

Udemy business

2025 Global Learning & Skills Trends Report

Building the Skills to Keep
Pace With Change



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Building the Skills to Keep Pace With Change

Building the Skills to Keep Pace With Change

In today's rapidly changing work environment, where technology, the economy, and work itself are in a state of constant flux, organizations must rise to a multitude of challenges. Their competitive edge depends on it.

The persistent skills gap is one of the greatest hurdles. More than three-quarters of business leaders see it as a major source of risk, according to a recent [Deloitte](#) survey, and a similar number of global employers reported to [ManpowerGroup](#) that it is difficult to find talent with the skills to fill open roles. This challenge overlays some problems that have been around for years but persist despite our best efforts. Organizations are still working to increase [workplace diversity](#) and invest in social responsibility, and [declining employee well-being](#) and mental health continue to take a toll. [Difficulties related to hybrid and remote work](#) that came to light at the outset of the COVID-19 pandemic still haven't been solved, especially when it comes to

successful collaboration and connection across a global workforce. Funding is unpredictable, due to macroeconomic instability, leading to greater scrutiny of how budgets are spent even as work is consolidated into fewer roles.

While many of these challenges no longer make headlines, they continue to demand attention. The combination of these issues means that leaders, organizations, and employees are stretched thin as they seek to simultaneously address and solve many problems.

Amplifying and compounding all of these hurdles is the accelerating pace of change brought on by rapid technological evolution. **Technology is driving many of the disruptive changes that employees and organizations are experiencing and also making it possible to take a new, agile approach to change.**



Definition of the skills gap:

The distance between the skills employees need and the skills they currently have.

[Learn more](#)



Generative AI continues to be the technology to watch. Through GenAI implementation, new possibilities are emerging for working models that result in greater productivity and value. GenAI is creating opportunities for rethinking and restructuring the work humans do and how we think about and carry out work in general. It is also creating risks for companies. Those that do not use it effectively may not transform like their competition or they might assume undue risk as a result of mismanaging the technology.

Organizations must enable their employees to upskill and reskill as — and when — the need arises to deploy disruptive technologies and tools. This is not a minor concern. Due to technological advancements, half of all employees will need to reskill and upskill by 2025, and almost a quarter of current global job roles will change by 2028, according to the World Economic Forum's [Future of Jobs Report 2023](#). Furthermore, the organizations surveyed for the World Economic Forum report

see skills gaps as the top barrier to business transformation.

Two key capabilities are crucial to successfully navigating this change: skills development and skills validation. These are not just nice-to-haves; they're essential for leading and shaping the future of work. Organizations that can quickly develop and validate skills are able to build a workforce that can apply those skills flexibly across different contexts as the need arises, adapting to change and boosting performance.

Employees also benefit. They have more choices to develop and apply their skills to various work needs, allowing them to unlock new opportunities and rewards and gain greater career mobility. A skills-based focus that captures both skills development and validation is a win-win for organizations and employees alike.

2 key capabilities are crucial to successfully navigating this change:

- 1 Skills development
- 2 Skills validation



At Udemy, we define a skills-based organization (SBO) as an organization that leverages skills as the basis of talent processes to build an agile workforce, with skills development and validation as essential components of this approach.

This means focusing on determining the skills employees have now, what they will need, acquiring those skills, and validating the skills in context. By becoming skills-based organizations, companies will position themselves to excel in this ever-changing environment.

Building a skills-based organization is not a new concept. What is new is the ability to more precisely define the skills employees need to develop and to better validate these skills through technology stacks that are more sophisticated and agile than even a year ago.

Leveraging this technology is just the first step. All leaders and functions within an organization need to reorient to this new approach. By going through this transformation ourselves at Udemy and helping our customers do the same, we have already seen how a focus on building a skills-based organization can increase productivity and address skills gaps.

Successfully navigating the skills-based evolution takes more than technology. Strong leaders are needed, those who have the vision and skills to lead their teams through the existing challenges and the changes required to come out ahead of the competition.

In this report, we will explore these three key priorities driving the future of work.

- 1 The importance of cultivating skills development and validation to become a skills-based organization
- 2 Why it is essential to create a GenAI-powered workplace and how to do it
- 3 How leaders must update their leadership toolkit to succeed

Priorities for Today's Organizations

2.1 /

Focusing on Skills Development and Skills Validation

The skills-based evolution

Those organizations that move to a more dynamic approach, where skills are learned and applied more fluidly to keep up with shifting technologies and new ways of doing business, will give themselves the edge in remaining innovative and competitive as they navigate constant change. They can keep up and get ahead if they integrate agile skills development and validation into processes, practices, and formal and informal learning experiences.

The speed at which organizations and employees need to pivot and adapt — and acquire new skills to do so — is evolving faster and faster. In 2022, [BCG](#) found that 37% of skills listed for a US-based job had shifted over the previous six years and that one in five skills was entirely new. And that was before the arrival of ChatGPT. [Korn Ferry](#) has found that the skill sets required for jobs changed 25% between 2015 and 2023, and this rate is expected to double by 2027.



Why skills?

Where talent processes like hiring, onboarding, rewarding, and even developing employees used to be organized around competencies, the focus now has shifted to skills. While competency in a given area involves knowledge, ability, and skills, skills are the most readily observable component of competency.

- **Skills are defined as the capacity to perform tasks, take observable actions, and demonstrate proficiency in specific areas of expertise.** As Melissa Daimler, the Chief Learning Officer at Udemy, puts it in [Forbes](#), “Skills, as observable behaviors, provide tangible evidence of an individual’s experience and capabilities. By focusing on skills, we can more accurately assess proficiency and identify areas for improvement [which] makes them a powerful tool.”

Defining skills development in the context of work

- **Skills development is the process of learning in order to hone expertise in a particular area.**

“For skills development to be successful, learning programs need to align with priority skills for the organization, incorporate ways for employees to practice and get feedback on newly developed skills, and connect with the core talent processes that are integral to the company’s success,” according to Kristin Pyun, a Senior Director of Product Management at Udemy.

It is essential for employees to have opportunities to practice and apply the skills they learn in context. When skills development takes place

during and as a part of daily work, rather than being treated as just another program on top of the work, it becomes a core element of moving toward a skills-based approach.

When organizations provide ongoing opportunities to learn and develop skills, there are broader benefits, as well. If employees are encouraged to see skills acquisition as a continual developmental process, where they can grow and evolve their skills to meet the needs of the organization while also growing their own careers, it helps to foster a culture of continuous learning and skills enhancement.

