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The Frontline Workers Skills Index



ABOUT

Chegg

Since 2006, Chegg has supported millions of learners around the world, from their academic journeys through to career advancement. With the acquisitions of Thinkful (now Chegg Skills) and Busuu, Chegg has expanded into skills-based education across technical, professional, and language learning, building on a long-standing commitment to helping learners translate knowledge into real-world outcomes.

Today, Chegg partners with employers, education providers, and workforce organizations to deliver programs that address critical talent gaps and drive measurable impact. Designed by expert, in-house applied learning professionals, these programs focus on supporting learners as they build in-demand skills, grow in confidence, and apply new capabilities in their roles – while also enabling organizations to develop and retain talent. By aligning learning to real-world applications, Chegg supports learners on the path from learning to earning.









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Foreword

Dan Rosensweig

Chief Executive Officer, Chegg Inc.

Over the last three years, the rapid adoption of AI has had far-reaching effects in the workplace. Across many sectors, work has been fundamentally reorganized, with major shifts in tasks, workflows, and job roles. While some processes have been automated, the more common reality is augmentation: AI is sitting alongside people, helping them move faster, create more, and handle greater complexity.

This changing work landscape, however, means that organizations are facing new skills challenges. While AI use can raise productivity and help companies stay competitive, this depends on having workers who can combine industry-specific expertise with the ability to use new tools that are still evolving. The demands created by this shift require a far more complex combination of skills than before, and **the result is a growing gap between what companies need and what the workforce currently offers.**

As a result, skills gaps are rapidly becoming one of the most urgent priorities facing business leaders today.

Addressing this challenge starts with understanding it. *Where exactly are the gaps? How are these changes showing up in day-to-day work?*

To help answer questions like these, Chegg has commissioned **The Frontline Workers Skills Index**, which looks at the disconnects between the skills employers are seeking and what employees feel equipped to deliver. **Across the areas we explored, from AI readiness to career advancement and workplace training, employers and employees often described fundamentally different experiences and expectations.**

Much ink has been spilled on what skills businesses will need over the next decade, as well as the "opportunity costs" of those that are not developed: wasted time, decreased productivity, and stalled projects. **What our survey found was that employees and employers have very different ideas about the skills most lacking in the workplace.**

Employers focused on practical skills that would enable higher performance in existing roles, such as AI/automation and digital skills, whereas employees prioritized leadership, people management, communication and teamwork – skills that could be routes to more responsibility or senior positions.

Next, we looked at AI itself: how widely it is being used, what benefits it brings, what impact it is expected to have on jobs, and what is needed to unlock its full potential. **We discovered that employers and employees had vastly different levels of comfort and confidence with AI as well as different beliefs about how central it is to the future of work.**

While **83% of employers say they feel confident using AI tools in their current role**, only **44% of employees say the same**. Surprisingly, only **3% of employees think AI proficiency is becoming critical to advancement in their role,** compared **18% of employers.**

Foreword

One clear path for organizations to acquire the skills they need is to build them internally, with structured training programs.

With this in mind, it was a priority for our survey to examine the role and effectiveness of workplace training.

How widely are skills training programs available in the workplace? Are they helping people build useful skills, or just ticking a box? Are employees getting benefits – such as promotion, increased pay, or other opportunities that provide an incentive to stay with their employer?

When the payoff feels distant or uncertain, engagement tends to drop.

Our survey uncovered skepticism among employees about how far training was helping them in terms of career progression or remuneration, while more than half of those we surveyed also felt that training was too general or not relevant to their role.

This suggests that training initiatives may currently be failing to strike the right compromise between boosting performance in current roles, through building relevant technical skills, and teaching the durable skills needed for long-term career advancement. If so, this is largely an inherited difficulty, as training initiatives were never conceived of as targeting both urgent skills gaps in AI and automation and career mobility at once. But it's increasingly clear that if training is to be effective, it must respond to the priorities of employees as well as employers.

Closing the skills gap starts with asking whether the default approaches to training are still adequate in a world where AI is becoming a standard feature in every role.

This survey is one step toward an answer, and it's also an opportunity to listen more closely to what's actually happening across the workforce. At Chegg, we've expanded our own approach by building out skills-based learning across technical and professional areas, increasingly focusing on AI itself. **The aim is straightforward: to help people turn learning into tangible outcomes and keep pace with change.**

Today, Chegg partners with employers, education providers, and workforce organizations **to deliver programs designed around practical application.**

Our programs are designed not only to build the capabilities employers currently value most, but also to equip employees with a strong foundation for ongoing development and career advancement. We hope the insights in this survey help organizations identify their own skills gaps, create clearer pathways for workers to build those skills, and ensure more people can benefit from the opportunities created by new technology.



Dan Rosensweig
Chief Executive Officer, Chegg Inc.

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Executive Summary



The state of the skills gap

This new survey of frontline workers and employers in the U.S. explores the skills gaps that are growing across our economy, as well as their effects on businesses in terms of both productivity and retention. Our survey finds that, in a commercial landscape where skills are continually being reshaped by AI, workplace training is typically serving the needs of neither employers nor employees – with profound consequences for both.

The skills gap is real – and damaging.



of employers describe the skills gap in their sector as either moderate, serious, or at crisis level – and the cost to businesses is real



employers report spending more than 8 hours per week compensating for skills shortages

The scale of skills shortages in the workplace today is **significant**. These gaps are already impacting **business performance**.

However, when it comes to plugging these gaps, **employers and employees have quite different views on what skills are needed.**

Employers say that the top skills lacking in their workplace right now are **AI/automation skills (36%)** and **digital/IT skills (24%)**, while employees picked **leadership and people management (25%)** followed by **communication and teamwork (24%)**. **While employers focus on skills that are needed to boost productivity in roles today, employees tend to look to the skills that they see as pathways to advancement.**

Lack of appropriate skills is also having a profoundly **negative effect on workplace morale at every level:**



employers say that have considered quitting due to stress linked to understaffing or skills gaps



of employees have considered quitting due to stress linked to understaffing or skills gaps.

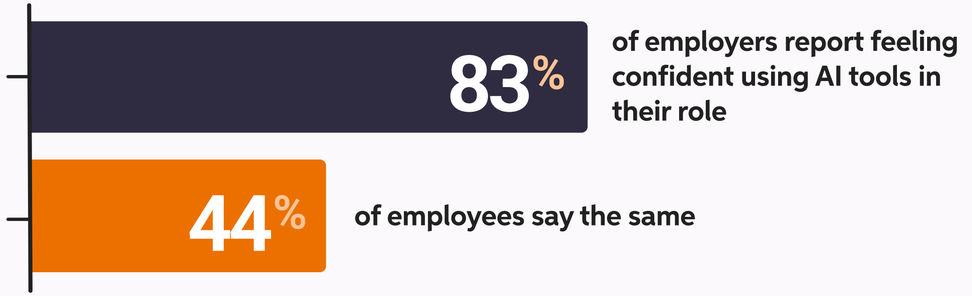
AI is creating a new workforce divide

Our survey found that employers see **AI as increasingly crucial to the future of work. Employers (44%) were significantly more likely than employees (26%)** to anticipate increased use of AI and automation tools over the next 12 months. – and while **52% of employers say they are concerned about falling behind if they don't develop AI skills**, only **29% of employees** say the same.



Similarly, only **3%** of employees think that **AI proficiency matters for their career advancement,** whereas **18%** of employers **already think it does.**

This divide is reflected in the vast gulf between the two groups in using AI confidently. While **83% of employers report feeling confident using AI tools in their role**, only **44% of employees** say the same.



Moreover, it is hard to see how this could improve without the help of workplace training, since **52% of employees say AI is not currently used in their role** – meaning they have no on-the-job path to developing AI fluency.

Training is building skills, but not mobility

These perception gaps pose a huge challenge for organizations that want to invest in skill development, since training initiatives need to reflect the needs of both employers and employees in order to be effective.

Of course, **training must first and foremost deliver the skills that employers need in the workplace** – including technical skills, digital fluency, and AI use – or else it is a poor investment.

But no training will be effective unless it also speaks to employees' ambitions and results in desired gains, whether in terms of career trajectory, remuneration, or job security.

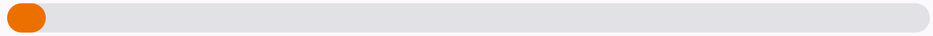
Our survey found that, according to employees, many training programs are not currently delivering on this score.

71%



of employees say that training has led to **no change in their pay or role**

3%



of employees say it has led **to a promotion**

Part of the problem is one of training design: Among employees who said training was ineffective, **51%** said that **it was too general or not relevant to their role**, indicating that organizations are finding it hard to strike the right contextual balance.

In part, this is a structural problem: most training initiatives were never designed to target current job performance needs and long-term workforce career mobility at the same time.

Nonetheless, the employee who thinks they need leadership training to get ahead and the employer who needs them to learn AI skills both have valid perspectives. In order to cater to both, we must also ensure that durable skills and opportunities for professional growth are incorporated into training programs that are more technical in nature.

Training must prepare for today's job and tomorrow's career

Our long experience of delivering successful training programs to both individuals and large organizations has taught us how to make skills development work for everyone. Programs need to not only target the skills employers need right now – with training methods that encourage deep reinforcement, retention, and mastery – but also **give employees a solid foundation for future growth and career progression.**

Without more effective training provision, organizations risk deepening skills shortages while failing to fully capture the benefits of AI-driven transformation. In contrast, the companies that harness these new technologies to the greatest effect will be the ones that narrow their skills gaps quickest – **giving them a sure basis for future success.**



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Key Findings



Skills shortages are creating measurable business strain

Employers and employees are increasingly misaligned on training effectiveness, workforce readiness, and career advancement in the age of AI.

