

Australian Leaders Turn to Skills-Based Strategies to Address Skills Gap, Workday Research Finds

Prioritise Skills Over Credentials to Drive Agility and Growth

- 93% of leaders are comfortable hiring based on skills profiles, with role-specific skills (69%) being the most important hiring criteria
- 95% of organisations say digital skill sets, such as AI literacy, are the most important today, and 65% believe it will be the most critical for achieving success over the next five years
- Social skills (34%), such as teamwork and problem solving, are the most impactful expertise missing due to current skills shortages.
- More than half (53%) of organisations are implementing mentorship and coaching programs to address skills gaps.

SYDNEY– March 10, 2025 – Workday, Inc. (NASDAQ: WDAY) today released [The Global State of Skills](#), revealing that organisations in Australia are embracing skills-based workforce strategies to address growing talent shortages. With 60% of leaders citing skills shortages as the primary driver for transitioning to a skills-based organisation, leaders are recognising that prioritising an individual's skills over traditional credentials is key to futureproofing their workforce.

As Artificial Intelligence (AI) transforms industries, the skills required to thrive in the workforce are evolving rapidly. Australian organisations are implementing mentorship and coaching programs (53%) to bridge skills gaps. However, many organisations lack visibility into the existing capabilities of their people – less than half of Australian leaders (46%) say they have a clear view of the skills within their workforce today.

This growing uncertainty is exposing the limitations of traditional talent management approaches that focus on job titles, degrees, and previous companies worked for. Instead, organisations are now accelerating the shift to skills-based talent strategies, prioritising an individual's capabilities over traditional credentials. This approach enables more agile, data-driven hiring, development, and deployment of talent.

AI Boosts the Shift to Skills-Based Talent Management

AI is both accelerating and enabling the transition to a skills-first workforce. By streamlining repetitive tasks to boost productivity (58%), AI is helping organisations focus on developing and deploying talent based on skills rather than traditional job titles or credentials.

"Australian organisations are recognising that a skills-based approach is not just about hiring differently, it's about building a more agile, resilient workforce that can adapt to rapid change," said Jo-Anne Ruhl, Vice President and Managing Director, Workday Australia and New Zealand. "As digital transformation accelerates, businesses that prioritise skills will be better positioned to innovate, compete, and drive long-term economic growth. AI is further amplifying this shift, helping businesses unlock talent potential and scale workforce development faster than ever before."

Technology Alone Will Not Drive Skills-Based Strategies

Despite the momentum behind skills-based strategies, business leaders in Australia cite the time needed to reskill employees (57%) as the main challenge. This is followed by resistance to change (51%).

The research shows that technology alone isn't the solution. Overcoming these challenges requires a shift in mindset—one that includes clear communication of the benefits and goals (67%) to accelerate an organisation's transition. Additionally, 80% of organisations agree that transitioning to a skills-based organisation increases an organisation's potential for economic growth.

For additional information:

- Download ["The Global State of Skills"](#)
- Learn about [Workday's journey to becoming a skills-based organisation](#)
- Download ["Elevating Human Potential: The AI Skills Revolution"](#)

About the Report

These findings are based on a global study of 2,300 business leaders (including 151 in Australia) in director positions or above from organisations employing at least 100 people worldwide. The survey was administered by Hanover Research on behalf of Workday in November 2024. All respondents were employed full time across the following regions: North America, EMEA, and Asia Pacific and Japan. Workday leaders and employees were not included in the survey set.

About Workday

[Workday](#) is the AI platform that helps organizations manage their most important assets – their [people](#) and [money](#). The Workday platform is built with AI at the core to help customers elevate people, supercharge work, and move their business forever forward. Workday is used by more than 11,000 organizations around the world and across industries – from medium-sized businesses to more than 60% of the Fortune 500. For more information about Workday, visit [workday.com](#).

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