“

We’re focused on growing our digital learning offering to complement our synchronous training. By using our flexible self-learning, microlearning, or learning experience platforms, we’ve successfully blended the worlds of work and learning.”

Lena Grundmann

HR Manager - Talent Development at [adesso Group](#) (a Udemy customer)



At Udemy, through our own employee base and customer validation, we have developed a perspective on skills development that goes far beyond simply offering formal learning programs. These learnings have resulted in new capabilities that we have added to the [Udemy Intelligent Skills Platform](#).

Skills development principles

Employees should:

- 1 Set clear learning goals and uncover their existing knowledge** through pre-assessment as a foundation for effective skills development. This sets expectations, drives motivation and commitment, and ensures learners are using their time effectively.
- 2 Receive guidance in determining what skills they should learn next** and what content to engage with to learn those skills.
- 3 Practice new skills in multiple ways while receiving personalized feedback**, so that they can better retain what they have learned and better apply it to new situations.
- 4 Receive timely support with the appropriate tools and resources** — like troubleshooting hints and opportunities to ask questions — so that they can more effectively develop new skills.
- 5 Have the ability to validate their progress and learning** so they feel confident they are on the right track and can course correct if needed.

Skills development methods

Skills learning content should include formal courses, but can also be delivered by other methods. Providing a more diverse set of learning experiences creates more opportunities for employees to engage in learning, depending on their preferences and availability.

For example, employees can engage through both formal and informal learning methods, including through:

- Asynchronous and synchronous learning opportunities
- Digital online learning and live learning
- Meetings and on-the-job interactions
- Coaching and mentoring
- Collaborative projects
- Peer and manager feedback

“

Mere instruction is not enough, you also need to practice skills, identify areas for improvement, and receive coaching. It is this combination of education, experience, and exposure that improves performance.”

[HBR](#)

Defining skills validation

- **Skills validation is the process of verifying and confirming that an individual has the specific skills and expertise they claim to have or should have as a result of skills development.**

Skills should be validated and not just inferred. Validation can take many forms, including pre- and post-assessments, activity-based assessments, and knowledge checks. Often, the end goal is a badge or formal certification in a particular area, with certifications being the ultimate outcome of validation. All of these approaches are designed to assess whether an individual has internalized their learning, and more important, whether they are ready to apply that learning effectively in the work environment.

Skills should be validated and not just inferred. Validation can take many forms, including pre- and post-assessments, activity-based assessments, and knowledge checks.

To track progress in skills acquisition, organizations need effective methods of skills validation. Certifications and badges demonstrate skills mastery, but it is important to understand the kinds of measurement being used to show that mastery. Certification exams are a valuable tool for evaluating an employee's proficiency and ability to apply skills in real-world scenarios. To prepare, employees can leverage practice tests and assessments, as well as hands-on learning in labs and workspaces. They can also earn related badges that demonstrate skills acquisition and practical application in the workplace.

Udemy has seen

11M+

IT certification preparation enrollments across our platform in the last 12 months, including both individual and business learners.

Amazon Web Services (AWS) continues to lead share with almost

2M

learners enrolled during that time period.

The top 5 by certification enrollments are:

- 1 AWS
- 2 Azure
- 3 CompTIA
- 4 Cisco
- 5 Google Cloud*

*Based on all IT certification preparation enrollments on the Udemy platform, from Q4 2023 through Q3 2024.



Evolving a skills-based approach through skills development and skills validation

Becoming a skills-based organization calls for an ongoing evolution of all talent processes. It requires going beyond roles, jobs, and career ladders to think more about the work, skills, and opportunities for movement up, down, and across an organization.

To evolve a holistic, skills-based approach, it is crucial to reinforce both skills development and skills validation through learning programs for all employees. When these programs help employees develop skills that the entire workforce needs and also include learning experiences tailored to functional roles or areas within the organization, they are more effective at closing skills gaps. Personalized learning — taking place through learning paths organized by role or function and delivered through diverse methods to meet learner

preferences — is also an important way to support more effective skills development.

Organizations that clarify the skills gaps they have, the skills they need to develop, and how they can validate those skills, have an opportunity to get ahead of change. When employees can develop the skills they need with agility, they will position themselves and their organizations to adapt successfully to whatever the future brings.

Skills development and validation are no longer just human resources or learning and development initiatives focused on pushing out training or learning content. They have evolved to be an essential part of business strategy.

“

In the dynamic landscape of the modern global labor market, workforce development systems must become more personalized, accessible (allowing for remote and hybrid learning), and continuous throughout workers' careers — placing 'skills development' at the heart of these global transitions.”

World Bank Group

Challenges remain, including the difficulty of accurately assessing the skills landscape: existing skills, needed skills, and present and future skills gaps. GenAI is helping address this challenge sooner than we thought possible due to its ability to analyze massive data sets and recognize complex patterns. “By using generative AI to produce a comprehensive summary of skills data, organizations can better understand the supply and demand of skills and identify the skills gaps they need to fill,” according to [Deloitte](#). But it still isn’t a perfect science, even where these new GenAI capabilities exist.

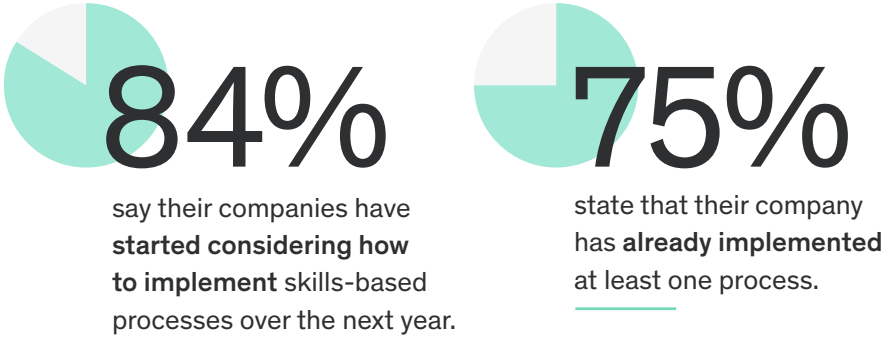
Most organizations are just getting started on the journey to implementing skills-based approaches, while some organizations have been on it for a while. In a recent Udemy survey report, [Workplace 2.0: The Promise of the Skills-Based Organization](#), we found that many organizations have already begun the transition, with 84% of

survey respondents reporting that their companies have at least begun considering how to implement skills-based processes over the next year and 75% reporting that their company has already implemented at least one process.

