

Talent Shortage Fears Propel Shift to Skills-Based Strategies in Hong Kong, Workday Research Finds

Over Half of Hong Kong Organisations are Already Transitioning to Skills-Based Strategies, with 74% of Leaders Reporting Clear Visibility into Employee Capabilities

HONG KONG, March 20, 2025 [PRNewswire](#) / -- [Workday, Inc](#) (NASDAQ: WDAY), the AI platform for managing [people](#) and [money](#), today released [The Global State of Skills](#), revealing a pressing challenge for businesses worldwide: More than half (51%) of global business leaders are worried about future talent shortages, and only 32% are confident their organisation has the skills needed for long-term success. This sentiment is echoed in Hong Kong, where 60% of local business leaders share the same concern, and only 28% are confident they possess the necessary skills.

As AI transforms industries, the skills required to thrive in the workforce are evolving fast. This growing uncertainty is exposing the limitations of traditional talent management approaches that focus on job titles, degrees, and previous companies worked for. In response, organisations are accelerating a shift to skills-based talent strategies, which prioritise an individual's capabilities over traditional credentials and provide a more agile, data-driven approach to hiring, developing, and deploying talent.

Fortunately, many organisations (74%) in Hong Kong have high visibility into the existing capabilities of their people, outperforming the global average, where only 54% of leaders say they have a clear view of the skills within their workforce today.

91% of local leaders agree that adopting a skills-based approach drives economic growth by improving productivity, innovation, and organisational agility. Over half (57%) of Hong Kong organisations have already begun transitioning to a skills-based strategy, with an additional 20% planning to start this year.

AI Boosts Shift to Skills-Based Talent Management

AI is both a catalyst for and an enabler of this shift. While the rise of AI is transforming jobs, it is also helping organisations build more agile, skills-driven workforces. 42% of Hong Kong leaders report that streamlining repetitive tasks is the main benefit of using AI as part of a skills-based hiring strategy.

"AI is undoubtedly transforming the workplace, but it's not replacing the need for uniquely human skills – it's amplifying them," said **Daniel Cham, General Manager for Workday Greater China**. "We're witnessing a global shift as organisations embrace skills-based strategies, recognising that human ingenuity combined with AI's capabilities is the key to navigating the future. At Workday, we've seen how empowering people with the right skills enables them to unlock new levels of productivity and innovation, setting the stage for sustainable growth."

AI Is Accelerating, But Human Skills Remain Irreplaceable

While technical skill sets are in high demand, today's research highlights an equally critical need for uniquely human skill sets. Social skills like communication and teamwork, and individual skills like resilience and creativity are listed as the most impactful skill gaps in organisations globally today, followed by digital fluency, including AI and software proficiency. From a Hong Kong perspective, social skills are prioritised over individual skills.

This aligns with findings from Workday's [Elevating Human Potential: The AI Skills Revolution](#) report, which found that relationship-building, empathy, conflict resolution and ethical decision-making are critical for success in an AI-driven economy.

Challenges to Adoption—And the Path Forward

Despite the progress toward skills-based strategies, Hong Kong business leaders cite several challenges to adoption:

- The time required to reskill employees (38%)
- Challenges in aligning skills strategy with business objectives (33%)
- Connecting and consolidating data across systems (32%)
- Resistance to change (31%)

Technology alone isn't the solution, the research finds. Overcoming these challenges requires a shift in mindset – one that includes **effective change management** (56%) and **leadership alignment and support** (44%) to drive adoption across organisations.

Future of Talent is Skills-First

For years, skills-based talent strategies were seen as an aspiration. Today, thanks to AI and data-driven insights, they are a business imperative. Organisations that embrace this shift will be well positioned with respect to the competition and also future-

proof their workforce in an era of rapid transformation.

As the relationship between AI and human talent deepens, the skills movement will only accelerate, creating a smarter, more resilient and more inclusive world of work. In Hong Kong, 53% of organisations expect improved employee performance and productivity as a result of adopting skills-based strategies.

For additional information:

- Download the [report](#)
- 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 in director positions or above from organisations employing at least 100 people worldwide, including 100 business leaders from Hong Kong. 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 organisations 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 organisations 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/en-hk/.

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