SKILLS GAP RATING

73%

of employers describe the skills gap in their sector as either **moderate, serious, or crisis-level**

ENTRY-LEVEL READINESS

56%

of employers say new or entry-level employees **are not adequately prepared for work**

TIME LOST

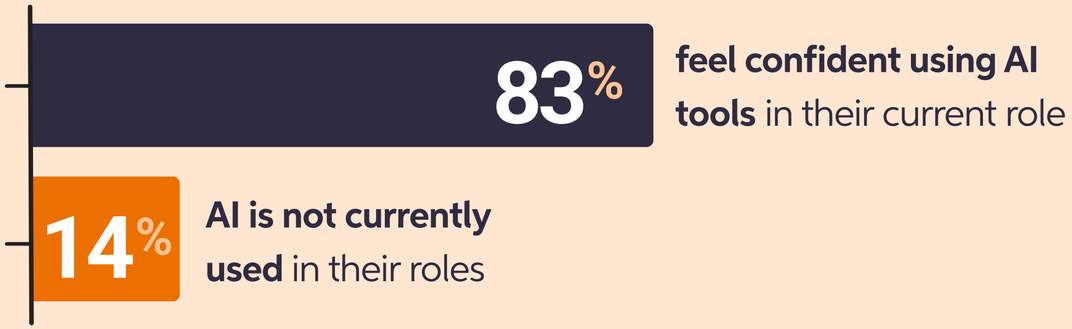
30%

of employers spend **8+ hours** a week compensating for skills gaps

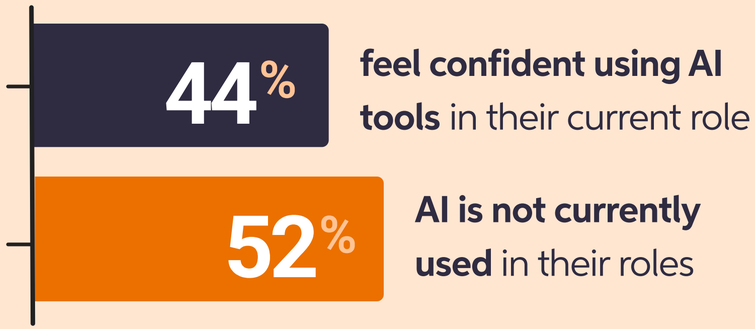
45% of employers and **35%** of employees have **considered quitting due to stress linked to understaffing or skills gaps**

Employers and employees are experiencing AI differently

Employers say:



Employees say:



Employers say that **the skills most lacking in their workplace right now are:**

36% AI / automation skills

24% Digital / IT skills

47% of employees say they **need more training to use AI effectively at work**

Training isn't translating into outcomes

77%

of employers think skills training programs for workers are effective

However only

58%

of employees say the same

Employees say:

71% training led to **no change in their pay or role**

17% led to **more hours or greater job stability**

12% **led to a pay increase**

3% **led to a promotion**

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Methodology





Methodology

The survey was conducted online between 24 February and 9 March 2026 with a total sample of **2,005 respondents (1,000 employers and 1,005 employees) across the U.S**. By employers, the survey refers to respondents who are fully or partly involved in hiring decisions at their organization. Employees refers to those with no responsibility for hiring. **This sample comprised respondents from 10 frontline-heavy industries:**

- **IT and software** (100 employers, 86 employees)
- **Finance and insurance** (100 employers, 104 employees)
- **Public sector and government** (100 employers, 104 employees)
- **Manufacturing** (100 employers, 104 employees)
- **Construction and infrastructure** (100 employers, 100 employees)
- **Food services and hospitality** (100 employers, 103 employees)
- **Transportation, logistics and warehousing** (100 employers, 103 employees)
- **Educational services** (100 employers, 103 employees)
- **Retail** (100 employers, 103 employees)
- **Healthcare and social assistance** (100 employers, 95 employees)

Results reported reflect averages **across all industries.**

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The Business Impact of Skills Gaps





The challenge isn't just skills gaps–it's alignment

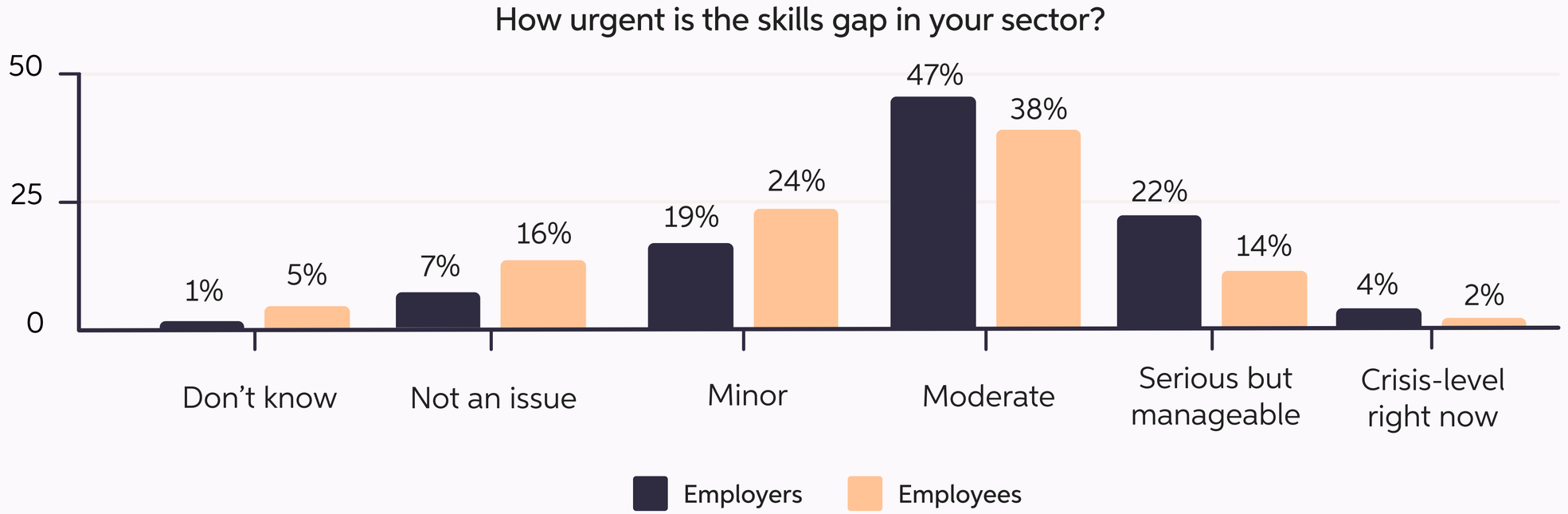
Across today's workforce, skills gaps are having profound consequences for employers, employees, and the overall health of the organizations they work for. Not only do skills gaps cause stress that impacts the ability to work, but they also deplete productivity by **taking time from employers throughout the working week.**

Our survey additionally found that employers and employees have very different perceptions of which skills are needed to fill these gaps. These differences account for much of the difficulty in developing skills within organizations: to deal with them, training courses are needed that can cater to the **goals and expectations of both groups.**

There is broad agreement that skills gaps are a problem

Both employers and employees perceive significant skills gaps in their workplace.

47% of employers and **38% of employees** describe the **skills gap in their sector as moderate**, with a further **22% of employers** and **14% of employees considering it serious but manageable**. While only a very small minority (4% of employers and 2% of employees) see it as a crisis, very few say that skills gaps are not an issue at all (7% of employers and 16% of employees).



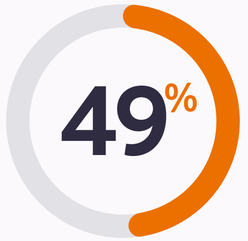


Employers and employees agree: new hires need more preparation

When it comes to new hires, **56% of employers say that new or entry-level workers are not adequately prepared when they start work**, compared to **49% of employees who say the same**. This suggests that while both groups identify shortcomings among new members of staff, employers – who are directly responsible for ensuring they find their feet and adjust adequately to their roles – feel a greater impact.