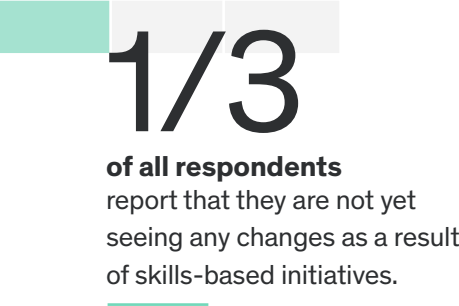
However, there is a disconnect between the breadth of these initiatives and the depth required to establish organization-wide practices. Our survey findings show that fewer than half of managers are familiar with skills-based organizations, and less than a third of individual contributors are, suggesting that the transition is in the early stages in most companies. While 74% of managers surveyed reported changes due to a shift to skills-based strategies, nearly a third of all survey respondents reported not yet seeing any changes as a result of skills-based initiatives. Organizations must continue to evolve to better integrate a skills-first approach.

According to Udemy research:

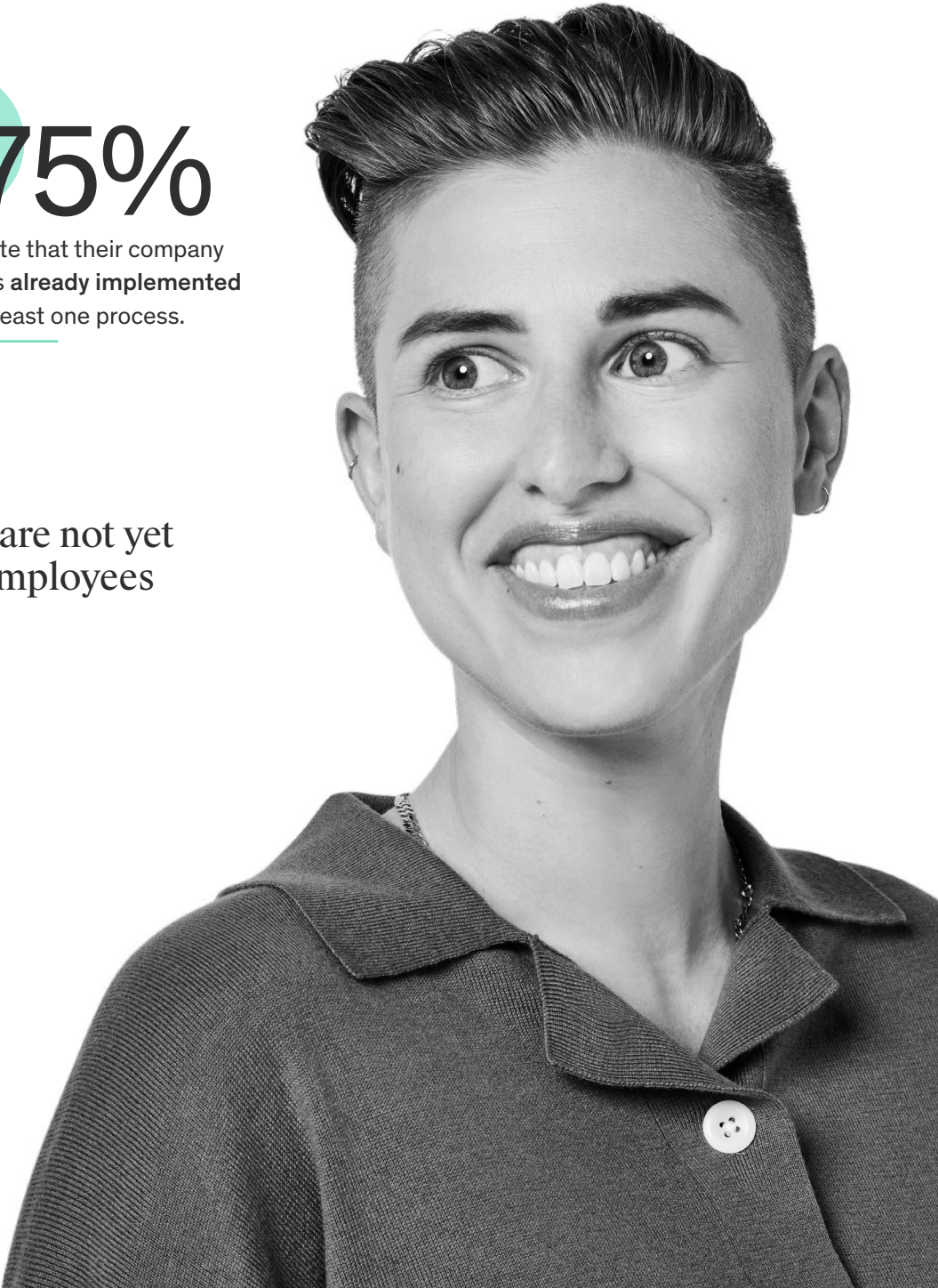
Most organizations have begun moving to a skills-based approach



But skills-based processes are not yet having an effect for most employees



[Udemy](#)



The undeniable benefits of the skills-based organization

Moving to a more flexible model for work organized around skills has multiple benefits. In [Workplace 2.0](#), we found that the most common outcomes for organizations that have adopted a skills-based approach are increased overall company productivity and improved job satisfaction and employee engagement.

Although the transition to a skills-based organization takes orchestration, time, and effort, there are significant rewards. These companies will not only keep pace

with technological advancements but also will position themselves to pioneer innovations as the landscape evolves. Most importantly, they will enhance their overall business performance. This adaptability will fuel organizational growth and directly benefit employees. Personalized, continuous learning opportunities create a more engaged, satisfied, and loyal workforce, ultimately driving greater continuity and long-term success.

