

# Mind the (skills) gap: how leaders can navigate evolving talent challenges



As the world of work rapidly evolves, organisations must adopt data-driven workforce strategies to address skills gaps and remain competitive

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**B**usinesses are about to find it much harder to find, recruit and retain the skills they need to deliver their strategic goals.

A combination of rapid technology changes, demographic shifts and economic uncertainty means that we're going to need new skills in the years ahead – creating a skills gap where the right talent is in high demand, but short supply.

"If you haven't already started planning for strategic workforce management, then today is the right time. Too many organisations think because they're not having problems finding the right skills today, they'll be fine in three years' time. They won't," says Professor Nick Kemsley of Henley Business School.

Kemsley sees it as inevitable that organisations will find it increasingly difficult to fill roles with the right candidates, with 83% of human resources leaders in one [recent survey](#) already experiencing difficulties finding talent with the right skills, and nearly 60% reporting that these shortages are having a negative impact on corporate performance.

Meanwhile, nearly 40% of employees' existing skill sets will either need to evolve, or risk becoming obsolete, between 2025 and 2030, according to the World Economic Forum's [Future of Jobs Report 2025](#).

## The talent tightrope: why leaders must rethink people strategy



Mind the (skills) gap: how leaders can navigate



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# 39%

of employees' existing skill sets will be transformed or become outdated between 2025 and 2030

World Economic Forum, 2024

## New rules for workforce planning

How will your team recruit, retain and develop the skills needed to address future

How will your team recruit, retain and develop the skills needed to address future skills gaps, and do you have the insights needed to solve these challenges?

Too often, HR teams only consider these issues at the point of recruitment – which is too late, says Kemsley. “We talk a lot about workforce planning, but those conversations aren’t happening early enough. We need to identify potential gaps in advance, and do the strategic planning needed to mitigate them well before we start thinking about hiring people.”

Modern workforce planning involves using data to map the skills that exist both within and outside the organisation today and the tasks that need to be performed in each role, as well as those skills and tasks that will be required in the future. Doing so makes it easier to spot looming gaps and take early action to recruit or develop skills where they will be most needed.

That’s the approach at tissue manufacturing company Essity, which tracks recruitment patterns and workforce data – like time-to-hire and retirement numbers – to identify future gaps, while using information on future strategic initiatives to identify what skills will be important in the years ahead.

## The right talent is in high demand, but short supply

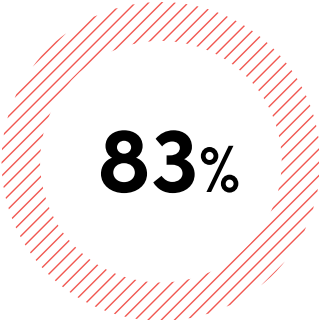
In areas where skills gaps are most likely – particularly around engineering and sustainability – the company is making strategic investments in training schemes like apprenticeships and its own educational awards. Additionally, Essity encourages its recruitment managers to look for candidates who have the right attitudes, rather than specific qualifications, says Louisa Oliveira, Essity’s HR director for the UK and Republic of Ireland.

“The days of finding those magical unicorns with just the skills you’re looking for are gone. The reality is that we need to find individuals with the right energy and outlook, and then build skills, which is a massive re-education for our internal hiring managers,” she says.

### Tackling the skills gap

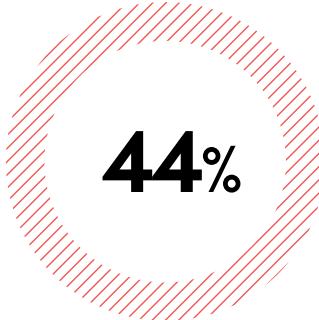
Many organisations can’t get this type of insight because they’re relying on spreadsheets of job titles and descriptions to understand their workforce skills, says Professor Rafael Lalive of HEC Lausanne, University of Lausanne.

Better visibility into workforce data around skills and tasks can drive significant benefits, while sticking to outdated talent management methods will hold organisations back from realising this potential. Without effective talent management, organisations are likely to experience lower engagement, higher attrition and reduced productivity – problems that [McKinsey](#) estimates can cost a typical S&P 500 organisation up to \$480m a year.



83%

of HR leaders say they struggle to find talent with the necessary skills



44%

of employees report that career development at their organisation is effective at facilitating employee growth

Gartner, 2024

Modern HR tools can help organisations map available skills, plan training and development pathways; and predict future demand based on business data, says Lalive. “We can use technology to map existing skills to desirable skills that match the business strategy, identifying options that we might not see ourselves,” he says.

Now is the time for HR departments to take the lead in helping build the skills that will fuel business growth, transformation and resilience. At Essity, the company has a long-term strategy that prioritises innovation, so the HR team is prioritising the development of skills to support this. “In a few years’ time, we might be implementing new machinery but then we might need project managers and mechanical engineers to fit and install the equipment. So before the business makes that step, we need apprenticeships to develop those skills,” says Oliveira.

### AI as your talent partner

The explosion of AI means that talent and workforce management systems can now analyse huge quantities of data, and automate a variety of tasks, like creating training pathways and skill-focused job ads, while augmenting human skills in other areas.

Generative AI makes it easier and faster for HR teams to build a role and skills taxonomy that can adapt to market changes. This can help future-proof talent planning, says Lalive. “We’re seeing vendors start to use AI to identify skills that might not be apparent from a job title and suggest how those skills might allow someone to take on a new role as the business changes,” he says.

Further down the line, AI could even support the development of future workforce strategy, adds Kemsley: “AI has the potential to take on a lot of the heavy lifting in workforce management, where you provide the data inputs and your desired outcome, and the technology comes up with multiple workforce strategies that you could choose from,” he says.

## Strategic workforce management is an urgent priority

Experts caution against removing the human touch entirely from these processes. AI-powered HR tools need to be audited for bias and accuracy, while recruitment processes should be rigorously transparent. AI can make recommendations – and can be trained to make very accurate predictions about who will be a strong candidate, for example – but humans must be the ones to make the decisions.

### Workforce strategies for future business needs

As AI reshapes the world of work, the organisations that thrive will be those that take a proactive, data-driven approach to workforce planning, using technology to not only identify emerging skill gaps and task automation opportunities, but also to build agile learning ecosystems that empower people to grow alongside the evolving tech landscape.

Strategic workforce management is becoming an urgent priority for HR leaders, who must understand the powerful role that technology can play in addressing skills gaps. By prioritising the adoption of AI tools, HR departments can make workforce planning easier, more efficient and more effective at delivering strategic business outcomes.