THE GLOBAL SKILLS MISMATCH

SHRM®
BETTER WORKPLACES
BETTER WORLD™

GLOBAL WORKER PROJECT
RESEARCH REPORT

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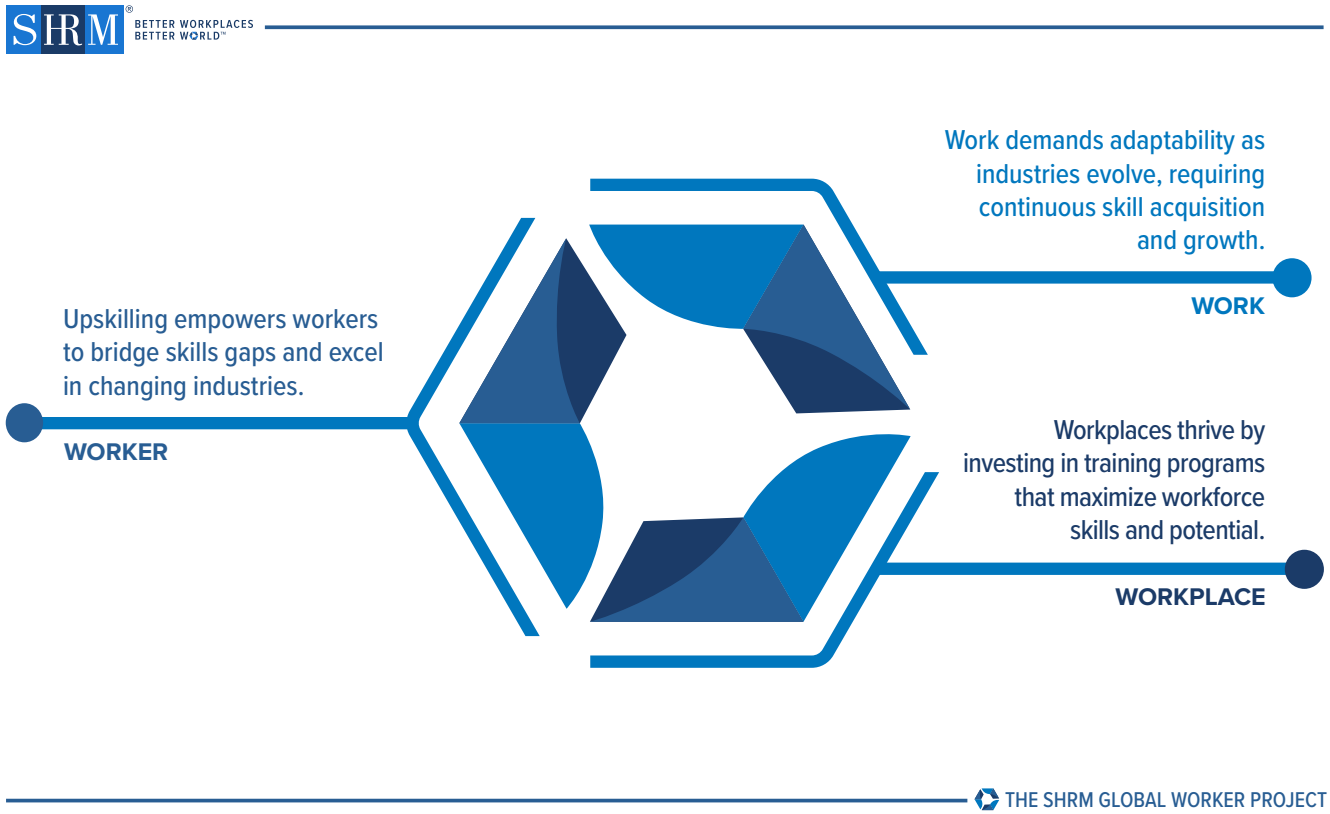
INTRODUCTION

The world of work is undergoing profound transformation driven by technological advancements, the rising gig economy and other independent work opportunities, increasing globalization, and more. These trends have significantly altered how work gets done and continue to transform the skills that employers are demanding in the global labor market. These evolving skills needs have the potential to introduce mismatches in which the current skill sets the global workforce possesses do not fully meet or are unable to keep pace with the new skills employers require. These skills challenges come at a time when employers worldwide are also facing ongoing labor shortages. In fact, global workforce solutions company ManpowerGroup noted that 3 in 4 employers globally reported difficulty filling their open roles in 2024. What's more, these talent difficulties are expected to continue in the foreseeable future. A study by global organizational consulting firm Korn Ferry projected that by 2030, the global talent shortage will lead to 85.2 million unfilled jobs in just three sectors alone: the financial and business services sector; the technology, media, and telecommunications sector; and the manufacturing sector.

