Avanade Research Dispels AI Job Displacement Fears but Uncovers Staggering Skills Gap

- 64% of business and IT leaders believe that AI will maintain or increase the number of human roles at their organization in 2024, with most expecting headcount to increase by up to 9%.
- 63% said employees will need some new skills or a completely new set of skills to work with generative AI
- 92% agree their organization needs to shift to an AI-first operating model within the next 12 months to stay competitive

SEATTLE, October 18, 2023 – A new global survey of over 3000 business and IT leaders released today by Avanade, the leading Microsoft solutions provider, reveals the workplace impact of AI for organizations and how to safeguard roles as AI is scaled.

Overall, employees at all job levels are positive about AI and are excited about its potential to help them as a copilot at work. By the end of 2024, AI will offer more than efficiency gains, with employees expecting it to help inspire creative ideas and innovation. This notion of AI supercharging human intelligence is contrary to hyped fears of human replacement, with nearly two-thirds (64%) across industries believing that AI will maintain or increase the number of human roles at their organization in 2024, with most expecting headcount to increase by up to 9%.

Digging deeper, confidence levels regarding how organizations and their leaders are prioritizing actions to ready their people, processes and platforms for AI, vary significantly by industry, country, role levels and job titles.

How AI-ready are organizations and their people?
Most employees (95%) are optimistic about AI and its impact. However, their responses also suggest that organizations may be overlooking how to protect their people when adopting AI responsibly and effectively.

- Less than half (48%) of organizations have put in place a complete set of specific guidelines/policies for responsible AI, which is lower than the 52% of business and IT leaders who answered this question in March 2023.
- Almost all employees (96%) are confident their organizations and IT teams have the knowledge and resources to scale AI. But just over half (52%) say their organization has complete human capital and workforce planning processes in place to safeguard headcount as generative AI is scaled.
- About half (49%) of employees admit they do not have the utmost confidence that their organization's risk management processes are adequate for an enterprise-wide technical integration of generative AI.

How will roles change with generative AI tools like Microsoft Copilot?
Most employees expect AI tools like Microsoft Copilot will help them be more efficient, innovative, and empowered in their roles. But employees are currently unequipped to work with these tools and seize their many benefits. Employers don't have the right mix of skilled AI talent available to achieve their goals and organizations need to invest in upskilling, reskilling and continuing education for employees to undertake AI projects successfully.

- Almost two-thirds (63%) of respondents said employees will need some new skills or a completely new set of skills to work with generative AI tools like Microsoft Copilot in their day-to-day roles by the end of 2024. This sentiment changes among the C-Suite, where over a third (41%) of CEOs believe their employees will need fewer skills since their AI copilot will do more of their work.
- While there is general optimism among employees, almost all (92%) believe their organization needs to shift to an AI-first operating model in the next 12 months to stay competitive and meet customer expectations.
- Almost eight in ten (79%) anticipate that generative AI tools like Microsoft Copilot will impact up to 20 hours, or half, of their work week.

How organizations are continually unlocking value and growth with AI
While the majority of organizations are increasing their digital investments to accelerate their AI journey, those investments aren't equally prioritized across industries despite data being the bedrock of AI to produce accurate, useful results.

- Nonprofits, utilities companies and government agencies ranked data and analytics platforms as one of their lowest investment priorities in 2024. In comparison, banks, retailers and energy companies have identified data platforms as their top investment priority.
- While both workplace platforms (like Microsoft 365 and Teams) and security/cyber resilience are likely to see investment, IT employees most cited their data and analytics platform (such as Databricks or Microsoft Fabric) which unifies their data and analytics under one digital roof, among top priorities to scale AI in 2024.
- However, less than half (48%) of employees completely trust its results and may struggle to derive value from AI.

"While businesses and IT executives are enthusiastic about driving business value with AI, the findings also reflect the increasing interest and curiosity we are witnessing from leaders and their people globally," said **Florin Rotar, Chief AI Officer at Avanade**. "Not only do businesses need to take action to ready their people with the essential skills needed to utilize AI effectively, but now is the time for leaders to prepare for an AI-first future by crafting well-defined and responsible strategies."

Jillian Moore, Global Advisory Lead at Avanade said: "Generative AI tools will give employees more time to create, innovate and imagine – all of which will enable organizations to lead in their sectors and act on new ideas in ways never imagined before. However, it will be key for leaders to highlight and enable its benefits from the start. As an early adopter, we've found that ongoing training is critical and helping everyone understand how to finetune their prompt questions and instructions will help employees explore AI's possibilities."

The full findings are available by downloading the report, [Avanade AI Readiness Report](#)

Survey Methodology
The survey was conducted in August 2023, by McGuire Research Services on behalf of Avanade. 3,000 qualified respondents were self-reported to be between the ages of 18 and 65; located in and working for a company headquartered in one of the following countries: Australia, Brazil, Canada, France,

Germany, Italy, Japan, Spain, United Kingdom, and United States; working for a company in one of the following industries: Banking, Energy, Government, Health, Life Sciences, Manufacturing, Non-profit, Retail, and Utilities; working for a company with annual revenue of or greater than $500 million; with a job title level of staff or specialist, mid-level management, senior executive, or C-level; a role in AI decisions for their company for mid-level management titles or higher; and awareness of their company's current AI strategies for staff and specialist titles. Respondents were not asked to identify the name of their company. The survey was conducted in both English and in the native languages of the countries included, with respondents choosing the language.

About Avanade

Avanade is the leading provider of innovative digital, cloud and advisory services, industry solutions and design-led experiences across the Microsoft ecosystem. Every day, our 60,000 professionals in 26 countries make a genuine human impact for our clients, their employees and their customers.

We have been recognized, together with our parent Accenture, as Microsoft's Global SI Partner of the Year more than any other company. With the most Microsoft certifications (60,000+) and 18 (out of 18) Gold-level Microsoft competencies, we are uniquely positioned to help businesses grow and solve their toughest challenges.

We are a people first company, committed to providing an inclusive workplace where employees feel comfortable being their authentic selves. As a responsible business, we are building a sustainable world and helping young people from underrepresented communities fulfil their potential.

Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at www.avanade.com.

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