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AI IN SKILLS GAP ANALYSIS AND UPSKILLING PROGRAMS

Authors:

[1]Dr.K.Sarulatha Assistant Professor, Department of Management Science, Sri Krishna College of Arts and Science, Coimbatore

https://orcid.org/0009-0007-4046-997X

[2]Mrs.R.Martina Jency, Assistant Professor, Department of Management Science, Sri Krishna College of Arts and Science, Coimbatore

[3]*Dr. P.V. Agilaa,* Assistant Professor, Department of Management Science, Sri Krishna College of Arts and Science, Coimbatore

Abstract:

The accelerating pace of digital transformation has created dynamic shifts in workforce demands, often leading to critical skill mismatches. This paper explores how Artificial Intelligence (AI) technologies can support organizations in identifying existing and future skills gaps and in implementing effective upskilling strategies. It reviews AI-based tools and platforms used for competency mapping, learning path customization, and performance prediction. The study draws on secondary data, literature review, and case analyses from sectors such as IT, manufacturing, and healthcare. Key findings suggest that AI enables real-time and predictive skills assessment, facilitating more adaptive and inclusive learning interventions. The paper also discusses ethical implications and strategic HR recommendations.

Keywords: Skills Gap Analysis, Upskilling, Artificial Intelligence, Workforce Development, Talent Management, Predictive Analytics, HR Technology, Personalized Learning

1. Introduction The evolution of digital technologies and the advent of Industry 4.0 have rapidly transformed the global labor market, resulting in an unprecedented demand for new skills. As traditional roles become obsolete and new roles emerge, a noticeable disparity between available and required skillsets has become evident. Addressing this skills gap is now a priority for both organizations and policymakers. Artificial Intelligence (AI) has emerged as a key enabler in this regard, offering data-driven insights into workforce

capabilities and supporting the design and delivery of personalized upskilling programs. This paper explores the application of AI in skills gap analysis and its role in facilitating effective upskilling initiatives.

2. Literature Review A growing body of research underscores the transformative potential of AI in Human Resource Management (HRM). Bessen (2019) points out that AI facilitates job matching and competency mapping, enabling more accurate workforce planning. Arntz et al. (2020) suggest that AI's ability to process large volumes of employee data leads to a more nuanced understanding of skill gaps. Meanwhile, the World Economic Forum (2023) notes that more than 40% of global workers will require reskilling by 2027, creating a critical need for AI-supported interventions. Existing studies have investigated AI's role in e-learning, adaptive assessment systems, and workforce analytics—paving the way for integrated, scalable talent development strategies.

3. Methodology This paper employs a qualitative research methodology based on a comprehensive review of secondary literature, corporate white papers, and case studies. Databases such as Scopus, IEEE Xplore, and Web of Science were used to identify relevant articles, while company reports and industry surveys provided practical insights. The findings are synthesized to draw conclusions on best practices, benefits, limitations, and ethical considerations of AI-based upskilling systems.

4. Understanding Skills Gap Analysis Skills gap analysis refers to the process of comparing an employee's current capabilities with the skills required for a desired role or task. Traditional methods rely on manual assessments and periodic performance reviews. However, these approaches are often limited in scope and subject to human bias. AI-powered systems enhance this process through:

- **Automated competency assessments**
- **Natural Language Processing (NLP) for resume and job description parsing**
- **Machine learning models to predict future skill needs based on industry trends**

5. AI Tools for Skills Gap Analysis Several AI-based platforms offer real-time and predictive analytics to identify skill gaps. Examples include:

- **LinkedIn Talent Insights**: Uses big data to identify labor market trends and organizational skill distributions.
- **IBM Watson Talent Frameworks**: Provides AI-driven skill taxonomies and benchmarking tools.
- **Degreed and Skillsoft**: Offer skill analytics dashboards integrated with learning recommendations.

These tools employ machine learning algorithms to continuously update skills maps based on user activity, training history, and performance outcomes.

6. AI in Personalized Upskilling Programs Once gaps are identified, AI facilitates the design of targeted upskilling interventions. Key features include:

- **Personalized learning paths**: AI recommends courses based on learner profiles and goals.
- **Adaptive learning systems**: Platforms like Coursera and EdCast adjust content difficulty based on learner progress.
- **Microlearning and nudging**: AI sends timely reminders and bite-sized content to sustain engagement.

Organizations leveraging these systems report improvements in learning efficiency and employee retention.

7. Case Studies

- **Siemens**: Uses AI to track employee skills and recommend personalized training modules through its MyLearning platform. Reported 30% improvement in training relevance.
- **Capgemini**: Integrates AI in its Workforce Analytics to forecast future skill demands and align L&D initiatives accordingly.
- **Amazon**: Launched its Machine Learning University to train employees in AI skills. Uses internal AI tools to customize curriculum delivery based on employee roles.

8. Benefits of AI in Upskilling

- **Efficiency**: Automation reduces administrative burden on HR teams.
- **Scalability**: AI can manage large datasets and provide insights across global operations.
- **Precision**: Personalized learning enhances employee satisfaction and training ROI.
- **Forecasting**: Predictive models help prepare for future workforce needs.

9. Challenges and Ethical Considerations Despite its benefits, AI adoption in upskilling is not without challenges:

- **Data Bias**: Algorithms may perpetuate existing inequalities if training data lacks diversity.
- **Privacy Issues**: Use of employee data for analytics must comply with regulations like GDPR.
- **Digital Divide**: Uneven access to digital tools may exclude certain worker groups.
- **Resistance to Change**: Employees may fear job displacement or lack trust in AI systems.

Organizations must implement ethical AI policies, ensure transparency, and combine AI tools with human oversight.

10. Conclusion AI offers a powerful framework for skills gap analysis and personalized upskilling, helping organizations remain competitive in a fast-evolving market. While technological integration poses challenges, strategic implementation combined with ethical governance can ensure inclusive and effective workforce development. Future research should explore the longitudinal impact of AI-based learning on employee performance and organizational outcomes.

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