Yet, this research revealed that the global workforce may also be facing its own form of skills mismatch. **Roughly 2 in 5** workers globally said their education and training or their skills and experience are underutilized in their job. Additionally, only **slightly more than half** of workers globally **(55%)** said they are very or extremely satisfied with the number of opportunities available to use their skills and abilities at work. This means that employers may be missing out on the full capabilities of their workforce, accessing only a fraction of the skills that workers have to offer.

These skills challenges raise key questions about how to effectively prepare the global workforce to thrive in not only today's jobs but also the jobs of the future. These skills challenges also present new and unique labor challenges for policymakers, employers, and the global workforce that must be solved proactively to ensure the health of the global talent pipeline.



EXECUTIVE SUMMARY

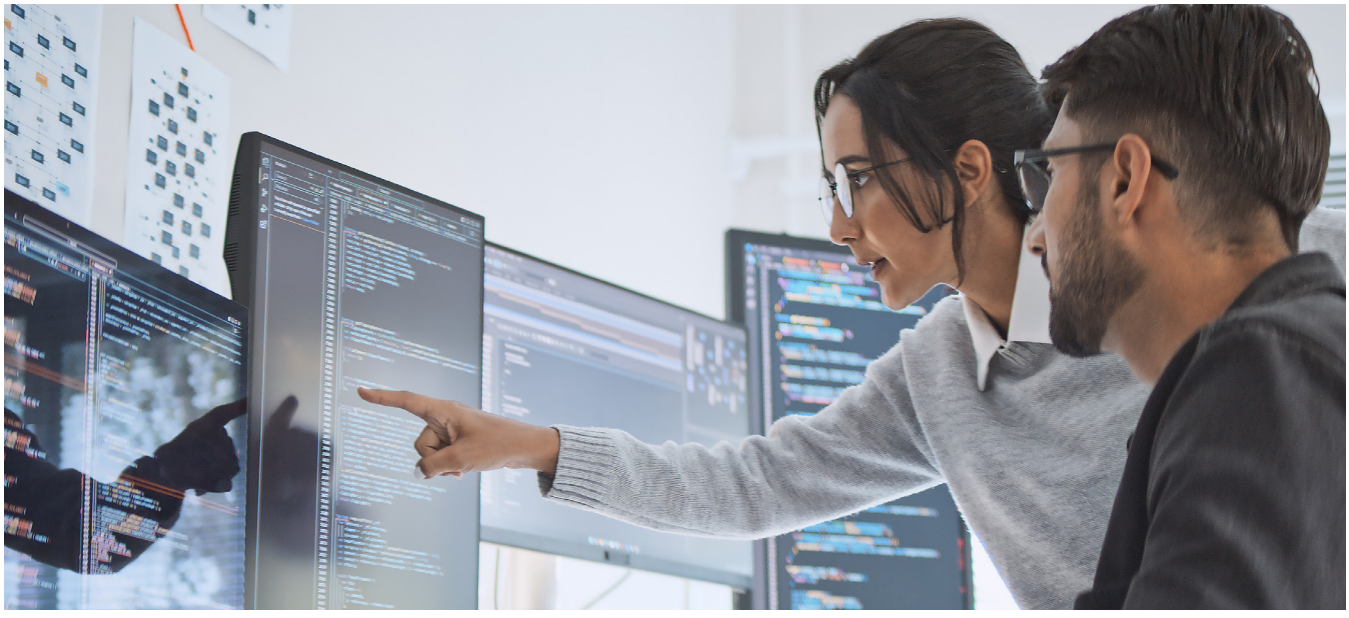
- **Employers aren't leveraging the full potential of the global workforce.** Globally, **approximately 2 in 5** workers said their education and training **(43%)** or skills and experience **(40%)** are underutilized in their jobs. While **over 4 in 5** workers globally **(82%)** said having an opportunity to use their skills and abilities at work is very or extremely important to them in a job, only **slightly more than half (55%)** said they are very or extremely satisfied with the number of opportunities they actually have to use their skills and abilities at work.

- **Employers that fail to fully leverage the global workforce's skills risk losing their talent.** Compared to workers whose skills are adequately utilized at work, workers who believe their skills and experience are underutilized are **more than twice as likely** to be actively seeking a new job **(38% versus 18%)** and **nearly twice as likely** to say their job has had a negative or very negative impact on their mental health over the past six months **(28% versus 15%)**.