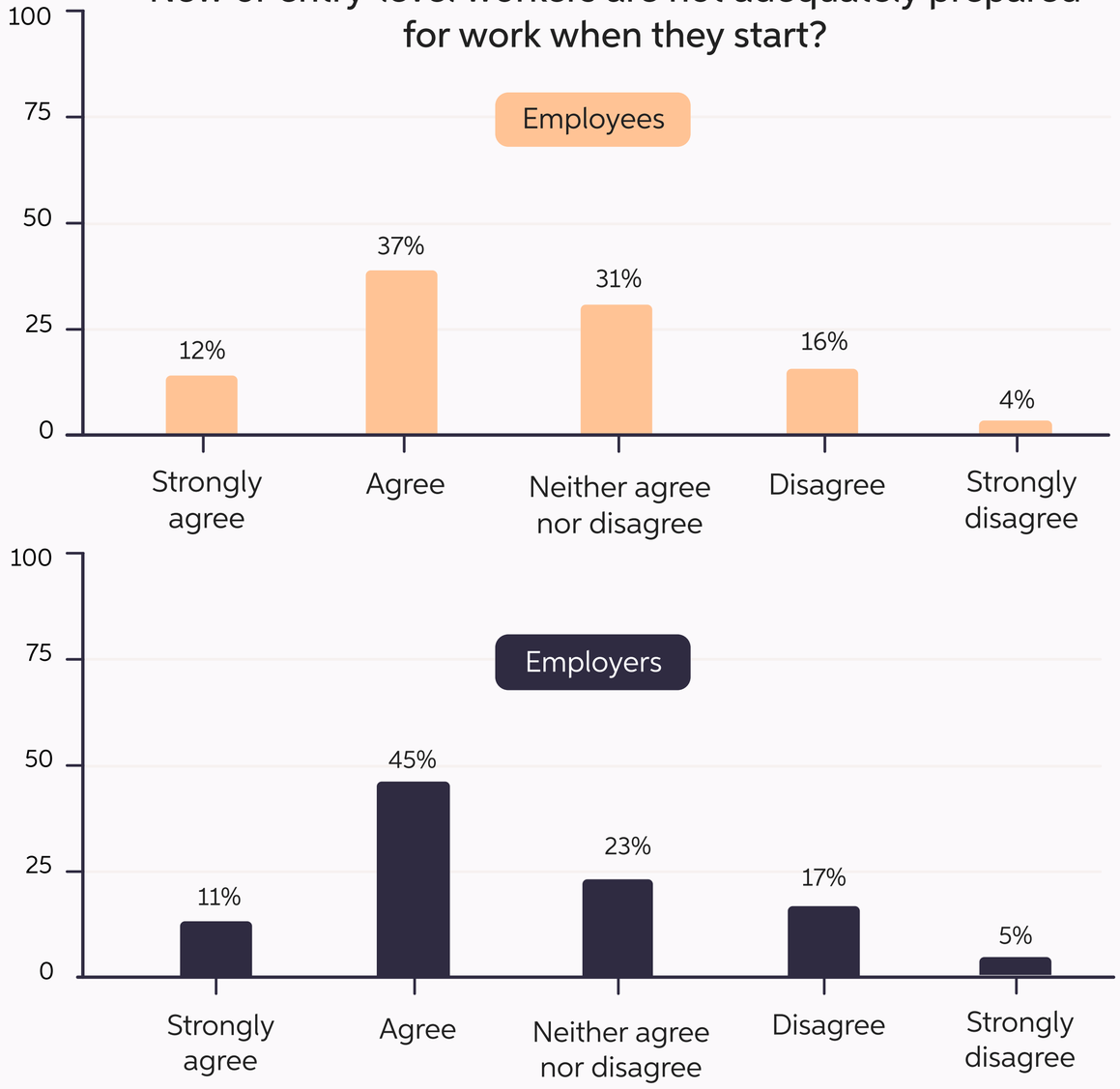


of employers say that new or entry-level workers are not adequately prepared when they start work



of employees say that new or entry-level workers are not adequately prepared when they start work

To what extent do you agree with the following statement:
New or entry-level workers are not adequately prepared for work when they start?



Sector spotlight: Work-readiness

Employers in finance and insurance are the most concerned about the abilities of new or entry-level workers (61%) – alongside employers in **information technology and software (61%)** – which may reflect the technical complexity and rapidly evolving skills in these areas. These were also the sectors with the highest scores in our Skills Gap Pressure Index (see Appendix), showing that skills gaps are felt acutely in these fields at present.

Compared to these sectors, **healthcare and social assistance employers (50%)** are less concerned about new or entry-level workers, which may be due to there being more structured training pathways or clearer entry requirements for new hires.

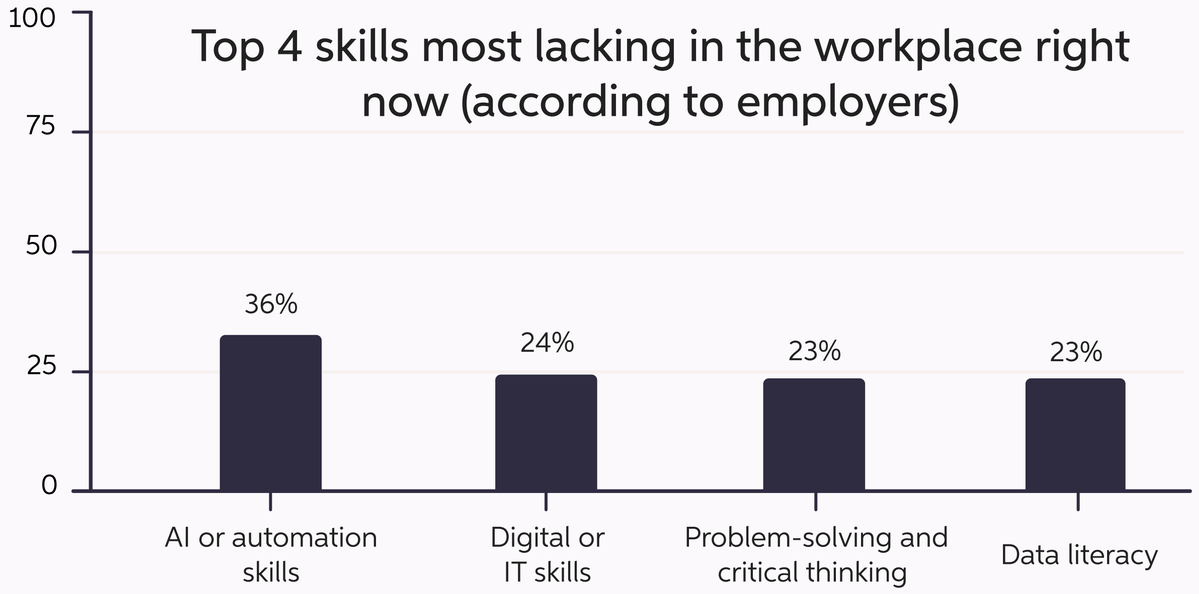
Among employees, concern about the preparedness of new or entry-level workers is highest in the **information technology and software sector (60%)**. **Construction and infrastructure employees are the least likely to identify a lack of preparedness (40%)**, possibly due to more hands-on training, vocational qualifications, or apprenticeship models.



Employers want productivity skills. Employees want advancement skills.

When asked what skills were most lacking in their workplace right now, **employers picked AI/automation skills (36%)** and **digital and IT skills (24%)**, whereas **employees chose leadership and people management (25%)**, followed by **communication and teamwork (24%)**.

This may suggest that **employees value skills that they believe carry a better chance of advancement to higher pay or senior roles** – while **employers tend to focus on skills that will make employees more productive in the roles they currently have**.



Sector spotlight: AI and automation skills gaps

The industries in which the highest numbers of **employers said that AI or automation skills were most lacking were manufacturing (48%), finance and insurance (43%)**, and **public sector and government (41%)**.

Skills gaps are creating a hidden productivity tax

Skills gaps have a significant effect on organizations' productivity: **both employers and employees say they spend significant portions of the working week addressing the deficits that result.**

Three in ten employers (30%) say they spend more than **8 hours per week** compensating for skills shortages, while a further **35% spend 4-7 hours doing so: just 4% say they spend no time at all** addressing skills gaps.

Employees also feel this strain, albeit to a lesser degree: **44% spend 1-3 hours per week** compensating for skills gaps, **20% spend 4-7 hours**, **9% spend more than 8 hours**, and **18% say they spend no time doing so**.

Sector spotlight: Time spent compensating for skills gaps

The industries in which the highest numbers of employers said that they spend more than 8 hours per week fixing skills gaps were **manufacturing (46%)**, **construction and infrastructure (43%)**, and **finance and insurance (42%)**.



of employers spend 8+ hours a week compensating for skills gaps.



of employees spend 1-3 hours per week compensating for skills gaps.



The cost of inaction extends beyond productivity

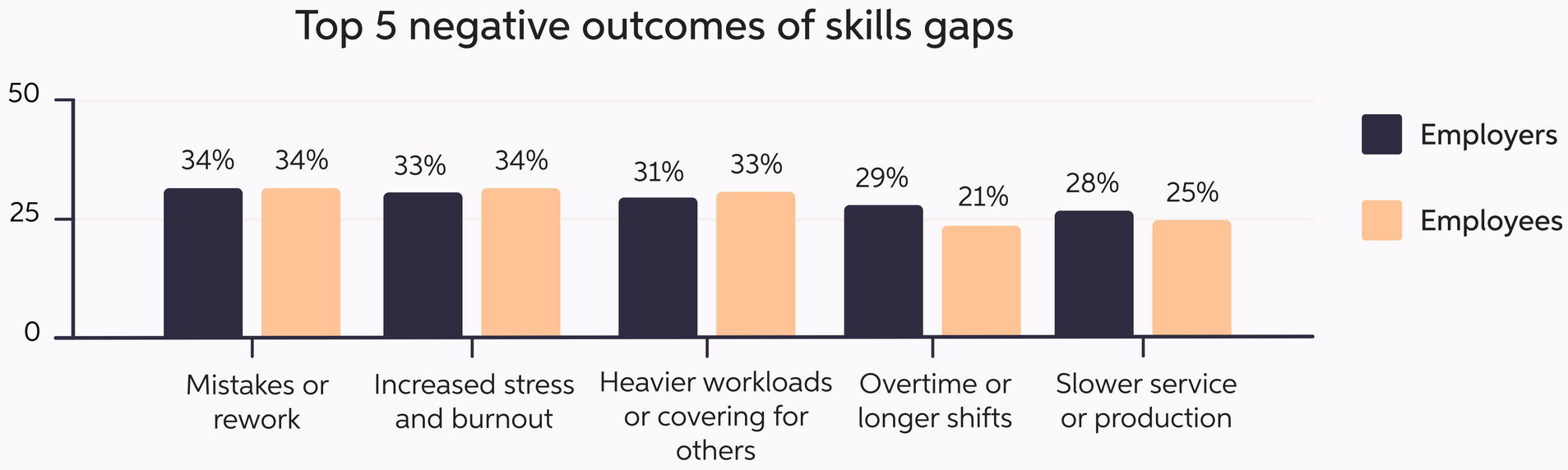
Both **employers (29%)** and **employees (29%) expect that failure to upgrade workforce skills would result in an inability to meet customer expectations**, as well as **reduced product or service quality (31% of employers vs 26% of employees)**.

