

AI adoption for enterprises:

The essential role of employee reskilling

AI series, Q2 2024

As AI transforms business processes across industries, reskilling initiatives are helping org leaders shape more resilient and future-ready workforces.

To stay competitive in the era of AI, businesses are asking employees to work alongside newly-adopted (and, in many cases, newly-developed) AI technology. Executives hope that a shift to AI-powered systems will accelerate business processes, improve data accuracy, enhance security, and reduce manual efforts across functions. But a pervasive lack of AI training in the workplace could detract from these implementation goals.



Businesses want to support—not replace—their employees with AI. 92% of executives are planning to retain at least 97% of their workforce alongside new AI offerings.

[Tech Republic, 2023]

Most org leaders agree that their employees need more AI training—but only 36% are investing heavily in reskilling initiatives¹. By failing to equip employees with essential AI skills, organizations may struggle to realize the full range of benefits their new systems can provide. More worryingly, they risk security breaches, bottlenecks, and increased employee churn.

Addressing tech talent shortages by upgrading employee skillsets

Moderate-to-extreme employee skill gaps are reported by 68% of businesses adopting AI². A quarter of those surveyed consider the problem to be even more severe. Amidst ongoing tech talent shortages, these gaps are likely to become more pronounced, slowing innovation and limiting revenue growth.

Reskilling initiatives can prepare businesses for successful AI adoption without requiring them to add numbers to their workforces. By training current employees to fulfill the

[1] Deloitte, 2024 | [2] Deloitte, 2020

company’s emerging tech needs, organizations can maintain productivity and innovation, while mitigating the challenges that often accompany software implementations. It’s a strategy that may prove more cost effective than the recruitment and acquisition of new employees—especially in a highly competitive hiring market.



Employees with a proven investment in an organization’s vision can be an invaluable asset. Expanding the tools and skills in their repertoires is a powerful strategy for business growth, which also helps preserve the company’s culture and values.



Vijay Sundaram
Chief Strategy Officer at Zoho

Current employees also come with the advantage of being familiar with company processes, philosophies, and goals. Because

they have a more comprehensive understanding of company operations than new hires, they are well-positioned to identify systems that can be improved with AI, and predict roadblocks that may arise.



Promoting security and effective data governance

One study found that 11% of prompts shared with generative AI contain confidential company information³. As AI absorbs a larger share of organizational tasks, this percentage is likely to increase. Strong data and AI governance policies can help prevent inadvertent data leaks and other missteps that make companies vulnerable to cyber attacks. However, only 35% of businesses are currently focused on improving the governance of their AI systems⁴.

[3] Cyberhaven, 2023 | [4] PwC, 2023

75% of security professionals saw a rise in cyber attacks in 2023. Most attribute the increase to generative AI

[Deep Instinct, 2023]

Reskilling initiatives provide a platform for educating employees about the company's data access, sharing, and security protocols. They also give IT experts an opportunity to convey best practices for AI usage, and explore the risks associated with these systems. With many AI models still vulnerable to data tampering (and many hackers drawn to the sensitive information they store), vigilant employees are an integral component of long-term organizational health.



Regulations are on the rise:

The EU AI Act is close to finalized, and the White House has published its blueprint for a privacy-centric AI Bill of Rights.

Forward-thinking organizations may also utilize reskilling programs to keep employees abreast of evolving AI regulations in the regions where they conduct business. In doing so, they promote compliance and mitigate the risk of severe penalties from regulatory bodies.

Encouraging alignment of departmental and organizational goals

A quarter of employees remain concerned about job loss resulting from AI adoption⁵. These concerns may make them hesitant to embrace AI, leading to high-friction implementations and preventing organizations from realizing the goals of their technology investments. To promote employee buy-in, organizations must communicate a clear vision for the role of AI in the workplace and its contributions to broader company strategy.



Creating this level of transparency is often easier when a well-structured reskilling program is in place. By taking time to highlight the broad benefits of AI, organizations can encourage employees to align their individual priorities with the company's overarching AI goals. In the process, employers demonstrate their

commitment to augmenting employee skills with AI, rather than rendering those skills obsolete.



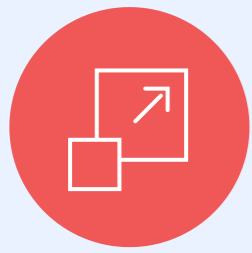
Transparency is key to any successful business transition. With a wide range of communication and collaboration features, Zoho's ecosystem of applications helps keep plans and processes aligned across functions.

When designed strategically, reskilling initiatives give employees confidence—in both the direction of their company and their ability to contribute to its success. As a result, all members of the organization are more likely to commit to AI adoption, and think critically about how it can be used to benefit the business as a whole.

[5] CNBC Workforce Survey, 2023

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