- **Workers globally are willing to retrain amid evolving skills needs but have limited access to educational assistance to help them do so.** Although **almost 9 in 10** workers globally **(86%)** are somewhat or very willing to retrain or reskill if there were large-scale shifts in the skills needed to do their jobs, **more than half (56%)** reported they don't have access to educational assistance (e.g., funds to help cover tuition or training costs) through either their workplace or their country.

- **Amid rapidly changing technology, the global workforce is approaching the growth of artificial intelligence with an open mind.** Global workers report a high level of comfort, with **more than 9 in 10** workers **(92%)** stating they are somewhat or very comfortable with learning new technologies. What's more, workers are more optimistic than pessimistic about how AI will impact their jobs over the next five years: **56%** believe AI will help their jobs, whereas only **9%** believe it will hurt (**21%** expect no impact and **14%** were unsure).

- **Despite a generally positive outlook about AI, more proactive training is needed to adequately prepare the global workforce for the evolving role of AI in the workplace.** Preparedness for the evolving role of AI among global workers varies: **Less than 1 in 5** workers globally **(19%)** said they feel very prepared for the evolving role of AI in their industry, and **over 1 in 3 (35%)** actively feel unprepared.

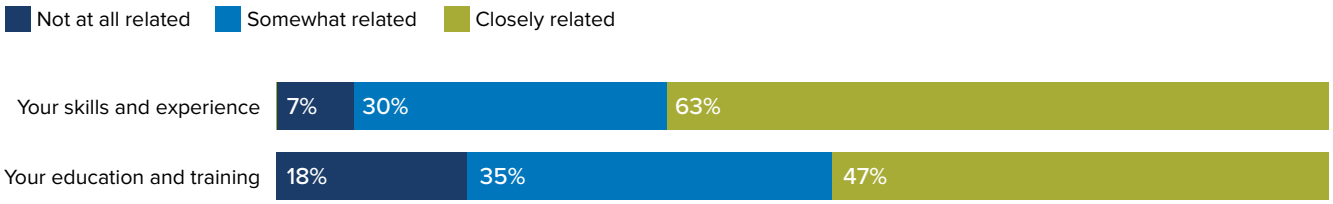


THE GLOBAL SKILLS MISMATCH

Amid global labor shortages and rapidly evolving skills needs, SHRM's research revealed that employers may not be leveraging the full potential of the global workforce. In fact, **approximately a third to half** of workers globally said that they hold jobs that don't closely match their skills and experience **(37%)** or their education and training **(53%)**. This exposes a key gap between the skill sets that workers possess and those that employers seek.

Approximately a third to half of the global workforce holds jobs that don't closely match their skills and experience or education and training.

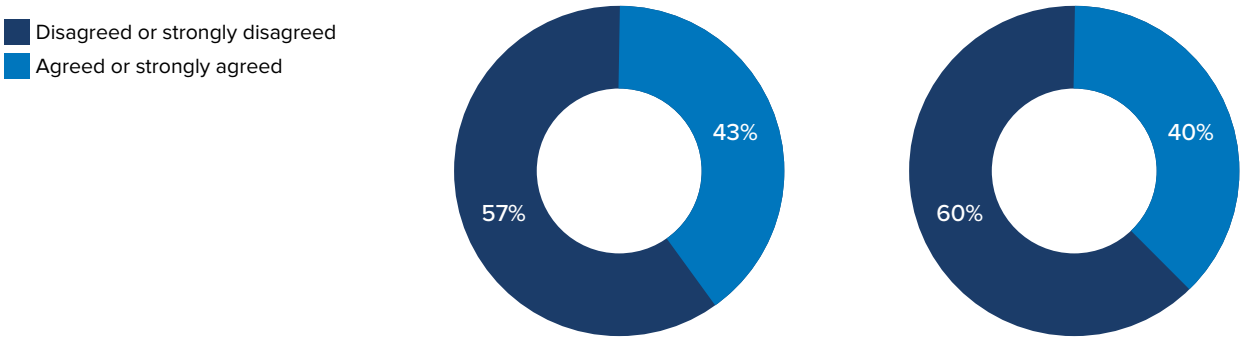
How closely would you say your job is related to these factors?



There may be several factors contributing to this mismatch, such as the rapidly evolving skills landscape, the types of jobs available in workers' local areas, worker preferences, or shifts in industry demands, among others. It is not inherently bad for workers to adapt to roles that don't perfectly align with their education, training, skills, or experience, but the real issue arises when these workers feel that their skills are being underutilized.

While employers reported difficulties finding talent with the skills, experience, education, and training they need to fill their roles, workers globally reported that employers may not recognize their full capabilities. In fact, **2 in 5** workers globally said their education and training **(43%)** or skills and experience **(40%)** are underutilized in their job, which suggests that employers may only be accessing a fraction of the skills that workers have to offer.