Difficulty in retaining or engaging talent was also a major concern, cited by **30% of employers** and **23% of employees**.

28% of employers also mentioned the **risk of falling behind in technology adoption** – a threat to competitiveness as digital transformation accelerates throughout the workplace.

Stress, burnout and resignations

Our survey also found that skills gaps have other, more serious consequences for everyone in the workplace. **Both employers and employees cited mistakes or rework, increased stress and burnout, and heavier workloads** as the most common outcomes of skills gaps.



Skills gaps additionally lead to workforce instability, with **27% of employers** and **18% of employees saying that employee turnover is higher as a result.**

They also have a deleterious effect on organizational morale: **45% of employers** and **35% of employees say they have considered quitting due to stress caused by understaffing or skills gaps**, while **16% of employers** and **10% of employees have considered doing so within the past six months.**

These findings indicate that skills gaps are a serious challenge for businesses, lowering productivity and creating stress-related health problems for both employers and employees. **The next section examines the role of AI as a technology that is accelerating the need for skills training**, but that could also deliver benefits to businesses and improve the quality of job roles.

Have you personally considered quitting due to stress caused by understaffing or skills gaps?



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The Challenge of AI





AI adoption is outpacing workforce readiness

The adoption of AI in the workplace has had a number of important effects on the way we work. **It has empowered both employers and employees to become more productive by giving them the tools to do more and to do it faster**. Yet AI has also supercharged the skills gap and created a situation where companies must continually re-master a rapidly changing technology in order to remain competitive.

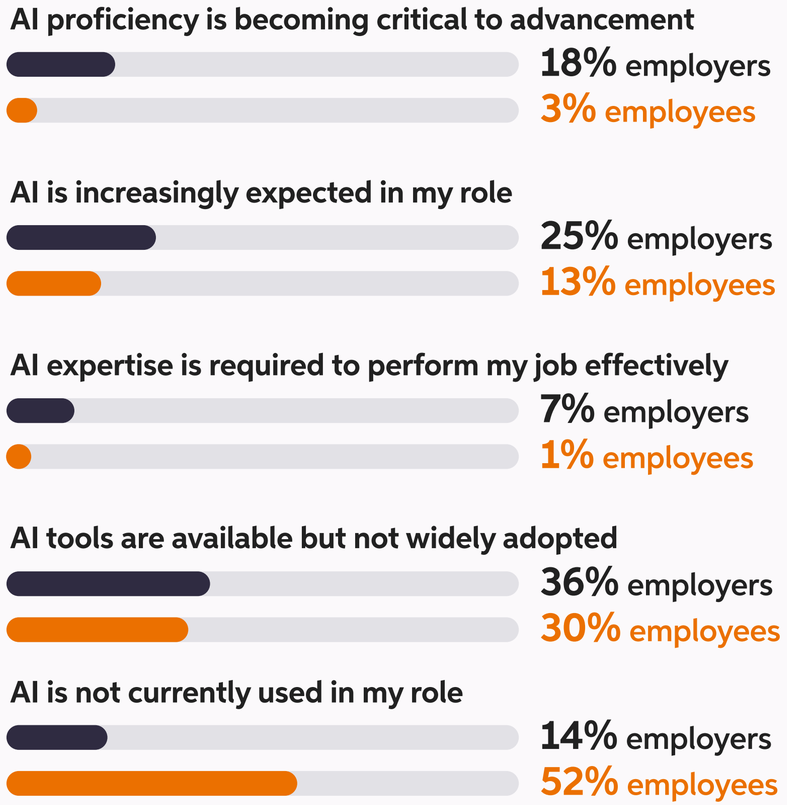
Our survey reveals that while employers are adapting to AI at a faster pace, their workforce often lacks confidence in using AI and requires more training to adopt it successfully.

Employers are preparing for AI faster than employees

Throughout the workplace, AI is being adopted to varying degrees at different levels of organizations. **52% of employees say AI is not currently used in their roles**, compared to just **14% of employers**.

Similarly, while **25% of employers indicate that AI use is increasingly expected in their role**, only **13% of employees** said the same.

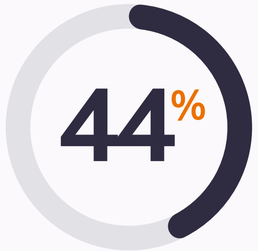
How would you describe your level of AI exposure in your role?





Employers (44%) were significantly more likely than **employees (26%)** to **anticipate increased use of AI and automation tools over the next 12 months**.

They also placed more emphasis on **adaptability/problem-solving skills** (**36%**, compared to **22% for employees**) and **digital/technical skills** (**35%**, compared to **23% for employees**) **over the next 12 months**, which may suggest that **workforce expectations do not yet fully reflect the pace of change**.



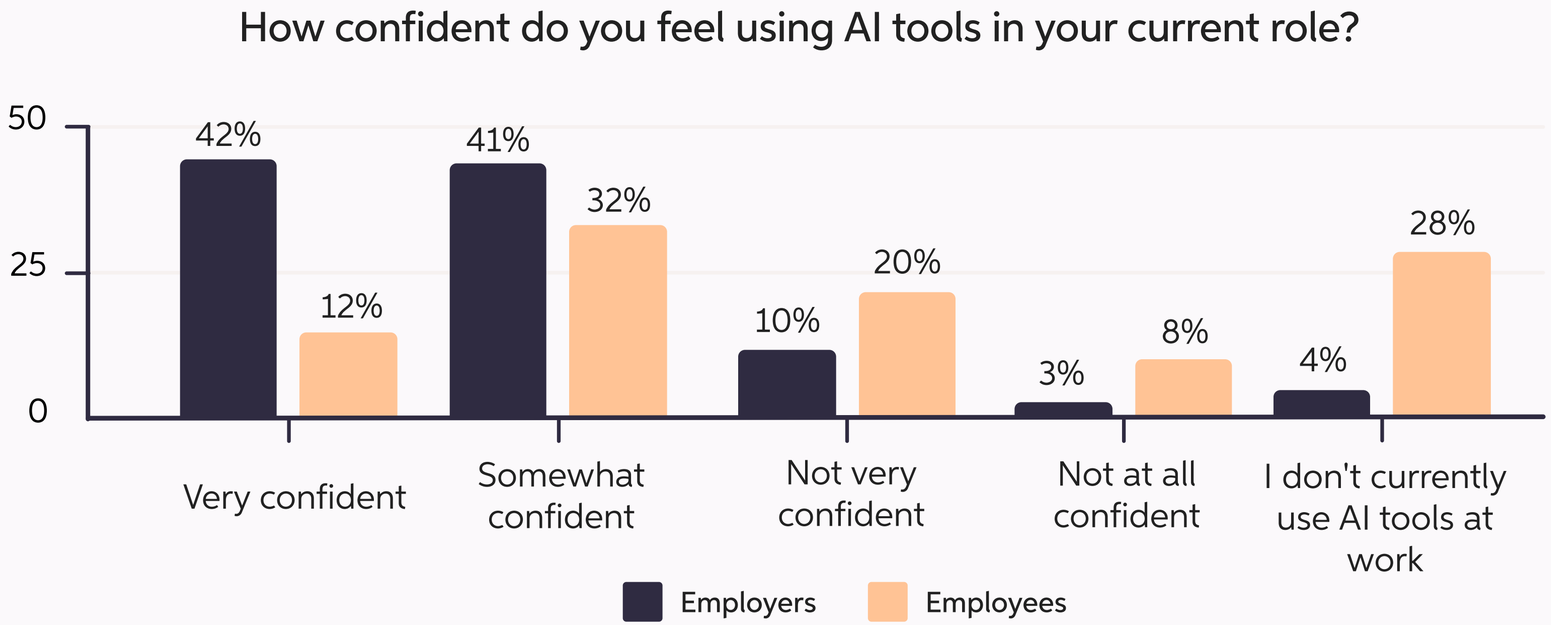
of employers expect increased use of AI and automation tools in the next 12 months



of employees expect increased use of AI and automation tools in the next 12 months

Employers are far more confident using AI than employees

In view of this divide, it's no surprise that employers and employees have different levels of confidence when it comes to using AI tools. **83% of employers report feeling "very"** or **"somewhat" confident using AI tools in their role**, but just **44% of employees say the same** – and **28% say they do not use AI tools at all at work** (compared to just **4% of employers** who say so).



Sector spotlight: Confidence in AI tools

Information technology and software
97% employers
65% employees

Manufacturing
93% employers
47% employees

Finance and insurance
91% employers
49% employees

Educational services
78% employers
37% employees

Public sector or government
66% employers
35% employees



Workers fear being left behind by AI

Among survey respondents who expressed concerns about AI, **the potential elimination of jobs or roles was the most commonly cited issue, identified by 68% of employees and 58% of employers.** This concern, shared by both groups, highlights the need for employees to upskill in order to keep up with the pace of technological change and remain employable – something that is in the interest of organizations too.

