

Today at Work

◀ **UPSKILL** ▶

INVESTMENT IN WORKFORCE TRAINING CAN DELIVER HUGE RETURNS, FROM HIGHER PRODUCTIVITY TO BRAND BUILDING.

THE SKILLS OPPORTUNITY

ALSO IN THIS ISSUE

Artificial intelligence: The good, bad, and unknown.

What's holding your employees back?

Workers are more engaged than ever.

ADP Research

OUR MISSION

The ADP Research mission is to make the future of work more productive through data-driven discovery. Companies, workers, and policymakers rely on our finely-tuned data and unique perspective to make informed decisions that impact workplaces around the world.

ABOUT TODAY AT WORK

Today at Work, released quarterly, is built on a foundation of ADP payroll data representing more than 25 million U.S. workers and nearly a decade of ongoing surveys, including the Global Workforce Survey, that have reached more than 600,000 workers in 34 markets. Combined, these data sets provide a recurring, people-centered, and comprehensive view of the world of work.

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LETTER FROM NELA

Change is here; opportunity is knocking

Rapid technological advances are making their way to the workplace. Change can be difficult, but employers are facing an ideal moment to capture value and retain talent through investment in on-the-job training.

Skilled labor is in hot demand, but employers might be overlooking their greatest resource: Their existing teams.

In this issue of *Today at Work*, we dive into the value of upskilling. We deployed our Global Workforce Survey, which reaches nearly 38,000 respondents on six continents, to ask workers what was preventing them from advancing on the job and whether they felt prepared for artificial intelligence to enter the workplace.

The findings were surprising. Fewer than 1 in 4 people told us that they felt they had the skills to advance in their careers. Yet less than 4 percent of employers upskill workers within the first two years of their employment, ADP data shows.

This failure to train people who already are on the job can have a lasting impact. Our survey found that upskilling can lead to greater employee retention and engagement, and higher productivity.

Advances in AI present obvious opportunities for employers, but among workers, there's unease about how the technology might affect jobs.

AI and worker productivity can fit like a hand in glove if investments in technology are matched with investments in talent.

Drawing from a decade of ADP research

on employee engagement, we find that workers who are given opportunities to grow are more loyal and more productive.

Taken together, the articles in this issue show the enormity of the skills opportunity. Employers that aspire to capture the full promise of technology can do so by investing in their greatest resource—their people.



DR. NELA RICHARDSON
Chief economist and ESG officer,
Head of ADP Research

'25

THE

SKILLS

OPPORTUNITY

The enormous promise of upskilling

ADP Research asked people if they feel prepared for the next era of work. Only 24% felt strongly that they have the skills needed to advance in the next three years.

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Colleges and vocational schools prepare young adults to enter the job market. But the learning process can't stop there.

With rapid-fire advances in technology bearing down, on-the-job training and continuing education have become just as important as post-secondary schooling, if not more so. Even workers with advanced college degrees might need to bolster their on-the-job skills.

But there's more to this story than building a future-proof labor force. Employers that invest in continued learning and on-the-job development stand to reap bottom-line benefits that go beyond a well-prepared workforce.

Between July 23 and August 6, 2024, we collected data from a stratified, random panel sample of nearly 38,000 working adults in 34 markets. Forty percent of respondents identified themselves as knowledge workers, 20 percent as cycle workers, and 40 percent as skilled task workers. Two-thirds reported some level of post-secondary education. The rest had a secondary-school diploma or less.

Few of these workers—only 24 percent—were confident that they have the skills they would need to advance to the next job level.

A WIN-WIN

For workers, upskilling correlates to a 37 percent increase in wages, according to ADP payroll data from the United States.¹

Among workers we surveyed who felt strongly that their employers were investing in their skills development, 54 percent had received a recent promotion. The promotion rate fell dramatically—to only 34 percent—among workers who felt let down by their employers' upskilling opportunities.

Employers, too, reap rewards from upskilling in the form of improved reputations, higher productivity, and reduced employee turnover.

Workers who feel strongly that their employer is providing the training they need are nearly 6 times more likely than others to recommend their company as a great place to work.² They're 3.3 times more likely to describe themselves as highly productive.