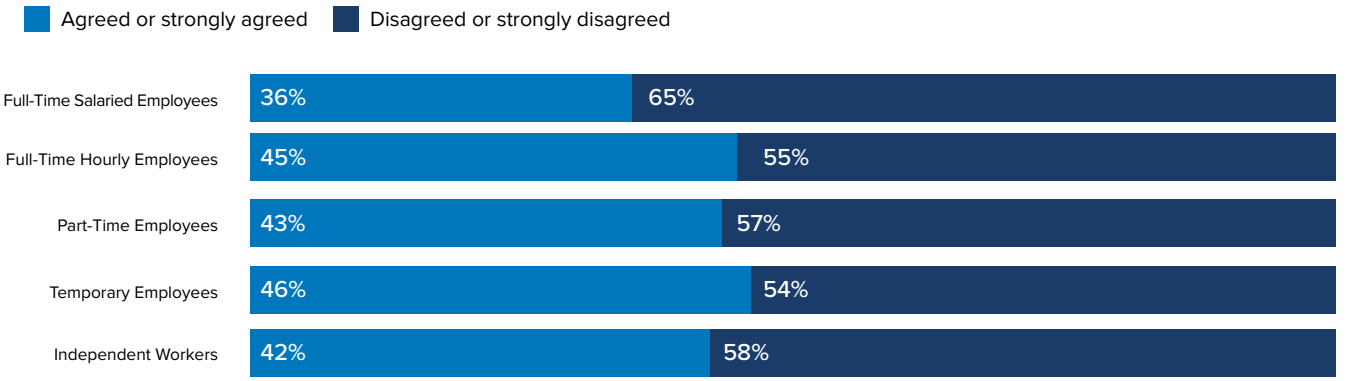
Globally, 2 in 5 workers said their education and training or skills and experience are underutilized in their job.



Notably, while workers of all types indicated that their education and training or skills and experience are being underutilized in their job, this challenge is more prominent among certain groups of workers. For example, **46%** of temporary employees and **45%** of full-time hourly employees may have hidden skill sets that employers have yet to recognize.

Percentage of workers by type who said their skills and experience are underutilized in their job.

To what extent do you agree or disagree with the following statement? "My skills and experience are underutilized in my job."



Note: Total may not sum to 100% due to rounding.

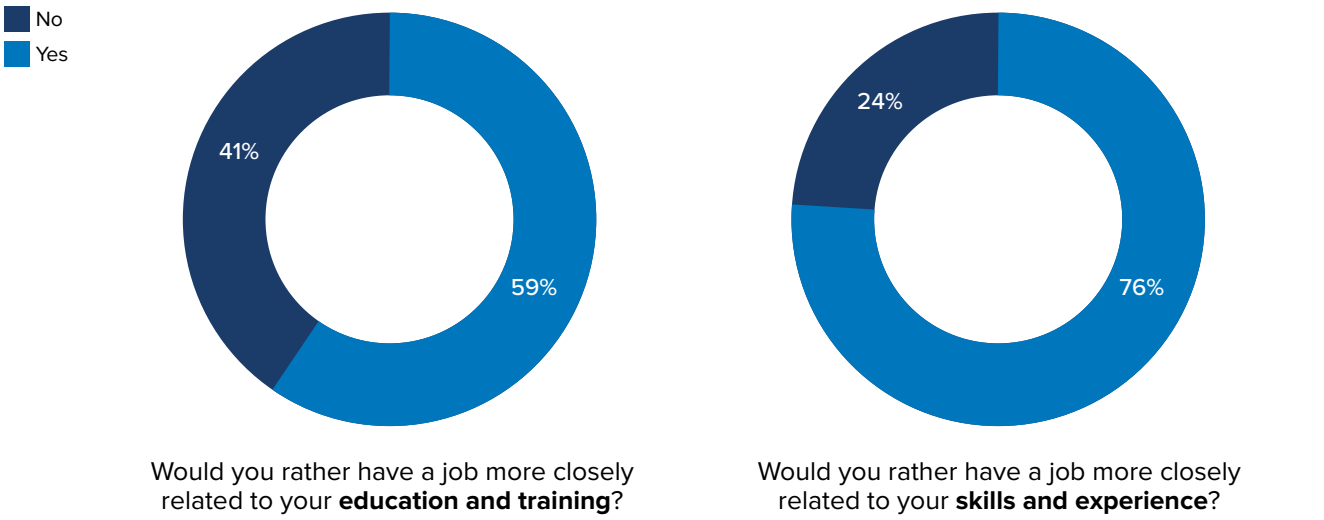
One reason for this underutilization of skills may be that some employers globally have yet to adopt a skills-first hiring approach. Under traditional approaches to hiring, employers often rely on indicators such as university degrees or years of experience to determine whether a candidate is a good fit for a given role. Therefore, it may come as no surprise that full-time salaried employees, who boast the highest levels of degree attainment of the five worker types, reported the lowest underutilization of their skill sets. A skills-first hiring approach requires re-evaluating current recruitment, hiring, and advancement practices by minimizing dependence on traditional hiring criteria and instead emphasizing the alignment of workers' skills with the requirements of available roles. This allows employers to widen their pool of qualified candidates. To do so, employers must prioritize collecting and analyzing data about the skills and competencies of their current workforce and anticipate future skills needs.