Employees also had worries about reduced hours or job security (45%), while **31% were additionally concerned about being expected to use new technology without enough training.**



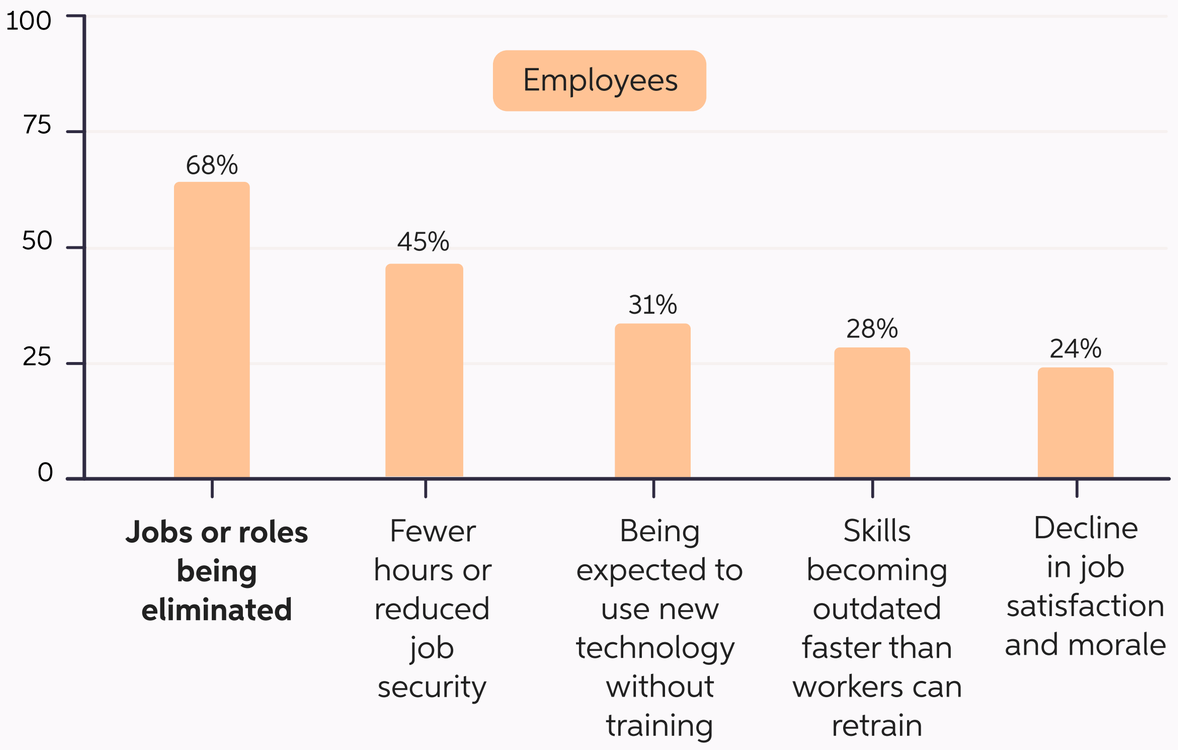
of employees say the potential elimination of jobs or roles is a concern about AI



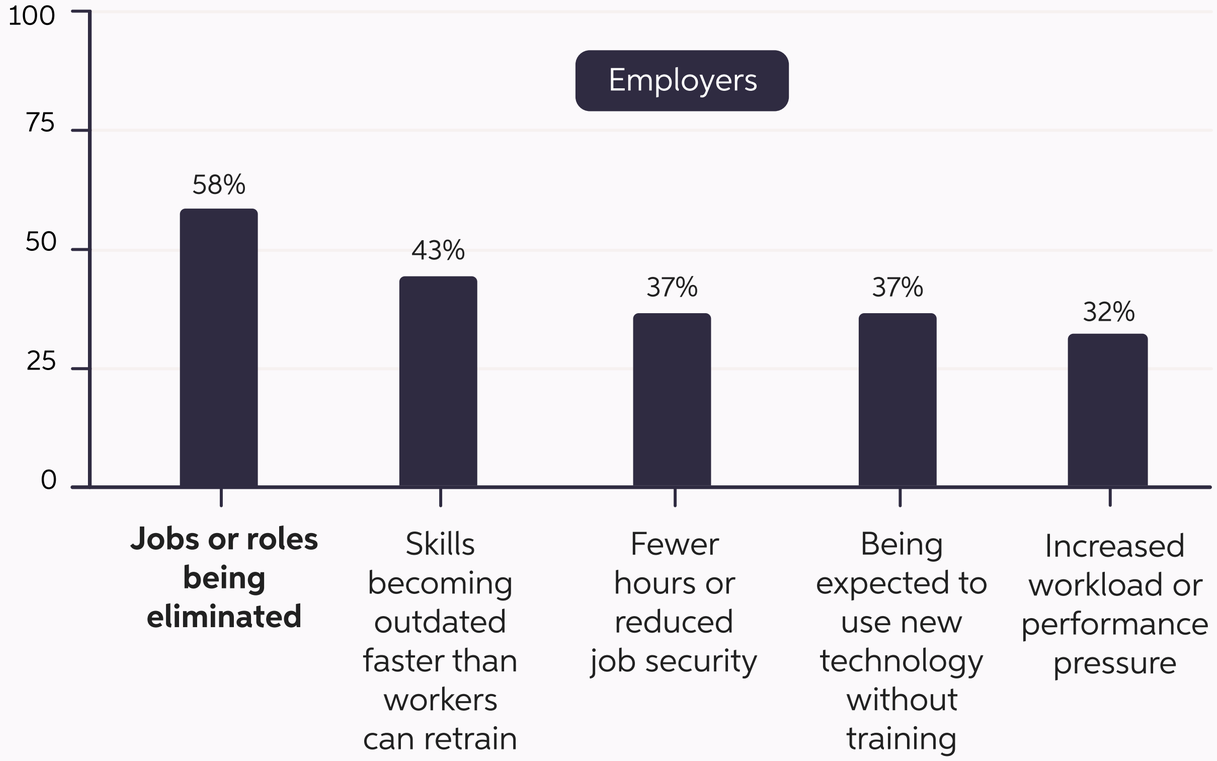
of employers cited the potential elimination of jobs or roles is a concern about AI

The biggest AI fears are shared across the workforce

In what ways are you concerned AI could negatively impact your role?



In what ways are you concerned AI could negatively impact roles at your organization?



The strongest case for AI is efficiency

Despite concerns from both groups, there was also broad recognition of AI's potential benefits. Both **employers (41%) and employees (37%) identified the reduction of repetitive tasks as the top way that AI could positively impact roles**, suggesting that AI is widely seen as a tool for improving efficiency and reducing monotony.

Other benefits included **reducing errors or rework** (cited by **38% of employers** and **33% of employees**) and **helping workers learn new skills** (**34% of employers** vs **22% of employees**). However, the fact that fewer employees recognized AI's potential role in helping them learn new skills again points to a gap in how these technologies are experienced in practice.

41%

of employers identified the reduction of repetitive tasks as the top way that AI could positively impact roles

38%

of employers say reducing errors or rework





What do workers think AI holds for the future?

Uncertainty around AI is driving anxiety about the future of work— but employers and employees are feeling it at different levels. While **52% of employers say they are concerned about falling behind if they don't develop AI skills**, only **29% of employees** say the same.

This may suggest that employees do not yet fully appreciate the pace and scale at which AI is reshaping work. Different levels of demand for AI training among employers and employees also reflect this: **75% of employers say they need more training to use AI effectively at work**, while **47% of employees** say the same.

Looking to the future, few employees yet recognize AI as central to their career progression: only **3% say AI proficiency is becoming critical to advancement** (compared to **18% of employers**), and just **1% believe it is required to perform their job effectively**.

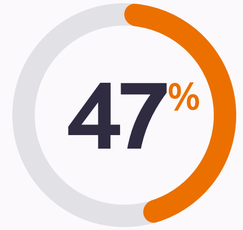
Together, these findings suggest the emerging importance of AI is not yet fully understood at the employee level, even as employer expectations continue to rise. **The next section examines whether training can be a potential lifeline for organizations in filling skills gaps**, and what the barriers are to effective skills acquisition.



of employers say they are concerned about falling behind if they don't develop AI skills



of employers say they need more training to use AI effectively at work



of employees say they need more training to use AI effectively at work

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Can Training Help Close the Skills Gap?





Training needs a rethink

Our survey found that **employees questioned many aspects of the skills training provision they were offered** – including its effectiveness, its relevance to their role, and its benefits in terms of hours, pay or career progression.

Though employers do their best to offer quality training programs, this suggests that **default or in-house training options often aren't working – and that training needs a rethink.**

Employers say training is comprehensive. Employees disagree.

92% of employers and **70% of employees** reported that their organization **had provided skills training for workers in the last year**.

However, while **42% of employers** said their organization **had provided comprehensive training programs**, just **19% of employees agreed** – while **26% said no training had been provided at all** (compared to **8% of employers**).

This suggests that many employees are either unaware of training opportunities or may not view the training provided as "comprehensive".



of employers said their organization had provided comprehensive training programs



of employees agreed





Training opportunities influence employee loyalty

Apart from the aim of boosting skill development, delivery of training can also offer other benefits to organizations. In particular, it provides a strong incentive for employees to stay with their current employer. Notably, more than half of **employees (54%)** surveyed **said they were likely to stay with an employer because they offered skills training opportunities.**

Similarly, a significant share of **employees (40%) said they would be likely to switch to another company that offered better training opportunities at similar pay**.

In this context, companies must ensure they are offering quality programs and pathways for advancement if they are to retain staff at the desired level.



54%

of employees said they were likely to stay with an employer because they offered skills training opportunities.



40%

of employees said they would be likely to switch to another company that offered better training opportunities at similar pay.

You would stay with your employer because they offer skills training opportunities



You would switch to another employer offering similar pay but better training opportunities



These findings suggest that **skills development plays a clear and important role in retention**, making it a key lever for employers looking to keep talent engaged. However, it is likely that effects on retention also depend on training programs being seen as effective – as well as delivering on employees' professional goals.