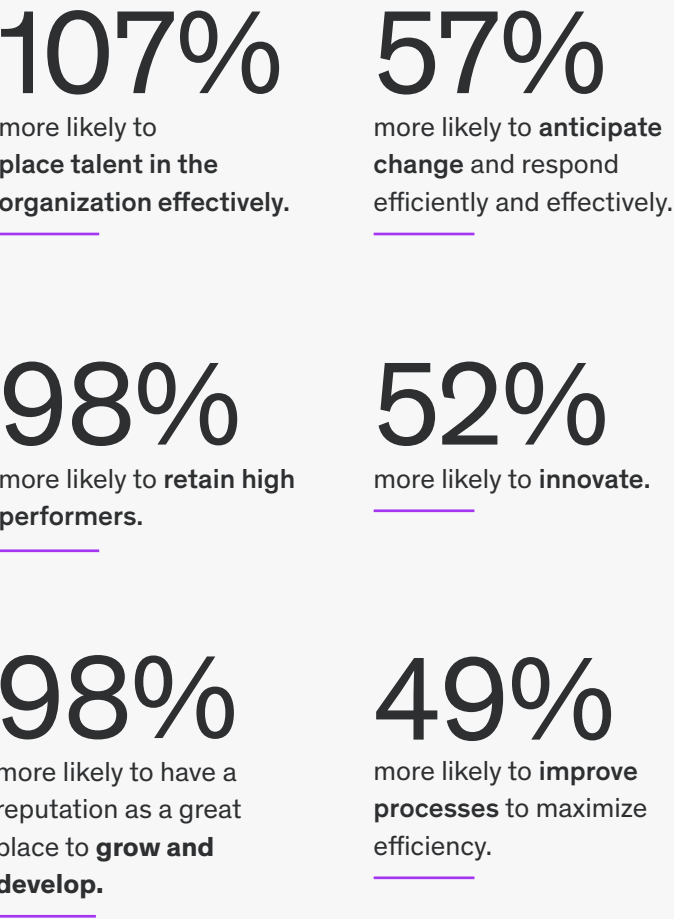
“SBO leaders recognize that employees are not defined by static roles or titles. They are dynamic individuals with diverse skill sets that can be leveraged strategically across the organization. By hiring and promoting based on demonstrated skills, and providing accessible skills development opportunities, SBOs foster a workforce that can readily adapt to the rapidly changing demands of the modern business landscape.”

Melissa Daimler
Chief Learning Officer at Udemy

Measurable outcomes for SBOs

These findings are backed up by [Deloitte's](#) foundational research into measurable outcomes for SBOs in business metrics and employee experience.

SBOs are:



[Deloitte](#)

Creating the GenAI-Powered Workplace

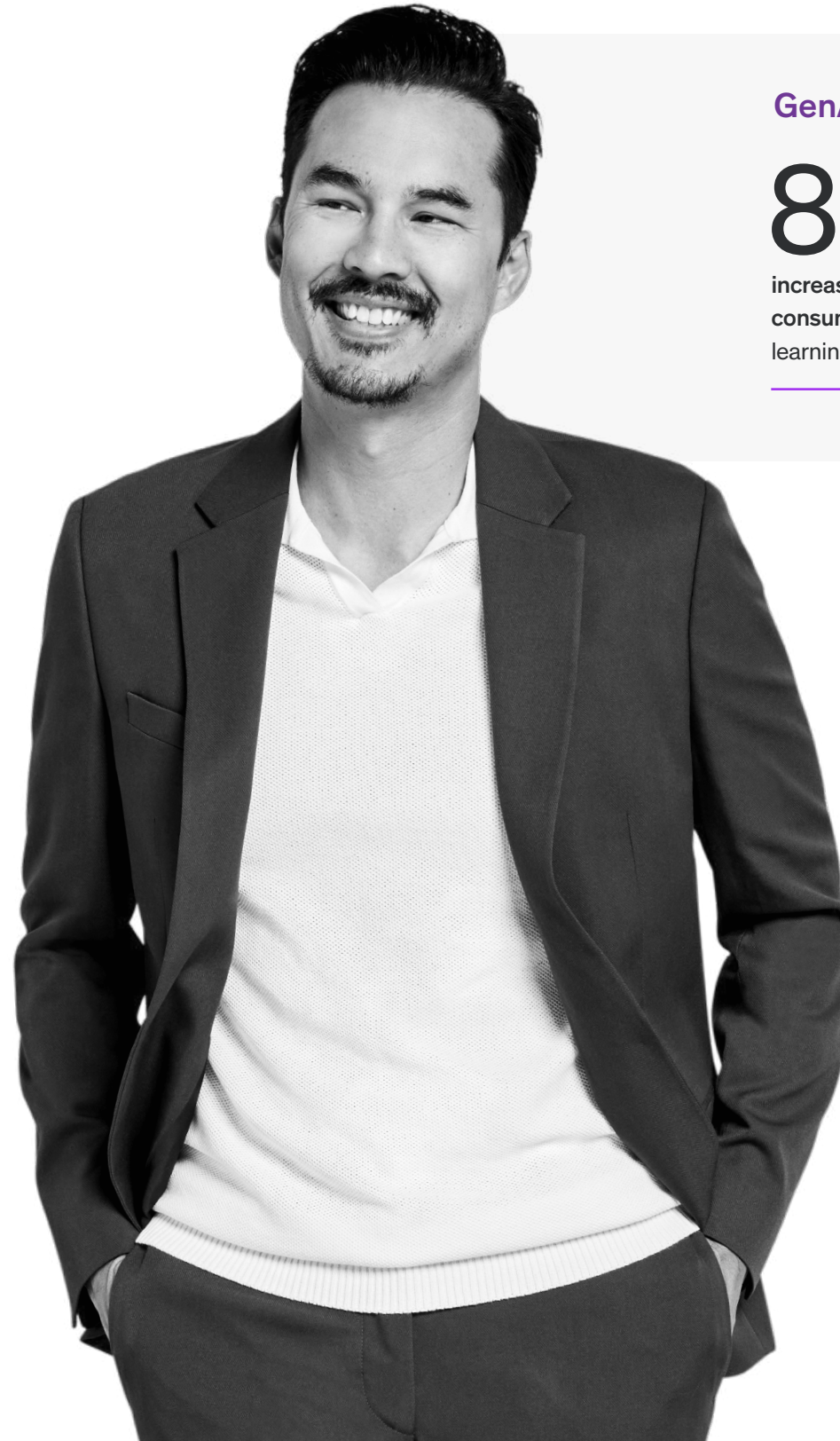
2.2 /

Creating the GenAI-Powered Workplace

Upskilling all employees and revolutionizing learning

If 2022 marked the dawn of AI, then 2023 was the year it stormed the workplace, heralded as the most significant transformation since the internet. In 2024, we moved beyond seeing generative AI as an awe-inspiring novelty. Now, it is increasingly becoming part of our daily operations. Two times as many organizations are using AI regularly compared to just 10 months ago, according to [McKinsey](#). This isn't just a local trend; it's a global wave, with companies integrating AI across multiple functions, signaling a massive shift in how we work.