THE COST OF A MISMATCH: AN UNDERUTILIZED GLOBAL WORKFORCE

Notably, this global mismatch comes at a cost to both workers and employers. While employers miss out on access to key skills that could drive business outcomes, enhance their competitiveness, and address stubborn labor gaps, workers miss out on an opportunity to bring their full skills and abilities to work. **Over 4 in 5** workers globally **(82%)** said that having an opportunity to use their skills and abilities at work is very or extremely important to them in a job, yet only **slightly more than half (55%)** said they are very or extremely satisfied with the number of opportunities they have to do so.

Among workers who said their job isn't closely related to their education and training or skills and experience, most indicated that they would prefer a job that is a better match. Among workers who said their job isn't closely related to their education and training, **nearly 3 in 5 (59%)** would prefer a job that is more closely matched. Further, among workers who said their job isn't closely related to their skills and experience, **3 in 4 (76%)** would prefer a job that is more closely matched.

Globally, most workers would prefer jobs that better match their education and training or skills and experience.



Would you rather have a job more closely related to your **education and training**?

Would you rather have a job more closely related to your **skills and experience**?

Note: Among workers who said their job is unrelated or only somewhat related to their education and training or skills and experience.

This mismatch not only leads to dissatisfaction at work, but also has a clear negative impact on several aspects of global workers' workplace experiences.

Workers who believe their skills and experience are underutilized in their job, compared to workers who do not, are:

NEARLY 2 TIMES
more likely to say their job has had a negative or very negative impact on their mental health over the past six months **(28% versus 15%)**.

OVER 2 TIMES
more likely to be actively job seeking **(38% versus 18%)**.

OVER 1.5 TIMES
less likely to be very or extremely fulfilled in their job **(34% versus 56%)**.

OVER 1.5 TIMES
less likely to rate their job as high-quality **(42% versus 64%)**.

Critically, as the skills landscape continues to evolve and demand for specific skills continues to outpace supply, the consequences of this global skills mismatch may become even more evident.

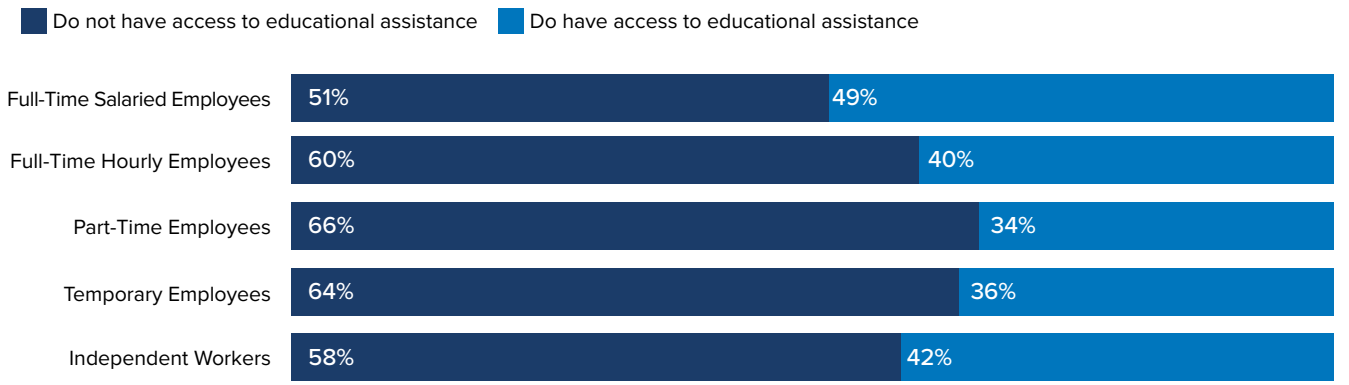
PREPARING THE GLOBAL WORKFORCE FOR THE JOBS OF THE FUTURE

As the skills landscape continues to evolve, it's critical that the global workforce is prepared for the jobs of the future, yet this research revealed that not all workers are equally prepared for these changes.