Training effectiveness depends on who you ask

Employers and employees had different perceptions when it came to the value of the training offered. While **77% of employers said that training has been effective overall**, only **58% of employees agreed.**

Employees (24%) were also more likely than **employers (9%)** to **say they were "not sure" whether training had been effective**, as well as being more likely to say that **training had not been effective (19% of employees vs 14% of employers).**



of employers said that training has been effective overall



of employees say they were "not sure" whether training had been effective

Sector Spotlight:
Information, technology and software

While **88% of employers** in the information technology and software sector **say their training has been effective** – the highest percentage of all sectors surveyed – only **50% of employees say the same**, the lowest of all sectors surveyed alongside educational services.

Training often misses the mark

Our survey indicates that the limited effectiveness of training is connected to problems in the design and delivery of programs. Among employees who found training ineffective, **51%** said that **it was too general or not relevant to their role**, while **39% cited a lack of hands-on or practical learning**, and **34% reported little or no follow-up in terms of coaching or reinforcement**.

These findings suggest that **training is often insufficiently tailored to the specific needs of the target workforce**, too information-oriented (rather than skill-oriented), and lacking in mentoring or feedback elements.

Top 5 reasons why training wasn't effective
(according to employees)

1. **51%** Too general or not relevant to my role
2. **39%** Not enough hands-on practical learning
3. **34%** Little or no follow up with coaching or reinforcement
4. **27%** Lack of manager support or encouragement
5. **24%** Skills taught were not used in the job



Training isn't translating into outcomes

Concerns about effectiveness may also be driven by employees' perception that the training they receive is not benefiting them enough: **most employees (71%) said that training has led to no change in their pay or role.**

Looking separately at the effects of training on pay, hours & job stability, and career advancement, **employees' assessment was on the whole negative:**



of employees said that training had led to a pay increase



of employees said that training had led to more hours or job stability



of employees said that training had led to a promotion

This suggests that current training initiatives are falling short on outcomes. When training produces little in the way of tangible benefits, workers cease to engage with it seriously – instead treating it as theater, or a box-ticking exercise. The damage done then makes it harder for organizations to create engagement with training further down the line. **Preventing this outcome means delivering more relevant and outcome-driven learning.**



Effective training connects skills to opportunity

We asked both employers and employees what would most improve skills development in their organization:

36% of employers
28% of employees
said ***"more training that can be applied immediately on the job"***

34% of employers
29% of employees
said ***"training tied to promotions or pay increases"***

The above findings show that the challenge of skills acquisition is not simply one of providing more training. However much training is delivered, it will be of little value unless it effectively engages employees and targets relevant skills.

Despite the best efforts of employers, training today often fails to connect with employees. This is a problem that has its roots in training design, but also in the differing priorities of employers and employees – a complexity that training programs were never designed to solve.

To square this circle, training must be developed that answers the needs of both groups – for example by ensuring that durable skills and opportunities for professional growth are incorporated into training programs that are more technical in nature. The aim is always to deliver tangible skills for present roles while also providing employees with pathways to more senior responsibilities in the future.

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Conclusion



Closing the skills gap requires a new approach

Our survey depicts a fast-changing workplace in which skills gaps are having direct implications for productivity, health, and staff retention. **As AI reshapes industries, it's crucial for organizations to start closing these gaps to stay ahead.**

While employers are focused on developing competencies that address immediate business needs, employees place greater value on skills that support long-term career advancement and mobility. When training initiatives fail to reconcile these different expectations, **engagement declines, reducing the effectiveness of workforce development efforts overall.**

With the advance of AI, the challenge for companies is growing. Businesses increasingly need workers who are digitally fluent, adaptable, and capable of using emerging technologies effectively. But employees also want to know that the time they invest in training will help them grow in their careers. **Successful training strategies must therefore balance both perspectives, equipping employees with practical capabilities for current roles while also creating pathways for progression and future growth.**

Chegg Skills' experience has shown that training programs can be truly effective when they are designed with both workplace realities and employee ambitions in mind. Ultimately, organizations that invest in targeted, relevant, and forward-looking training will be best positioned to reduce skills shortages and maximize opportunities – whereas those that fail to adapt risk limiting their ability to compete in an increasingly AI-driven economy.

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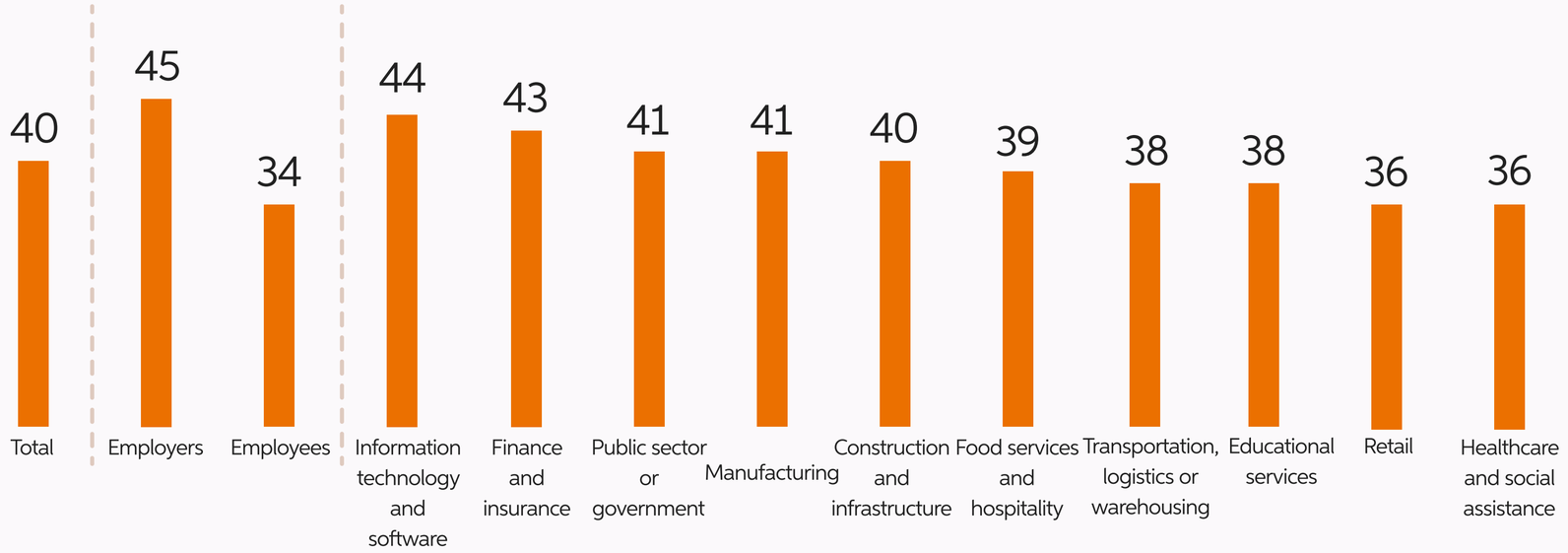
Appendix: The Skills Gap Pressure Index





The Skills Gap Pressure Index is a benchmark for how employees and employers across sectors are experiencing and responding to skills gaps. Scores per sector are calculated based on three measures: the time spent addressing skills gaps, concern about falling behind in AI skills, and the urgency of the skills gap.

A higher score indicates greater pressure on skills gaps.



Index Methodology

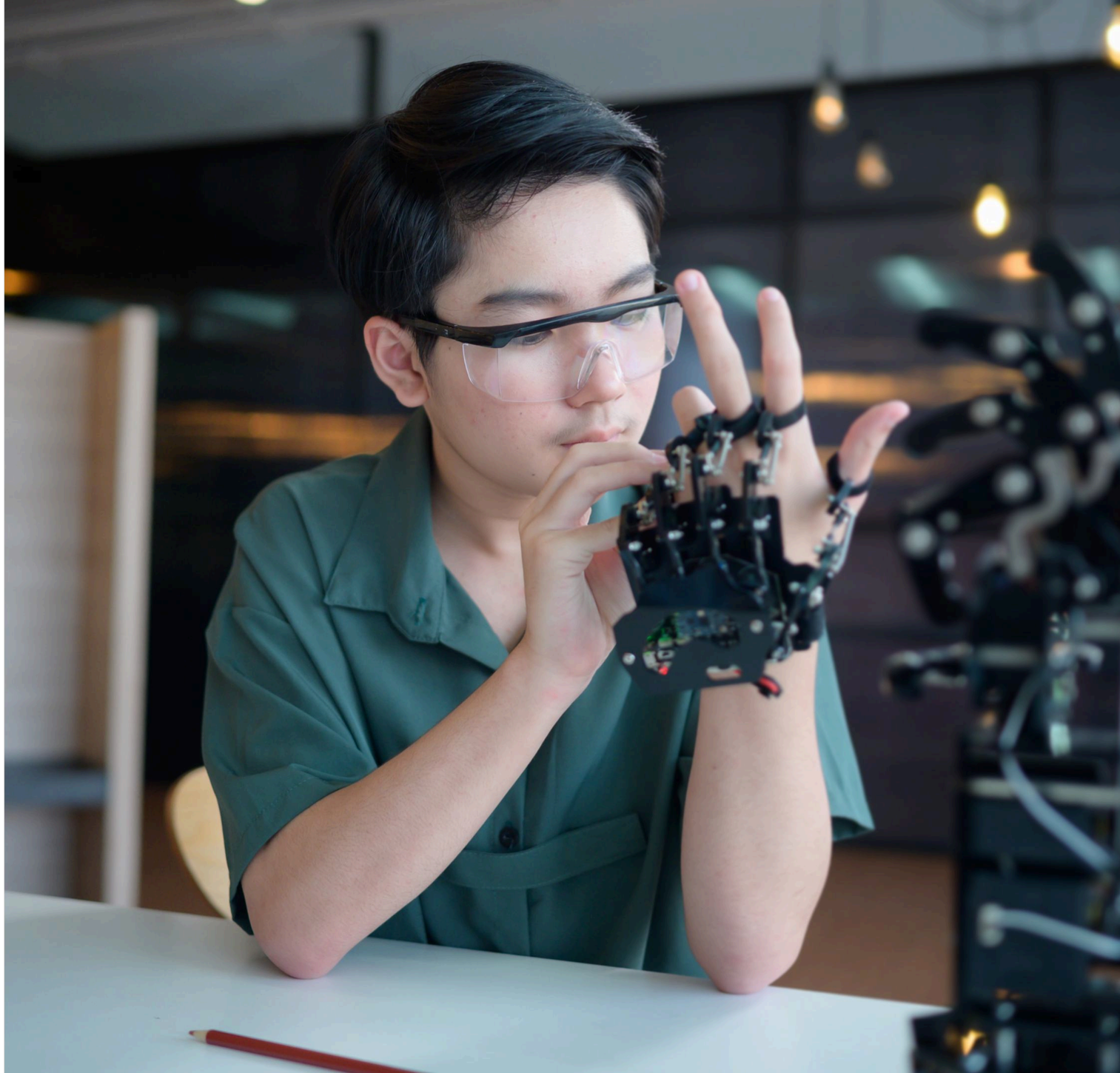
Index scores are based on the following questions:

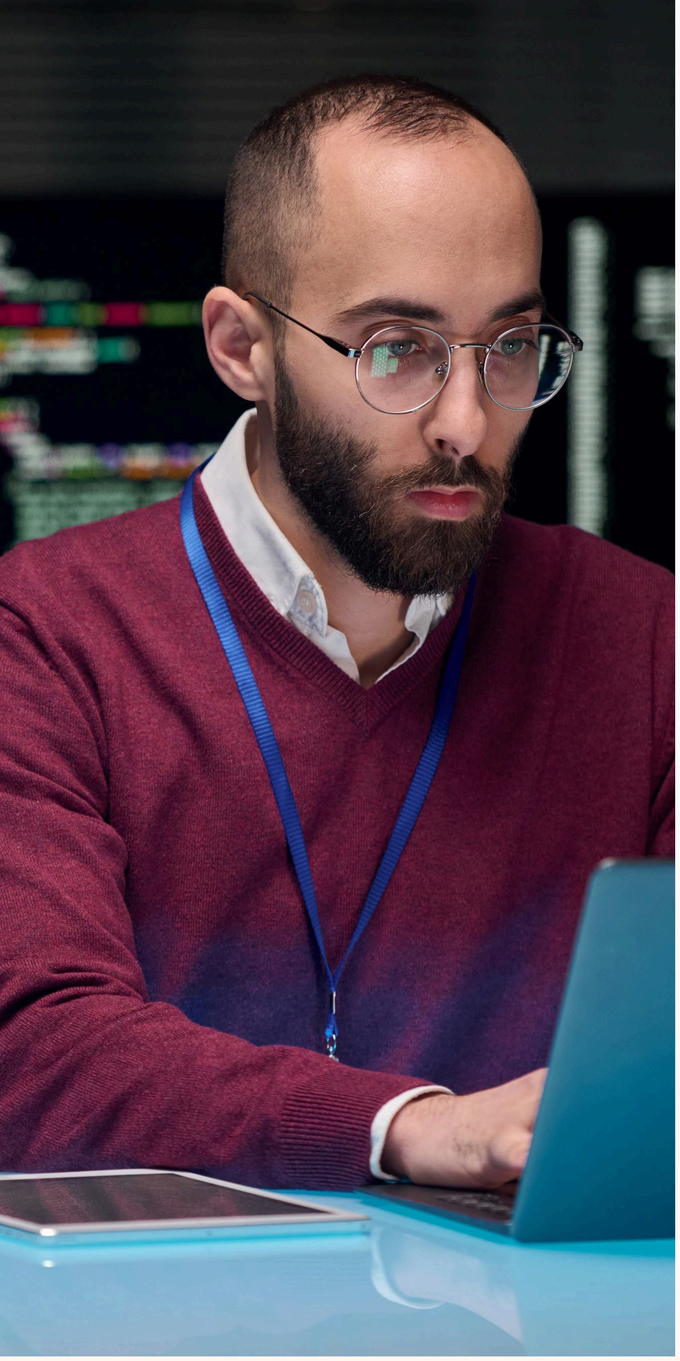
- **Q12/13** - **On average, how many hours per week are spent compensating for skills gaps within your organization?** This includes extra work, fixing mistakes, informal training, or waiting for help (Employers) / On average, how many hours per week do you spend compensating for skills gaps within your organization? This includes extra work, fixing mistakes, informal training, or waiting for help (Employees). [0 hours / 1-3 hours / 4-7 hours / 8-12 hours / 13-20 hours / More than 20 hours / Don't know]
- **Q27_01** - **Please indicate how concerned or not you are about the following: Falling behind in your career if you do not develop AI skills.** [Very concerned / Somewhat concerned / Neutral / Not concerned / Not at all concerned]
- **Q32** - **How urgent is the skills gap in your sector?** [Crisis-level right now / Serious but manageable / Moderate / Minor / Not an issue / Don't know]

Each of these were scaled to a common 0–100 range. We used Factor Analysis to combine them into a single index, capturing the overall pattern across these three measures. Factor Analysis was chosen because it balances the three measures and produces a clear spread of scores across sectors. Respondents that didn't have at least two valid answers across the three questions were removed from the Index.

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Industry Specific Findings





IT and software

SKILLS GAP CHALLENGES AND IMPACT

78% of employers describe the skills gap in their sector as either **moderate, serious, or crisis-level**.

61% say that new or entry-level employees **are not adequately prepared for work.**

38% spend 8+ hours a week compensating for **skills gaps.**

AI READINESS

97% of employers **feel confident using AI tools** in their role.

65% of employees **say the same.**

57% of employees say they need more training to **use AI effectively at work.**

21% of employees say **AI is not currently used in their roles** – compared to just **6% of employers**.

Base: sample of US-based IT and software workers (100 employers, 86 employees)

TRAINING OUTCOMES

88% of employers think skills training programs for workers are **effective.**

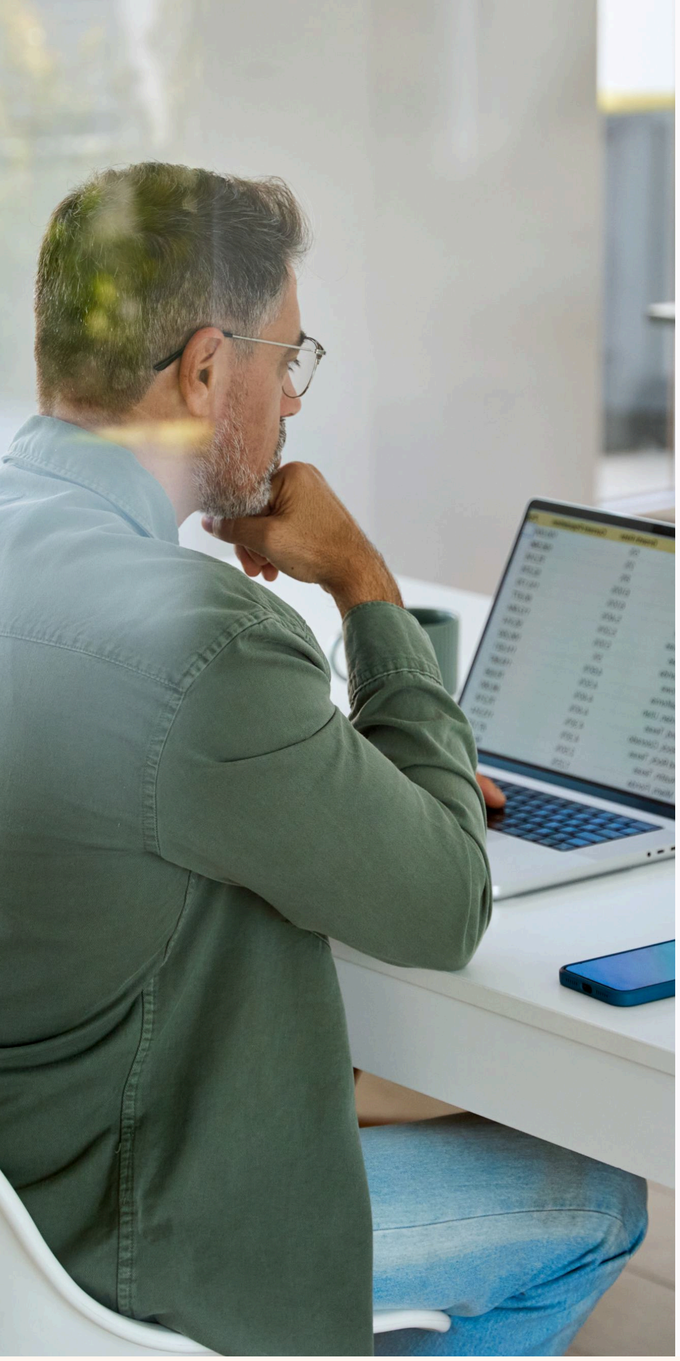
50% of employees **agree.**

67% of employees say training has **led to no change in pay or role.**

6% say it **led to a promotion.**

46% of employers – and **33% of employees** – have considered quitting **due to stress from understaffing or skills gaps.**

40% of employers cite **AI/automation as the most lacking skill** in their workplace, ahead of **digital/IT skills (30%)**.



