

## Millennial Leaders Leading the Charge on Skills-Based Strategies, Workday Research Finds

*Workday research reveals cross-generational alignment on AI, skills and workforce agility — with millennial leaders stepping up as catalysts for change*

**LONDON – May 22, 2025**— [Workday, Inc.](#) (NASDAQ: WDAY), the AI platform for managing [people](#), [money](#), and [agents](#), today unveiled new cross-generational analysis from [The Global State of Skills](#) research. The findings highlight growing urgency across generations to address the global skills gap, with millennial leaders (aged 28-43) stepping up as key drivers of AI-powered, skills-based transformation.

The new research insights were shared during [Workday Elevate London](#), where more than 1,000 business leaders gathered to explore how skills-based talent strategies and AI-driven innovation are reshaping work.

According to the research underlying the report, nearly two-thirds (60%) of millennial leaders are concerned about a skills shortage in the next three years. Nearly half (47%) of Gen X leaders (aged 44-59) share this skills shortage concern, showing the challenge spans generations. However, millennial leaders are taking a more proactive approach, with 92% seeing skills-based talent development as critical for economic growth, compared to 76% of Gen X leaders.

Both generations agree that digital skills, such as digital literacy and generative AI skills, are vital for achieving organisational goals over the next five years. However, while Gen X leaders place more emphasis on the importance of operational and specialist skills, such as project management and engineering, millennial leaders consider human skills such as leadership and communication to be important for success. An AI-driven, skills-based approach can help bridge these gaps and enable organisations to build a more agile workforce.

### Unlocking the Power of a Skills-Based Strategy

Leaders across generations recognise the value of a skills-based approach. Beyond business needs, they see its potential to address broader societal challenges:

- Closing productivity gaps (89% of millennial leaders, 72% of Gen X leaders)
- Reducing unemployment (74% of millennial leaders, 55% of Gen X leaders)
- Equalising access to opportunities (89% of millennial leaders, 78% of Gen X leaders)
- Increasing diversity and inclusivity (82% of millennial leaders, 67% of Gen X leaders)

### AI to Accelerate the Skills Transformation

Both groups see AI as a key enabler of the shift towards skills-based organisations, by automating routine tasks, supporting data-driven decisions, and predicting future skills gaps. However, millennial leaders report more uncertainty: 34% say their organisations lack clarity on how to use AI for talent challenges, compared to 14% of Gen X leaders.

Closing this gap requires AI that is not just powerful, but practical, and designed to solve real workforce challenges with clarity, control, and business impact. To support this, Workday recently announced [a new wave of Illuminate Agents](#) designed to significantly speed up hiring processes, improve frontline worker experiences, streamline complex financial processes, and empower employees to find information quickly and easily. These innovations reflect Workday's commitment to delivering responsible AI that is designed to empower people and drive practical business outcomes.

Encouragingly, most leaders say their organisations are already making progress. 92% of millennial leaders and 86% of Gen X leaders believe their organisations are successfully transitioning to skills-based models and 90% of millennial leaders and 83% of Gen X leaders are in favour of hiring based on an individual's validated skills profile\*.

Millennial leaders are more likely to see change management as critical to accelerating this shift, while Gen X leaders are more likely to prioritise clear communication of benefits and goals. Our research highlights the importance of recognising these generational differences to unlock the full potential of a more agile, skills-driven workforce.

### Leadership Perspectives

Most business leaders agree that AI and skills-based strategies are essential for workforce agility, but that success depends on aligning people, processes and leadership across generations.

Daniel Pell, Vice President and Country Manager, UKI, Workday, said, "The UK faces a pivotal challenge: our workforce models are lagging behind the pace of technological change. To compete in an AI-driven economy, businesses must rethink how they identify and develop skills. This is not a question of technology alone, it is a question of leadership, agility and long-term competitiveness. The organisations that succeed will be those that treat workforce transformation as a strategic priority, ensuring both people and AI can work effectively together."

"Agentic AI is ushering in a new world of digital labour, where you can scale and transform with autonomous agents whilst augmenting the workforce. This represents a unique opportunity to unlock new levels of productivity, autonomy, and speed only

if leaders and workers reskill and upskill. All industries and teams need to be empowered to redesign and redeploy talent for the skills the AI-powered economy demands," said Paul O'Sullivan, SVP Solution Engineering and UKI CTO, Salesforce.

"Skills are now a strategic asset, not a side conversation. Successful AI adoption depends on an organisation's ability to reskill at scale, align workforce strategies with business goals, and design work where people and AI complement each other. Leaders who approach AI and workforce transformation as a single, integrated journey will have an advantage in creating lasting competitive advantage," said Prasun Shah, Global CTO & AI Lead, Workforce Consulting, PwC.

### **The Path Forward**

As AI reshapes industries, the workforce must evolve in tandem. Workday's research shows leaders are increasingly aligned on the need to adopt AI-driven, skills-based strategies. By taking an agile, data-driven approach to hiring, developing, and deploying talent, organisations can build future-ready workforces equipped to thrive in an AI-enabled world.

*\*Validated skills demonstrate an individual's competencies in a specific area, based on performance testing and verification by a subject matter expert.*

### **About the Report**

These findings are based on a generational comparison (Millennial and Gen X) of the global study of 2,300 business leaders in director-level positions or above from organisations employing at least 100 people worldwide. The generational comparison sample included 2,291 adults aged 28-59 (742 millennials / 1549 Gen X). The survey was administered by Hanover Research on behalf of Workday in November 2024. Workday leaders and employees were not included in the survey set.

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