The good news is that most workers globally **(89%)** feel confident that they have the technical skills necessary to adapt to the changing demands of their industry in the next five years. What's more, willingness to upskill or reskill among the global workforce is high. **Nearly 9 in 10** workers globally would be somewhat willing **(39%)** or very willing **(47%)** to retrain or reskill if there was a large-scale shift in the skills needed to succeed in their job. This reinforces workers' desires to both remain competitive in their field and to hold jobs that meaningfully align with their skills and experience.

However, the bad news is the data shows that the global workforce does not always have access to the resources necessary to engage in upskilling or reskilling, making it difficult to keep pace with the changing skills landscape. For example, **over half** of workers globally **(56%)** said they don't have access to educational assistance (e.g., funds to help cover tuition or training costs) either through their workplace or through their country. This means that the financial costs associated with upskilling and reskilling may serve as a substantial barrier to meeting workforce needs, particularly among low-income workers. What's more, data from Boston Consulting Group, a global consulting firm, showed that even when upskilling and reskilling programs were offered by employers, these programs still failed to reach 70% of workers at small companies and in the informal economy (e.g., local family-owned shops and street vendors), narrowing their reach and impact. Thus, more collaborative efforts may be necessary to make progress on upskilling and reskilling worldwide.

Globally, most workers lack access to educational assistance (e.g., funds to help cover tuition or training costs).



UPSKILLING AND RESKILLING AS A SHARED RESPONSIBILITY

Although **over 2 in 5** workers globally **(45%)** said they believe workers themselves are most responsible for ensuring workers have the skills they need for the future, it's important to recognize that preparing the global workforce for future jobs requires effective collaboration between workers, workers' families, the government, employers, and schools and colleges to maximize returns. Yet, the World Economic Forum estimated that only 0.5% of the global gross domestic product (GDP) is currently invested in adult lifelong learning.

It is critical for workers to be willing to upskill and reskill to remain competitive in the job market, but it is also important for employers, governments, and education providers to take an active role in the ongoing skills development of the global workforce to nurture and grow their talent pipeline. As the entities closest to the changing dynamics of their sectors, these groups are in a prime position to actively train workers, rethink educational programs, and support education-to-employment policies that build a global workforce capable of responding to evolving skills and industry demands. What's more, the World Economic Forum estimated that such wide-scale investment in upskilling could have the potential to boost global GDP by $6.5 trillion by the year 2030. Therefore, upskilling and reskilling the workforce must remain a shared responsibility among all these groups to ensure success.

Who do you think is most responsible for ensuring workers have the skills they need for the future?

45%	21%	18%	13%	2%
Workers themselves	The government (local or national)	Employers	Schools, colleges, and universities	Workers' families

Note: Total may not sum to 100% due to rounding.

ARTIFICIAL INTELLIGENCE AND THE WORKFORCE

One area where the need for meaningful coordination on upskilling and reskilling is becoming increasingly apparent is within the rapidly evolving technology landscape. As the growth of AI continues to shift the way work gets done and transform occupations, it may lead to certain jobs being lost, other jobs being augmented, and new jobs being created. Therefore, it is essential that the global workforce is prepared for current and upcoming technological changes that will be driven by AI and is equipped with the necessary skills. In fact, recent research from Microsoft and LinkedIn noted that the skills needed for jobs are projected to change by 50% by 2030 (from 2016) and that generative AI is expected to accelerate that change to 68%. AI use may not yet be widespread across the global workforce, but it is already having a noticeable impact.

37% of workers globally currently use tools or systems powered by AI in their jobs.