Large language models (LLMs), the driving force behind generative AI, are evolving at a rapid pace. LLMs now can handle an increasingly diverse array of modalities. Where they initially generated text, they have added video, images, and audio capabilities, while processing much larger prompts than ever before. At the same time, more generative AI solutions have entered the market and many companies are integrating LLMs into existing applications and tools. Businesses are turning to these advancements to meet growing demands for automation, efficiency, and personalized experiences, while also harnessing their potential to analyze complex data and generate valuable insights for strategic decision-making.



GenAI usage and capabilities are growing

859%

increase in year-over-year consumption of GenAI for productivity learning on Udemy Business.

2x

as many organizations are using GenAI regularly compared to just ten months ago.

[McKinsey](#)

While “GenAI fatigue” may be setting in, organizations and employees need to stay vigilant and continually work to build their skills as these tools evolve. The difference between superficial use and contextual integrated use of GenAI capabilities is essential. The latter is necessary to realize significant, ongoing, and scalable value from GenAI initiatives in the short and long term.

Building organization-wide GenAI skills

While AI has been around for decades, and many companies have been using it in other formats, it is just recently that GenAI has made real the possibility of continuous, intelligent assistance, or a “copilot,” to collaborate with human employees on virtually every process or task. Having access to a system that generates detailed and context-specific text and visual content faster than humans is forcing organizations to rethink every human endeavor and find ways to incorporate that system in order to benefit from the advantages it can provide.

To see the greatest possible benefits of GenAI, organizations need an overall strategy for integrating it into internal operations. All employees across functional roles will need foundational GenAI skills to make this happen. It is imperative not only that they acquire

these skills in the first place, but also that they continually refresh and uplevel their skills as GenAI technologies evolve. This approach is necessary to draw out the deep value and scalable success that GenAI can create for organizations.

While organizations are already seeing value from GenAI implementation, [Deloitte](#) reports that they are finding it difficult to effectively scale the early value they are seeing. This is likely a result of the difficulty of upskilling all employees effectively to integrate GenAI capabilities into their work. According to research from [ManpowerGroup](#), global organizations report that the top challenge for jobs that require AI skills is training employees to use AI in their roles.

GenAI is creating value, but success is difficult to scale

In a recent quarterly update on the state of GenAI, [Deloitte](#) reports that:

2/3

of organizations are **increasing their GenAI investments** because they have seen strong early value to date, but many are still challenged to successfully scale that value.

70%

of respondents said their organization has moved **30% or fewer of their GenAI experiments to production.**

[Deloitte](#)

“

We needed our learning programs to continually update and evolve with the rapid evolution of AI technologies. This would help us not only continue driving value for our clients amidst ongoing GenAI disruption but also enable our talent to build career resilience.”

Bhavana Bhagat
Talent Development Head for Data and AI at [Genpact](#)
(a Udemy customer)

While employees in both business and technical roles need technical skills to utilize GenAI effectively, their learning needs differ.

It is important to find opportunities to build in-depth GenAI expertise in the skills related to each function. **Positions in sales, marketing, human resources, and finance are among those that will see advantages from acquiring specific technical skills to improve job performance.** For example, sales might use GenAI to help create outreach emails and presentations, automate their sales funnel, develop negotiation strategies, and perform lead segmentation. Marketing can leverage GenAI for market research, content and video creation, lead generation, SEO, and data analysis.

Technical teams must understand how to integrate GenAI into both their workflows and

the products they develop. Their role requires a deeper understanding of different GenAI platforms, proficiency in related programming languages, and the ability to configure the models used in integrations. There are many areas where GenAI can potentially optimize the efficiency and effectiveness of technical teams, reducing the time it takes to perform everyday tasks and accelerating development speed, thereby improving productivity. These teams can cut the time for common development tasks by as much as half, according to [McKinsey](#).

The speed of technical innovation is a significant issue for technical professionals. Some technologies — such as OpenAI — release updates monthly or even weekly, making it more difficult for tech teams to keep up with GenAI advancements. Learning programs for technical roles must be

designed to accommodate the continuous and frequent need for skills updates.

All employees have the potential to improve their productivity when they can use GenAI for skills like communication, presentations, and project and time management. At Udemy, we understand that all employees need foundational and up-to-date GenAI skills and that business and technical functions need additional skills customized for their roles. We have developed tailored, always-current GenAI learning paths for key areas within the organization so that every employee acquires the GenAI skills necessary for their role at the speed of technological change.

All employees have the potential to improve their productivity when they can use GenAI for skills like communication, presentations, and project and time management.

View our skills packs on the next page.



GenAI Skills Packs

GenAI Skills Packs are learning paths that prepare all employees to use GenAI and develop specific skills in their functional areas.

[See more packs](#)

Gen AI Skills Packs for all employees and leaders

Introduction to GenAI for all Employees

- GenAI foundations
- Prompt engineering basics
- Applications across the business
- Ethics

Next-Level GenAI Tech for all Employees

- AI/machine learning models
- Model configuration
- Product innovation
- Data management practices

GenAI Skills to Drive Productivity

- Communication
- Presentation skills
- Time management
- Project management

GenAI Skills for Leaders

- GenAI technology basics
- GenAI strategy development
- Risks & opportunities
- Leading through change

Gen AI Skills Packs for business roles

GenAI for Human Resources Professionals

- Interview questions
- HR trend tracking
- Career path creation
- Performance reviews
- Policy writing

GenAI for Marketing Professionals

- Market research
- Data-driven content creation
- Lead generation & SEO
- Video creation
- Data analysis

GenAI Skills for Project Management Professionals

- Project planning & analysis
- Documentation & reporting
- Communication & problem solving
- Knowledge base management
- Future of project management

GenAI for Sales Professionals

- Sales outreach emails
- Impactful sales presentations
- Automated sales funnels
- Lead segmentation
- Negotiation strategies

Gen AI Skills Packs for technical teams

GenAI for Cybersecurity Professionals

- Cybersecurity transformation with GenAI
- ChatGPT for defensive security
- Securing generative AI systems

GenAI for Data Science

- ChatGPT for data science & data analysis
- ChatGPT security
- Generative models
- GPT, transformers & self-attention based neural networks
- Building LLM applications & fine-tuning

GenAI for Software Engineers

- GitHub Copilot
- Building LLM applications & fine-tuning
- ChatGPT security
- Generative AI system security
- Generative AI on the Cloud

GenAI Foundations for Tech Teams

- Developer productivity
- Building LLM applications & fine-tuning
- Data science productivity
- Security risks & mitigation

By automating quantitative, repetitive, and time-consuming tasks with GenAI, employees both free and obligate themselves to focus on strategic, high-impact work.

