapitalTargets (pseudonym), a health services company, realized that employees will always be at some degree of risk when moving to a new role. However, when employees are left to speculate about the risk they may encounter, they often perceive it as larger than the reality. They used a two-part internal mobility framework that equips employees to evaluate the degree of risk they would take in pursuing lateral and diagonal roles (see Figure 8). Employees have access to transparent risk information through CapitalTargets* career portal that hosts an employee-facing tool for personal career planning purposes. As a result, employees can pursue or plan to apply for internal roles where they are most likely to succeed outside their vertical.

Figure 8: Visible Skills Alignment Status



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Evidence

[1] **The 2025 Gartner Skills Landscape Survey.** This survey was conducted to investigate topics such as changing workforce skill needs, top reasons for skill gaps, impact of AI on critical skills, and barriers for skill development. The research was conducted online from 5 November through 6 December 2025 and contains responses from 3,072 employees with representation from 14 countries, 23 industries, and 20 functions. Respondents had a minimum of two years of work experience. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

[2] 38,842,533 LinkedIn job postings in the U.S. January 2023 to March 2026.

[3] **2025 Gartner Talent Management Leader Benchmarking Survey.** This survey was conducted to understand and benchmark talent management teams from a functional perspective. The research was conducted online in three waves from February 2025 through September 2025 and contains responses from 174 talent management leaders with representation from various regions and industries. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

[4] **The 2026 Gartner HR Priorities Survey.** This survey was conducted to understand senior HR leader perspectives on their priorities and challenges for the coming 12 to 18 months. The survey was conducted online from 6 June 2025 through 18 July 2025 and contains responses from 900 HR leaders with representation from various regions and industries. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

[5] Calculation of lost revenue potential due to skills gaps:

- Multivariate regression model results show that one-point change in skill proficiency is equivalent to a 0.549 point change in employee productivity.
- Average proficiency score for “not proficient” employees = 4.223
- Difference in proficiency score, compared to minimum viable proficiency (5) = 5 - 0.4223 = 0.777
- Therefore, 0.777 point change in proficiency score equals 0.777 x 0.549 = 0.4266 point change in productivity.

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- The regression model equating skills proficiency to employee productivity has an adjusted r squared value of 0.272 i.e., the model explains 27.2% of the variance in employee productivity.
- Difference between 10th and 90th percentile values in dollar value of employee productivity = $1,434,845 (n = 256, Source: 2025 Gartner Budget & Efficiency Benchmarking Survey).
- The model explains 27.2% of the difference in the dollar value of employee productivity = 27.2% x $1,194,468 = $324,895
- Maximum change in employee productivity scale value = 7 - 1 = 6 points i.e., six-point change in employee productivity is equivalent to $390,277.
- Therefore, 0.4266 point change in productivity = ($390,277 / 6) x 0.4266 = $27,749 change in productivity per employee.

[6] **2018 Gartner Shifting Skills Survey.** This survey was conducted to understand learner behaviors and perceptions and identify L&D strategies that lead to high employee performance. The research was conducted online and contains responses from 7,101 employees with representation from various regions, industries and functions. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

[7] **2026 Gartner Q1 Global Labor Market Survey.** This survey was conducted quarterly to measure employee perceptions across key labor market and talent metrics, including business confidence, engagement, employee value proposition, and others. The 1Q26 research was conducted online and included responses from 11,838 employees across 40 different countries in 15 languages, covering multiple industries and functions. The survey questions were standardized, which ensured consistency and comparability of results over time. The Voice of the Candidate module was designed to understand the preferences of job candidates to help inform recruiting strategies. The module contained responses from 2,644 full-time employees, part-time employees, unemployed respondents, and contract workers so long as they actively sought full-time employment, with representations from various countries and industries. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

[8] Frequently here refers to respondents selecting often or always across a five-point frequency scale with values never, rarely, sometimes, often, and always. Respondents were asked to mention how often they use AI for 12 different use cases:

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- Drafting and editing written communications (emails, reports, presentations)
- Translating text between languages
- Preparing for meetings (agendas, talking points, prepare notes)
- Summarizing meetings or call transcripts and extract action items
- Synthesizing and summarize information from multiple sources
- Conducting background research (concepts, prospects, vendors, terms, etc.)
- Developing scenario planning, forecasting or predictive models
- Analyzing datasets and create visualizations or insights
- Developing debug or test code
- Automating routine processes or workflows
- Generating creative ideas
- Personalizing learning, training, or coaching programs

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Stop Losing Revenue From Skills Gaps

Case Study: Foundational Skills Strategy to Close Skills Gaps

Build Workforce Skills That Keep Pace With AI

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