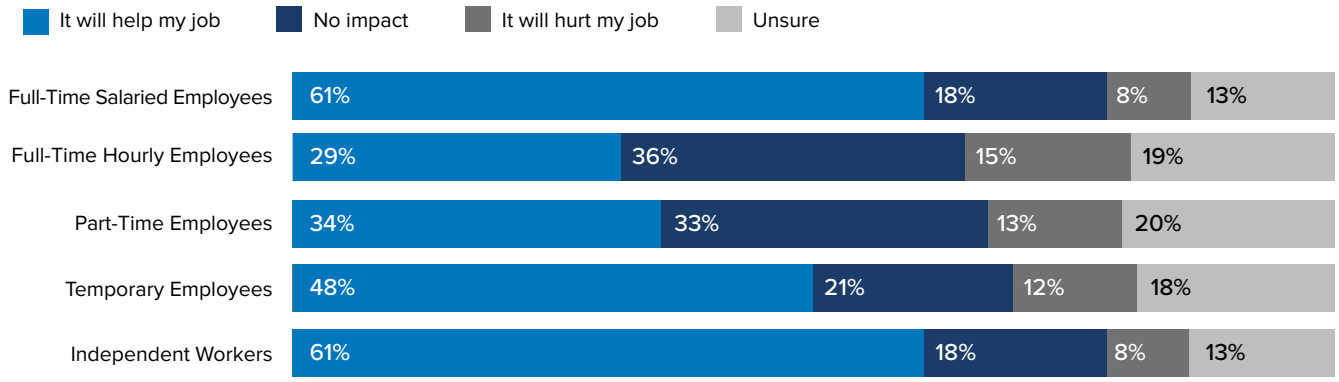
Notably, certain portions of the workforce are more likely to have exposure to tools or systems powered by AI in their jobs than others. Across the five worker types explored in the study, independent workers reported the highest use of AI in their jobs, followed by full-time salaried employees. Due to the nature of independent work, many independent workers may find themselves holding multiple jobs, working on multiple projects, or engaging with multiple clients. In fact, **51%** of independent workers reported that they hold more than one job, the highest of any of the five worker types. Independent workers' accelerated AI use may stem from recognition that leveraging AI tools to automate repetitive tasks and enhance their productivity across an array of projects can make AI an asset for managing their independent workload. What's more, because independent workers do not operate in an employee capacity, they may also have more flexibility to choose and implement new technologies such as AI based on their specific needs, whereas employees of an organization might be limited by company policies or infrastructure.

Percentage of workers who said they currently use tools or systems powered by AI in their jobs.

38%	15%	18%	23%	45%
Full-Time Salaried Employees	Full-Time Hourly Employees	Part-Time Employees	Temporary Employees	Independent Workers

Despite these differences in AI usage, the good news is that the global workforce is approaching AI with an open mind. Most workers globally said they are somewhat **(34%)** or very comfortable **(57%)** learning new technologies. Additionally, most workers are more optimistic than pessimistic about how the use of AI in their workplace in the next five years will impact their job, though this varies by worker type.

Overall, do you expect the use of AI in your workplace in the next five years will help or hurt your job?



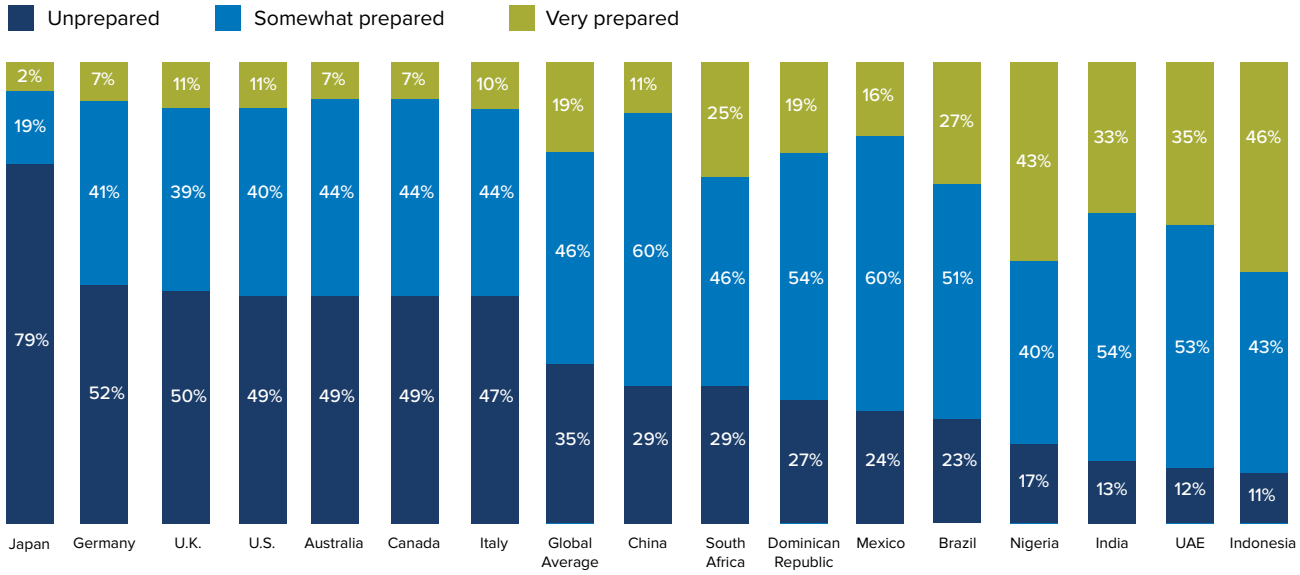
Note: Totals may not sum to 100% due to rounding.