Finance and insurance

SKILLS GAP CHALLENGES AND IMPACT

78% of employers describe the skills gap in their sector as either **moderate, serious, or crisis-level.**

61% say that new or entry-level employees **are not adequately prepared for work.**

42% spend 8+ hours a week compensating for **skills gaps.**

AI READINESS

91% of employers **feel confident using AI tools** in their role.

49% of employees **say the same.**

64% of employees say they need more training to **use AI effectively at work.**

38% of employees say **AI is not currently used in their roles** – compared to just **12% of employers.**

TRAINING OUTCOMES

81% of employers think skills training programs for workers are **effective.**

54% of employees **agree.**

84% of employees say training has **led to no change in pay or role.**

1% say it **led to a promotion.**

54% of employers – and **38% of employees** – have considered quitting **due to stress from understaffing or skills gaps.**

43% of employers cite **AI/automation as the most lacking skill** in their workplace, ahead of digital literacy **(30%).**

Base: sample of US-based Finance and Insurance workers (100 employers, 104 employees)



Public sector and government

SKILLS GAP CHALLENGES AND IMPACT

76% of employers describe the skills gap in their sector as either **moderate, serious, or crisis-level**.

60% say that new or entry-level employees **are not adequately prepared for work.**

23% spend 8+ hours a week compensating for **skills gaps.**

AI READINESS

66% of employers **feel confident using AI tools** in their role.

35% of employees **say the same.**

45% of employees say they need more training to **use AI effectively at work.**

62% of employees say **AI is not currently used in their roles** – compared to just **25% of employers**.

TRAINING OUTCOMES

63% of employers think skills training programs for workers are **effective.**

55% of employees **agree.**

84% of employees say training has **led to no change in pay or role.**

3% say it **led to a promotion.**

43% of employers – and **37% of employees** – have considered quitting **due to stress from understaffing or skills gaps.**

41% of employers cite **AI/automation as the most lacking skill** in their workplace, ahead of digital/IT skills (**25%**).

Base: sample of US-based Public Sector and Government workers (100 employers, 104 employees)



Manufacturing

SKILLS GAP CHALLENGES AND IMPACT

75% of employers describe the skills gap in their sector as either **moderate, serious, or crisis-level**.

51% say that new or entry-level employees **are not adequately prepared for work.**

46% spend 8+ hours a week compensating for **skills gaps.**

AI READINESS

93% of employers **feel confident using AI tools** in their role.

47% of employees **say the same.**

48% of employees say they need more training to **use AI effectively at work.**

55% of employees say **AI is not currently used in their roles** – compared to just **8% of employers**.

Base: sample of US-based Manufacturing workers (100 employers, 104 employees)

TRAINING OUTCOMES

69% of employers think skills training programs for workers are **effective.**

59% of employees **agree.**

71% of employees say training has **led to no change in pay or role.**

4% say it **led to a promotion.**

46% of employers – and **37% of employees** – have considered quitting **due to stress from understaffing or skills gaps.**

48% of employers cite **AI/automation as the most lacking skill** in their workplace, ahead of technical or role specific skills (**32%**).



Construction and infrastructure

SKILLS GAP CHALLENGES AND IMPACT

80% of employers describe the skills gap in their sector as either **moderate, serious, or crisis-level**.

54% say that new or entry-level employees **are not adequately prepared for work.**

43% spend 8+ hours a week compensating for **skills gaps.**

AI READINESS

89% of employers **feel confident using AI tools** in their role.

44% of employees **say the same.**

41% of employees say they need more training to **use AI effectively at work.**

58% of employees say **AI is not currently used in their roles** – compared to just **13% of employers**.

TRAINING OUTCOMES

86% of employers think skills training programs for workers are **effective.**

71% of employees **agree.**

44% of employees say training has **led to no change in pay or role.**

8% say it **led to a promotion.**

31% of employers – and **34% of employees** – have considered quitting **due to stress from understaffing or skills gaps.**

31% of employers cite **AI/automation as the most lacking skill** in their workplace, ahead of problem-solving/critical thinking (**26%**).

Base: sample of US-based Construction and Infrastructure workers (100 employers, 100 employees)



Food services and hospitality

SKILLS GAP CHALLENGES AND IMPACT

77% of employers describe the skills gap in their sector as either **moderate, serious, or crisis-level**.

55% say that new or entry-level employees **are not adequately prepared for work.**

14% spend 8+ hours a week compensating for **skills gaps.**

AI READINESS

64% of employers **feel confident using AI tools** in their role.

40% of employees **say the same.**

41% of employees say they need more training to **use AI effectively at work.**

64% of employees say **AI is not currently used in their roles** – compared to just **24% of employers**.

TRAINING OUTCOMES

71% of employers think skills training programs for workers are **effective.**

58% of employees **agree.**

64% of employees say training has **led to no change in pay or role.**

2% say it **led to a promotion.**

57% of employers – and **43% of employees** – have considered quitting **due to stress from understaffing or skills gaps.**

31% of employers cite **AI/automation as the most lacking skill** in their workplace, ahead of problem-solving/critical thinking **(25%).**

Base: sample of US-based Food services or hospitality workers (100 employers, 103 employees)



Transportation, logistics and warehousing

SKILLS GAP CHALLENGES AND IMPACT

69% of employers describe the skills gap in their sector as either **moderate, serious, or crisis-level**.

54% say that new or entry-level employees **are not adequately prepared for work.**

25% spend 8+ hours a week compensating for **skills gaps.**

AI READINESS

82% of employers **feel confident using AI tools** in their role.

48% of employees **say the same.**

41% of employees say they need more training to **use AI effectively at work.**

53% of employees say **AI is not currently used in their roles** – compared to just **13% of employers**.

TRAINING OUTCOMES

78% of employers think skills training programs for workers are **effective.**

68% of employees **agree.**

62% of employees say training has **led to no change in pay or role.**

3% say it **led to a promotion.**

39% of employers – and **23% of employees** – have considered quitting **due to stress from understaffing or skills gaps.**

36% of employers cite **AI/automation as the most lacking skill** in their workplace, ahead of problem solving/critical thinking (**23%**).

Base: sample of US-based Transportation/logistics and warehousing workers (100 employers, 103 employees)



Educational services

SKILLS GAP CHALLENGES AND IMPACT

66% of employers describe the skills gap in their sector as either **moderate, serious, or crisis-level**.

58% say that new or entry-level employees **are not adequately prepared for work.**

23% spend 8+ hours a week compensating for **skills gaps.**

AI READINESS

78% of employers **feel confident using AI tools** in their role.

37% of employees **say the same.**

53% of employees say they need more training to **use AI effectively at work.**

41% of employees say **AI is not currently used in their roles** – compared to just **10% of employers**.

Base: sample of US-based Educational services workers (100 employers, 103 employees)

TRAINING OUTCOMES

73% of employers think skills training programs for workers are **effective.**

50% of employees **agree.**

83% of employees say training has **led to no change in pay or role.**

4% say it **led to a promotion.**

40% of employers – and **30% of employees** – have considered quitting **due to stress from understaffing or skills gaps.**

33% of employers cite **AI/automation as the most lacking skill** in their workplace, ahead of problem-solving/critical thinking (**26%**).



Retail

SKILLS GAP CHALLENGES AND IMPACT

66%
of employers describe the skills gap in their sector as either **moderate, serious, or crisis-level**.

53%
say that new or entry-level employees **are not adequately prepared for work.**

31%
spend 8+ hours a week compensating for **skills gaps.**

AI READINESS

84%
of employers **feel confident using AI tools** in their role.

41%
of employees **say the same.**

36%
of employees say they need more training to **use AI effectively at work.**

60%
of employees say **AI is not currently used in their roles** – compared to just **17% of employers**.

Base: sample of US-based Retail workers (100 employers, 103 employees)

TRAINING OUTCOMES

78%
of employers think skills training programs for workers are **effective.**

55%
of employees **agree.**

72%
of employees say training has **led to no change in pay or role.**

3%
say it **led to a promotion.**

44%
of employers – and **35% of employees** – have considered quitting **due to stress from understaffing or skills gaps.**

31%
of employers cite **leadership and people management as the most lacking skill** in their workplace, ahead of AI/automation (**26%**),



Healthcare and social assistance

SKILLS GAP CHALLENGES AND IMPACT

69% of employers describe the skills gap in their sector as either **moderate, serious, or crisis-level**.

50% say that new or entry-level employees **are not adequately prepared for work.**

21% spend 8+ hours a week compensating for **skills gaps.**

AI READINESS

83% of employers **feel confident using AI tools** in their role.

40% of employees **say the same.**

42% of employees say they need more training to **use AI effectively at work.**

65% of employees say **AI is not currently used in their roles** – compared to just **13% of employers**.

TRAINING OUTCOMES

80% of employers think skills training programs for workers are **effective.**

59% of employees **agree.**

74% of employees say training has **led to no change in pay or role.**

1% say it **led to a promotion.**

45% of employers – and **42% of employees** – have considered quitting **due to stress from understaffing or skills gaps.**

30% of employers cite **AI/automation as the most lacking skill** in their workplace, ahead of digital/IT skills (**27%**).

Base: sample of US-based Healthcare/social assistance workers (100 employers, 95 employees)

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The Frontline Workers Skills Index