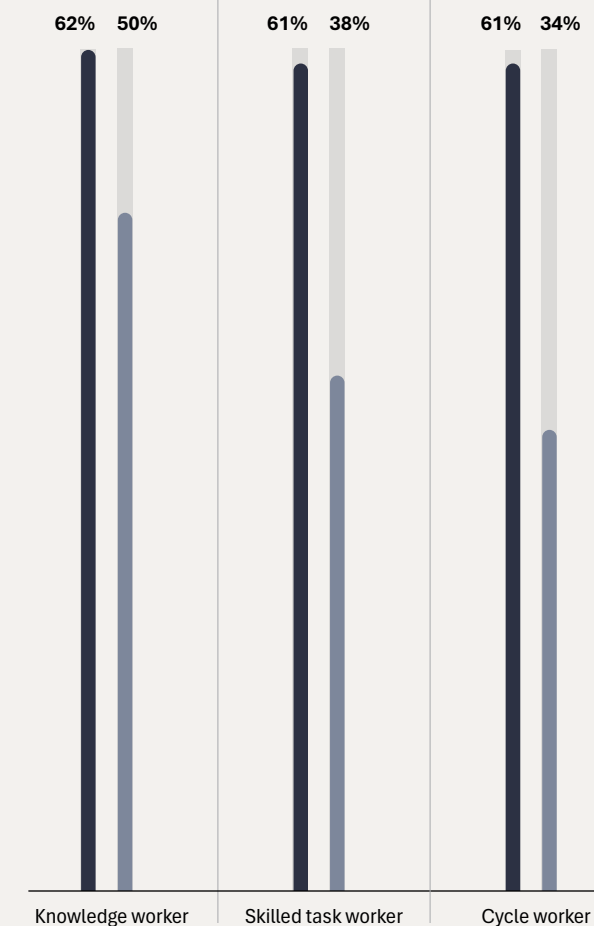
Even among workers who are confident in their skills, training opportunities could have a big

BUILDING A WORKFORCE THAT STAYS

When employers invest in upskilling, their workers are much less likely to quit. Among people who feel confident in their skills, the share who have no intent to leave rises when on-the-job training is available.

No intent to leave

- Receives further employer investment
- Does not receive further employer investment



Source: ADP Research Global Workforce Survey

impact on retention. When these confident workers believe that their employers are investing in them, they're twice as likely to say they have no intention of leaving their organization, compared to workers who have the skills but lack on-the-job training opportunities.

While this finding holds true for all worker types, upskilling might be a particularly powerful tool for retaining cycle workers. When cycle workers feel they have the skills needed to advance but lack any further investment from their employer, they're more likely than other workers to jump ship.

In fact, worker sentiment on upskilling changes dramatically based on the type of work.

Among knowledge workers, 31 percent felt they had the skills they need to advance. And 26 percent of knowledge workers strongly agreed that their employers are investing in them.

Among skilled task workers, that share was 14 percent, and among cycle workers it was only 8 percent.

DEFINING TYPES OF WORKERS

Our survey gave workers three options for describing the work type that best fit their role:

▼
Knowledge worker
I have a level of freedom to use my expertise to create something new.

▼
Skilled task worker
I use a level of expertise to solve similar problems each day.

▼
Cycle worker
I do similar repetitive tasks each day.

¹The World Economic Forum's Future of Jobs Report 2025

²We asked respondents the following question: Thinking about your current (primary) employer, how likely would you be to recommend your company to a family member or friend as a place to work? We used a rating scale between 0 and 10, where 0 was "Not at all likely" and 10 was "Extremely likely". We categorized respondents who selected either 9 or 10 on the scale as people who would recommend, or promote, their company. More information on talent brand promoters can be found in *Today at Work* Issue 2 from ADP Research.

LESS THAN
4%
OF U.S. EMPLOYERS

UPSKILL THEIR WORKERS WITHIN
THE FIRST TWO YEARS OF EMPLOYMENT.

SHARE OF WORKERS WHO STRONGLY AGREE, by age

Younger workers in our survey were more likely to strongly agree that they had the skills they need to advance in their careers.

Age groups

- 18 to 26
- 27 to 39
- 40 to 54
- 55 to 64

I have the skills needed to advance my career to the next job level in the next 3 years.



I feel my employer invests in the skills I need for me to advance my career in the future.



GENDER DIFFERENCES

Cycle workers who believe that they're equipped for the next job.