“The real magic happens when AI’s efficiency pairs with human creativity and intuition,” according to [CLO](#). As more repetitive work shifts to GenAI, it becomes more important than ever for employees to develop key skills like critical thinking, business strategy, and problem-solving so that they can be more effective in performing the strategic work where their human capabilities offer the most value.

According to the World Economic Forum’s most recent [Future of Jobs Report](#), the top core workforce skills for global companies included analytical thinking, creative thinking, resilience, flexibility, and agility. None of these are technical skills, but all are skills that enable employees to think critically and creatively to use GenAI outputs. Looking to the future, employees with these skills will be able to better discover and integrate new ways of working that emerge with GenAI.

“As routine tasks become automated, the focus shifts to upskilling employees in areas where human ingenuity is critical, such as strategic thinking, emotional intelligence, and creative problem-solving. Companies must invest in educational programs that foster these skills, preparing their workforce not just to coexist with AI, but to collaboratively excel with it.”

[CLO](#)

Top core workforce skills for global companies

- 1 Analytical thinking
- 2 Creative thinking
- 3 Resilience, flexibility & agility

[World Economic Forum](#)



How GenAI is revolutionizing learning and the skills transformation

Generative AI is fundamentally changing the field of learning and development. New technologies, such as GenAI and LLMs, are enabling a much faster shift to a truly skills-based approach. They provide a more accurate way to catalog and measure the portfolio of skills that employees have and need. Organizations are able to hire, onboard, develop, and track the changing internal skills landscape as they have never been able to do before.

Integrating GenAI into learning design is a new frontier that can help improve the effectiveness of learning experiences and accelerate skills development.

Typically, learning involves acquiring a skill and having the knowledge, will, and opportunities to practice applying it effectively. When an employee learns a skill, there are additional steps required to bridge the gap between knowledge and practice or application in the workplace. For example, an employee might learn the basics of effective conflict resolution but may not have the confidence or practice needed to use those skills in a meeting with a team or direct report. “Generative AI can be integrated into application exercises or job aids to help employees practice and apply the skills that they are learning,” says James Larcus, Senior

Learning Designer at Udemy. “The power of integrating generative AI is that it can make these exercises more dynamic and personalized for each learner while maintaining an overall structure of set parameters that reinforce the content with which the learner is engaging. For instance, the employee who needs to practice and apply conflict resolution skills might use a GenAI chatbot to role-play an upcoming conversation with a colleague where conflict might arise. Or, that employee might upload a transcript of a recent meeting and receive feedback on their approach to conflict resolution as well as tips for future conversations.”

“

Generative AI marks a turning point in learning and development, offering personalization, real-time adaptability, and immersive learning experiences.”

HBR



GenAI can also be used to create tailored, personalized learning paths.

For example, the learning path could be structured for specific groups within the organization by function and seniority level, such as sales leaders or marketing operations specialists. Employees can identify skills they need or want to develop with the assistance of GenAI, which then can dynamically map those skills to a skills tree (or schematic of skills needed) and guide the employee to learning content that helps them develop those skills.

In each of these examples, part of what is revolutionary is that the technology can help create personalized learning experiences for all employees quickly and efficiently, adapting to the individual employee's

evolving skill set and needs. Done by more traditional means, learning and development teams would be severely taxed to create this level of personalization at scale.

When it comes to everyday learning and talent operations, GenAI can be integrated in many ways to drive efficiency, personalization, and productivity.

Take the case of Udemy customer [Booz Allen](#). Jim Hemgen, Principal and Director of Talent Development at Booz Allen, explains how his organization has used GenAI to produce efficiency gains through optimized processes and workflows and create new opportunities for innovation and growth. “By harnessing the power of AI across diverse use cases, we’re able to realize immediate business impact in

the form of cost recovery, enhanced productivity, and strategic decision-making.” As an example, the team is able to produce assessments tailored to specific learning objectives with unprecedented accuracy and speed, enabling Booz Allen employees to deliver more personalized experiences for clients while optimizing resource allocation and minimizing manual effort.

As organizations strive to adapt to the increasing importance of GenAI across all functions and continue to navigate the evolving nature of work itself, strong leadership will be essential. To orchestrate all of this effectively, leaders will need a new set of skills for the modern world of work that allows them to embrace disruptive technologies, innovate, engage their employees, and lead the market.

“

GenAI has become instrumental in driving efficiency and effectiveness. From optimizing learning support through personalized recommendations to curating content tailored to individual needs, AI empowers our workforce to thrive. Additionally, AI-driven performance management, job architecture, skills ontology, and talent intelligence initiatives enable us to make informed strategic decisions, align resources effectively, and foster a culture of continuous improvement.”

Jim Hemgen
Principal and Director of Talent Development at
[Booz Allen](#) (a Udemy customer)

Booz | Allen | Hamilton

Reinventing Leadership Skills for the Modern World of Work

2.3 /

Reinventing Leadership Skills for the Modern World of Work

Leaders needed

Leaders today find themselves at the helm of a dual transformation, navigating a rapidly shifting technological landscape and a workforce undergoing dramatic change.

More than half of global employees surveyed feel there is too much change happening at once, according to PwC's [Global Workforce Hopes and Fears Survey 2024](#). Change fatigue can negatively impact employees and their performance, [Gartner](#) has found, creating a lower intent to stay and lower levels of trust when it comes to their employers.

Senior leaders are also feeling the pressure exerted by the pace of ongoing change. Nearly half of CEOs responding to [PwC's Global CEO](#)

survey feel that they must transform their business models or they won't survive the next 10 years on their current path.

In this complex and fast-moving environment, leaders have to find ways to reinvent their businesses to not only survive but to innovate and lead their competitors. Whatever strategy leaders choose, they also must focus on the essential human factors at the center of it all, engaging and supporting employees by providing what they value most in the work they do. Any strategy for transformation necessarily has to harness employees' excitement and readiness to adapt, or it will fall flat.