Notably, the two types of workers with the most practice using tools or systems powered by AI in their jobs, independent workers and full-time salaried employees, are also the most likely to believe AI will help their jobs compared to those who have yet to use AI tools at work. This shows that exposure to AI can help workers more clearly see and understand its benefits and use cases. This finding emphasizes that proactive and thorough workforce training in AI technologies is an important next step for organizations looking to leverage this technology across their workforce more widely in the future.

Despite this generally positive outlook, **less than 1 in 5** workers globally **(19%)** said they feel very prepared for the evolving role of AI in their industry and **over 1 in 3 (35%)** feel unprepared. This suggests that some segments of the workforce may need more training on how to collaborate effectively with AI to avoid potential workforce disruptions. Additionally, some countries may want to give special attention to their workforce's preparedness to navigate the evolving role of AI to ensure optimal integration and results. For example, workers in Japan are **over two times more likely** than the global average to report feeling unprepared for the evolving role of AI in their industry **(79% versus 35%)**. In contrast, workers in Indonesia are **over two times more likely** than the global average to report feeling very prepared for AI's evolving role **(46% versus 19%)**.

Workers' level of preparedness for the evolving role of AI in their industry by country.

To what extent do you feel prepared for the evolving role of AI in your industry?



Note: "Unprepared" responses combines those responding "not at all prepared" and "not very prepared."
Totals may not sum to 100% due to rounding.

SPOTLIGHT ON INDONESIA

Close to half of the workers in Indonesia **(46%)** said they feel very prepared for the evolving role of artificial intelligence in their industry, compared to a global average of only **19%**. Two reasons for the heightened feelings of AI preparedness may be Indonesia's rapidly growing digital economy coupled with key government initiatives aimed at improving digital infrastructure and integrating advanced technologies across various sectors. Indonesia was dubbed the "digital archipelago" by management consulting firm McKinsey & Company. The digitization of the country's e-commerce sector has played a critical role in driving its economic development.

Key to this growth has been the Indonesian government's acknowledgement of the importance of AI to the country's economy. In 2018, the government launched its Making Indonesia 4.0 road map aimed at positioning the country as a leading digital economy by 2030. This was followed by the launch of Indonesia's National Strategy for Artificial Intelligence (2020-2045) and the Digital Indonesia Roadmap 2021-2024, which focused on modernizing digital infrastructure, accelerating digital government, increasing the digital skills of the workforce, and nurturing the adoption of digital technologies, particularly among small to midsize businesses.

Data from global management consulting firm Kearney suggests that Indonesia and other Southeast Asian countries are still in the early stages of AI adoption compared to other nations, but projections indicate that continued AI investments and implementation in Indonesia could add $366 billion to the country's GDP by 2030.

CONCLUSION

The SHRM Global Worker Project is focused on building a shared, human-centered understanding of the future of the workplace, shedding light on the intricate challenges facing today's workers and the emerging trends shaping tomorrow's workplaces. This study equips employers and policymakers with important information to develop inclusive and effective global policies and practices that recognize and value the unique, diverse needs of the contemporary workforce. By moving beyond a one-size-fits-all definition of a "traditional worker," global leaders can better foster workplaces where workers of all types can thrive.

Workers are willing and ready to make better use of their existing skills, eager to acquire new ones, and confident in their ability to adapt to evolving industry demands. What's crucial now is that policymakers and employers align with these aspirations to maximize the global workforce's potential. Employers and policymakers need to recognize and support workers' desire for skill utilization and growth and act to invest in the education and training of the global workforce. By doing so, they can prepare the global workforce for the jobs of the future, strengthen the global talent pipeline, and help employers and workers thrive better together.

Want to learn more? Visit SHRM's Global Policy hub page.

METHODOLOGY

SHRM surveyed 16,000 workers across 16 countries (Australia, Brazil, Canada, China, the Dominican Republic, Germany, India, Indonesia, Italy, Japan, Mexico, Nigeria, South Africa, the United Arab Emirates, the United Kingdom, and the United States) via a third-party online panel from Feb. 22 to June 7, 2024. Workers of all types and from a wide variety of industries were sampled. Responses were balanced to ensure representation of workers across age groups and genders. For each country, the survey was translated into the country's official language. In countries where English was the official language, the survey language was localized.

OUR PURPOSE IS TO ELEVATE HR

Our mission is to empower people and workplaces by advancing HR practices and by maximizing human potential. Our vision is to build a world of work that works for all.

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