³ Regional differences might be an artifact of the distribution of worker type. In six of the markets we studied, more than 50 percent of respondents were knowledge workers, a group for which employer investment is reported to be higher.

Men in our global survey were more likely than women to strongly agree that they have the skills needed to advance. But when it comes to feelings of employer investment, the gender gap shrinks or disappears altogether outside of North America.³

The biggest gender gap occurs among cycle workers. Among this group, only 18 percent of men and 13 percent of women believe that they're equipped for their next job.

Cycle workers of both sexes also have a dismal view of employer investment in their skills, with only 9 percent of men and 7 percent of women expressing satisfaction in their upskilling opportunities.

SHARE OF WORKERS WHO STRONGLY AGREE, by age and region

I have the skills needed to advance

Region	18-26	27-39	40-54	55-64
North America	21%	25%	22%	21%
Asia-Pacific	26	24	19	11
Europe	19	20	15	12
Middle East / Africa	37	41	36	32
Latin America	29	35	34	31

27-39

The North American age group with the largest percentage of respondents who both feel they have skills needed to advance and that their employer invests in the skills they need.

My employer invests in the skills I need

Region	18-26	27-39	40-54	55-64
North America	22%	24%	16%	14%
Asia-Pacific	20	20	17	8
Europe	13	14	12	9
Middle East / Africa	28	30	24	19
Latin America	17	18	15	17

Source: ADP Research Global Workforce Survey

ARTIFICIAL INTELLIGENCE

Anticipation, fear, and indifference

The discourse over artificial intelligence and its disruptive potential has largely overlooked the perspective of workers. Here's what they have to say.

It's been said that AI won't replace humans, but humans using AI will replace humans without it.

When we sought workers' views on the contributions of AI and asked whether they feared losing their jobs to the technology, no clear consensus emerged. As employers navigate the AI landscape, they'll want to address employee concerns and foster a clear understanding of how the technology will be used in the workplace.

Our global survey found that 1 in 10 workers were scared that the technology would cost them their job.

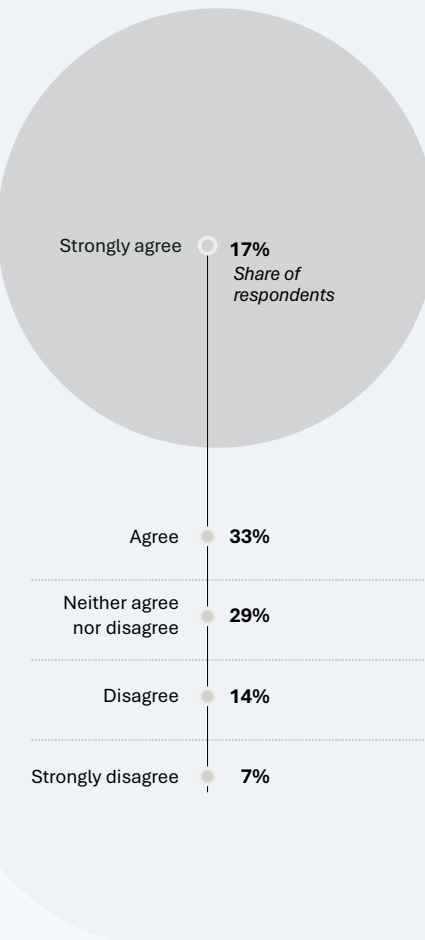
And while 17 percent of workers believed that AI would have a positive effect on their job, 27 percent of this same group also said they feared being replaced by the technology. Among respondents who had more negative opinions of AI, or no opinion at all, only 7 percent were worried about being replaced.

AI seems to trigger a contradictory set of emotions: excitement at its potential and fear of its ultimate impact.

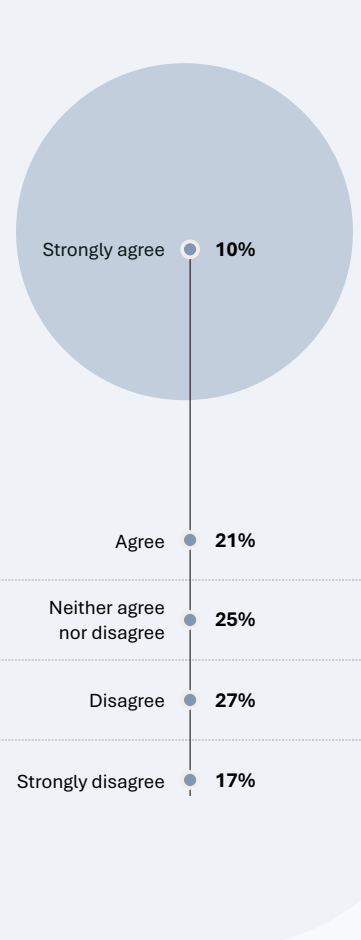
Part of this contradiction could be attributed to anxiety about the unknown. As AI roars into the workplace, no one can say with certainty how it will affect workers.