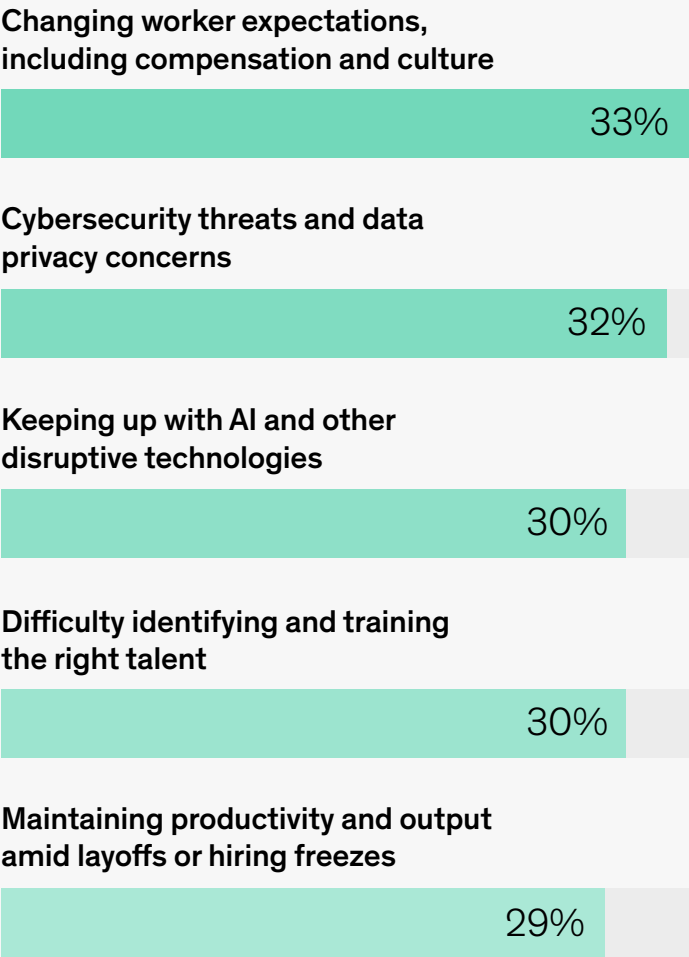
Top leadership challenges for today's workplace

One of the top challenges for leaders now is building an agile and resilient workforce to keep pace with change and transformation, according to an [HBR](#) study. The study findings also reinforce the point that leaders need to increase their tech-savviness so they can understand and direct effective strategies to adapt to emerging technologies like GenAI.

It's no wonder that Chief's [New Era of Leadership](#) report found that more than half of CEOs surveyed predicted leadership would be more challenging in 2024 than ever before, with external factors that leaders cannot control having a greater impact than internal ones. Forty-two percent of executives ranked the ability to navigate change quickly as the top leadership capability.

The breadth of the challenges outlined in the HBR and Chief surveys underline the point that leading through disruptive technological and workplace change is creating new difficulties for leaders, even as they continue to navigate some long-standing issues. **Many of the factors leaders must contend with are not new — such as the need for more diverse workplaces and the challenges to collaboration that hybrid and remote work present. It is the combination of factors and the speed at which workplace change is occurring that makes this an inflection point for many organizations and their leadership teams.**

The Chief survey's top 5 company challenges for leaders



[Chief](#)

HBR's top 4 business challenges that will require leaders to develop new skills

- 1 Contending with ongoing disruption beyond the C-suite
 - Inflation and economic downturn (34%)
 - Changing customer expectations (31%)
 - Embracing change and transformation (28%)
- 2 Building the tech-savviness of all leaders
 - Adapting to the penetration of emerging technologies, such as generative AI (46%)
- 3 Humanizing leadership in the digital age
 - Building a diverse and inclusive culture (31%)
 - Driving inspiration and motivation among employees (30%)
- 4 Leading the hybrid work strategy
 - Ensuring productivity and business growth amid the growing adoption of gig, hybrid, and dynamic work models (48%)

[HBR](#)

GenAI skills are leadership skills

Leaders need a deep understanding of GenAI to know how to guide their organizations to next-level business models. Most leaders have a long way to go; an [Accenture](#) survey found that 65% of executives admit they lack the expertise required for GenAI-led transformation.

This means leaders must acquire the skills to integrate GenAI into their regular flow of work while also developing and maintaining their knowledge of how GenAI is evolving as a technology, how it is changing their industry, and how it is likely to do so in the future. **All leaders and all employees — the organization as a whole — must develop a mindset shift along with their GenAI knowledge, overcoming long-standing perceptions of how things are done and how they should work.**

Acquiring or improving GenAI knowledge for today is just the beginning. Staying up-to-date on this rapidly evolving technology will require a new pace of continuous skills development to avoid falling behind the change curve. This will require time, attention, and investment for both leaders and employees.

65%

of executives
admit they lack the
expertise required for
GenAI-led transformation.

[Accenture](#)



Skills to lead today’s employees

While technology remains a critical concern, it goes without saying that leaders also have to focus on the human factors that help create healthy workplace cultures, engage their employees, and protect them from burnout.

As mental health continues to be an issue for many in the workforce, a recent survey from [Traliant](#) found that a large majority of employees believe they need more support from their employers to address mental health. With an increasingly global and diverse workforce, meaningful diversity, equity, and inclusion (DEI) initiatives and accepting company cultures are minimum requirements for employees.

There are important new cohorts to understand and integrate into the workplace and work culture, as well. For example, as more members of Generation Z (born between 1997 and 2012) enter the workforce, their common generational values and expectations at work will become even more important for leaders and organizations to consider if they want to attract and retain Gen Z talent. Doing so will be essential, as Gen Z will make up 58% of the talent pool by 2030. At the same time, this ongoing demographic shift will exacerbate skills gaps as Gen Z workers replace more experienced

employees exiting the workforce. “This widening demographic gap produces multifaceted talent challenges: generational knowledge loss from retiring baby boomers, Gen Z seeking updated skills blending technical and interpersonal, and mid-career workers needing to reskill for new roles,” according to [ManpowerGroup](#).

It is also imperative to effectively integrate a multigenerational workforce. In a recent Udemy survey report, [Gen Z in the Workplace: Welcoming the Next Generation](#), we found that two-thirds of employees of all generations have felt misunderstood at some time due to communication style. Feeling misunderstood can contribute to feelings of exclusion, which in turn can impact employee morale, engagement, and, if widespread, the business itself. A full three-quarters of employees report having felt excluded in their workplace, according to EY’s [Belonging Barometer 3.0](#).

This is a clear call to action for all leaders. They need to continue to focus on improving workplace culture by establishing better organizational norms for communication and collaboration, regardless of generation.

“Understanding how to attract, engage, and retain Gen Z employees is an increasingly essential part of business strategy and a key to sustaining organizational vitality and growth.”

[Udemy](#)



A multigenerational workforce contains more than one generation. Today’s workforce contains 4 or sometimes even 5 generations at once:

Gen Z

(12-27)

Born 1997 to 2012

Millennials

(28-43)

Born 1981 to 1996

Gen X

(44-59)

Born 1965 to 1980

Boomers

(60-78)

Born 1946 to 1964

How leaders are falling short: change management and communication

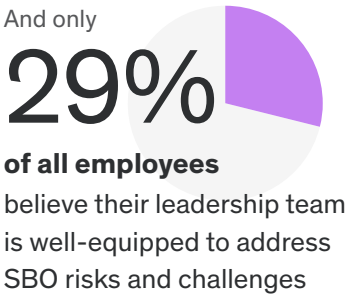
Udemy’s research has found that leaders today are lacking when it comes to managing key transformation initiatives. The GenAI Transformation: Perspectives on Leadership is a recent Udemy survey report that examines how leaders are handling the integration of GenAI into the workplace. Our findings show that nearly nine out of 10 employees surveyed believe that their leadership team is critical to making GenAI transformation initiatives successful. At the same time, fewer than half of them (48%) believe their leaders are ready to lead these initiatives. And only slightly more than half (55%) believe that their leadership team will make GenAI a strategic advantage for the organization.

Research for Workplace 2.0: The Promise of the Skills-Based Organization produced a parallel finding. Among senior leaders, 83% identify effective leadership as essential to the transition to a skills-based approach. However, among all

employees responding to the survey, only 28% believe that their leaders are communicating SBO strategy and initiatives well, and only 29% believe that their leadership team is well-equipped to address the issues and risks that come with becoming an SBO.

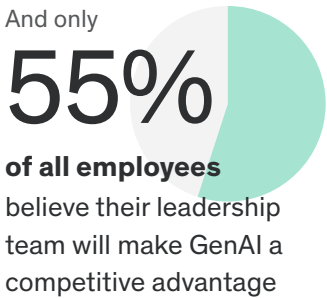
There is a significant gap between the nearly universal understanding that leadership is an essential ingredient to successful transformation initiatives and the reality of how leaders are guiding employees through these changes. Senior leaders must correct course and find new ways to lead, or they risk losing employee support for change initiatives. These leaders need to develop a deep understanding of revolutionary technologies themselves and support employees to develop skills to do the same. At the same time, they must meaningfully address the shifts we are seeing in employee dynamics, culture, and priorities at work.

83%
of senior leaders
identify effective
leadership as essential to
the SBO transition



Udemy, Workplace 2.0

9/10
employees
believe leadership is
essential to successful GenAI
transformation initiatives



Udemy, The GenAI Transformation

Leading transformation at the pace of change

At Udemy, we develop programs for leaders that address how to lead transformational change on many levels. We enable leaders to immerse themselves in revolutionary technologies like GenAI, becoming experts in how to use these tools, while also creating organizational processes and environments where essential technology skills can advance and innovation can flourish. Our programs focus on the importance of communicating a vision for change and inspiring others to take part.

Leaders must address all of the issues outlined in this report — critical ones in the modern workplace. This is a tall order. But this is the only option for leaders who seek to successfully guide their teams and organizations through the fundamental changes currently taking place.



A Roadmap for Delivering Business Performance

A Roadmap for Delivering Business Performance

For organizations and their leaders to keep up with the constantly changing world of work, they need to focus on skills development and skills validation so that employees can fluidly learn and apply the skills needed as technology evolves.

Delivering on both of these disciplines is key to driving business performance, remaining competitive, and fostering innovation. When organizations address talent gaps by equipping employees with the skills they need, they can reach critical business outcomes faster.

Companies ignore looming skills gaps at their peril. Leaders must focus on developing GenAI skills for all employees. When organizations are prepared for GenAI transformation, they are ready to make the pace of change a competitive advantage. As part of this transformation, badging and certifications are becoming an area of increasing importance, as they offer effective methods for skills validation that adapt to changing tech skills more quickly than standard measures of proficiency.

At the same time, employees must continue to develop strategic, human-centered skills like problem-solving, communication, and change management that allow them to take advantage of the transformation GenAI brings and remain balanced and engaged in the midst of constant change.

In the end, it is up to leaders to guide employees and organizations through profound and ongoing disruption. This requires a clear understanding of emerging technologies and how they are changing industries and markets, and it requires a focus on the needs of employees. Leaders must find ways to communicate a compelling vision and strategy to sustain their employees and motivate them to embrace the process of transformation. They also need to focus on the value of the human approach and “keep humans in the center of all this decision-making,” says Jim Rowan, Applied AI SGO Leader at [Deloitte](#).

Leaders who can orchestrate their strategy to address all of these factors will see themselves, their employees, and their organizations thrive.



Are you ready to make the shift to a skills-based approach? Do you have the will but want more guidance on the way?

Udemy can help. Contact us to find out how we can partner with you to unlock the power of skills and deliver business performance.

[Learn more](#) about Udemy Business.



Data methodology

For this report, we analyzed data from thousands of our customers around the world. We calculated total consumption by Udemy Business learners across all course topics for the year from July 1, 2023, to June 30, 2024. We calculated the percentage growth in consumption compared to the year from July 1, 2022, to June 30, 2023. The total consumption ranking for the AI topics is also drawn from the July 1, 2023, through June 30, 2024, time period.

About Udemy Business

Udemy transforms lives through learning by ensuring everyone has access to the latest and most relevant skills.

Udemy Business powers possibilities by enabling employers to offer on-demand learning for all employees, immersive learning for tech teams through Udemy Business Pro, and cohort learning for leaders through Udemy Business Leadership Academy. With our Intelligent Skills Platform, we provide a complete learning solution that drives relevant learning at scale so organizations can build agile workforces and achieve critical business outcomes.

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