ANTICIPATED IMPACT OF AI, by global workforce

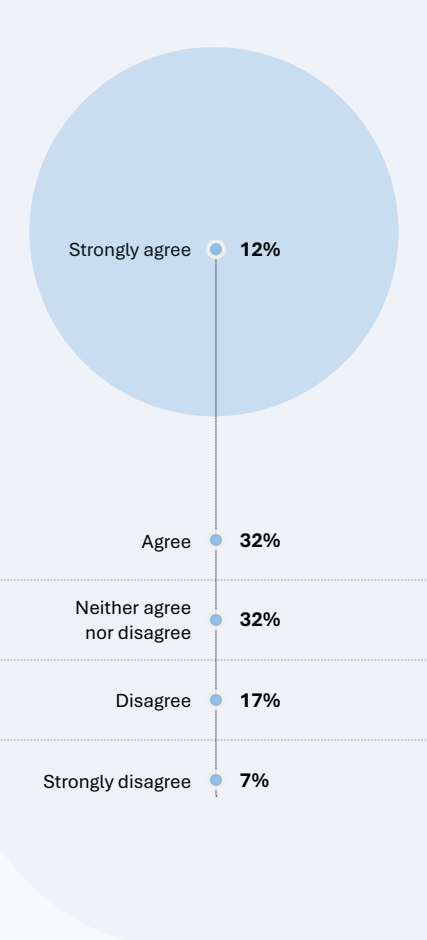
I believe AI will positively impact my job responsibilities in the next year.



I am scared that my job will be replaced by AI.



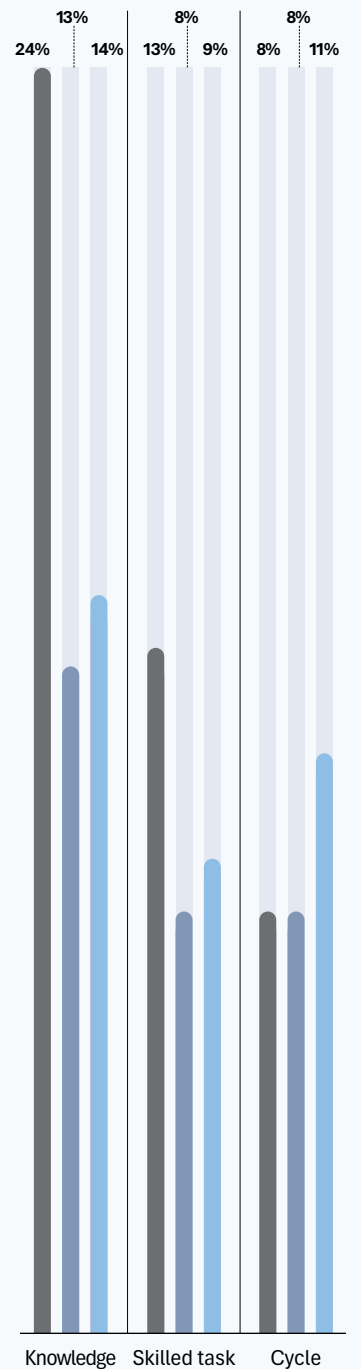
Currently, I have no idea about how AI will change my job.



ANTICIPATED IMPACT OF AI, by work type

Share of workers who strongly agree

- I believe AI will positively impact my job.
- I am scared my job will be replaced by AI.
- I have no idea how AI will change my job.



AGE PLAYS A ROLE

The younger the worker, the more likely they were to show both optimism and concern about AI. Workers who are early in their careers might be considering how advancements in AI technology might affect them in

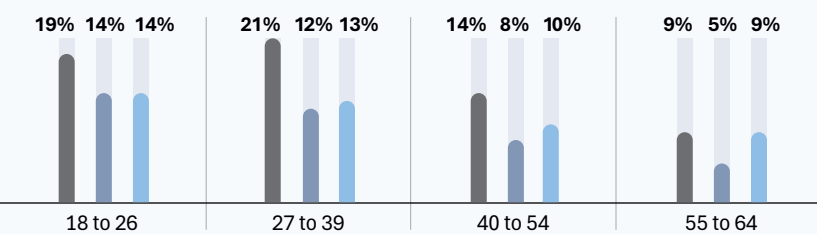
the long term. Late-career workers, especially those 55 and older, seemed to show the most indifference toward AI. They might feel that AI will have little impact on the years they have remaining in their jobs.

North America led the world by far in the share of younger workers who are unsure about the future. In the United States and Canada, about one-fourth of workers younger than 27 had no idea how AI will change their jobs.

ANTICIPATED IMPACT OF AI, by age group

Share of workers who strongly agree

- I believe AI will positively impact my job.
- I am scared my job will be replaced by AI.
- I have no idea how AI will change my job.



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Source: ADP Research
Global Workforce Survey

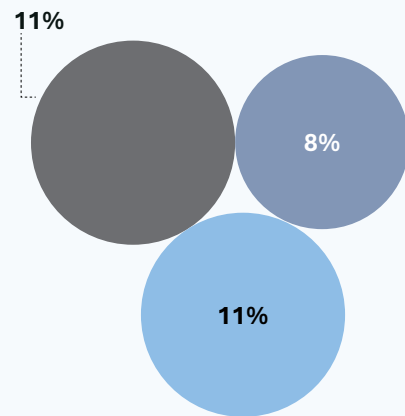
ARTIFICIAL INTELLIGENCE

ANTICIPATED IMPACT OF AI

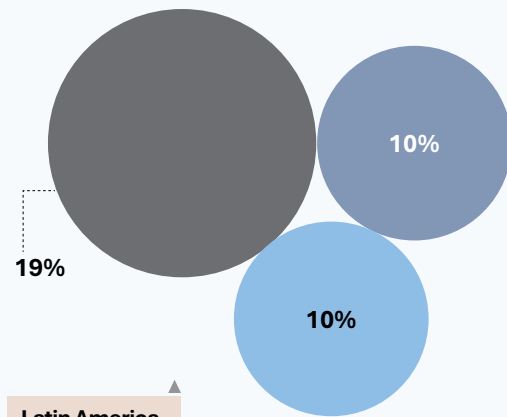
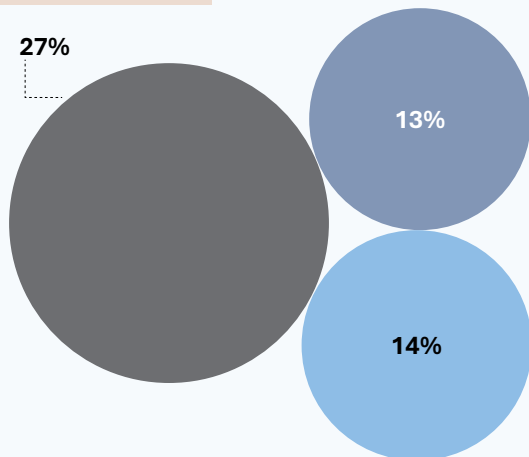
Workers in Egypt, India, and Nigeria were most likely to have a positive outlook on the potential impact of AI on their jobs. All three markets have implemented national strategies that might be contributing to positive worker sentiment.

- I believe AI will positively impact my job.
- I am scared my job will be replaced by AI.
- I have no idea how AI will change my job.

Europe

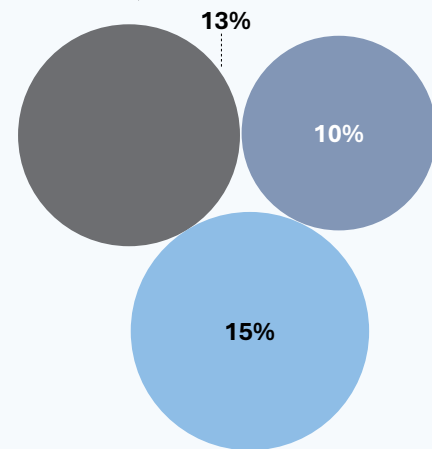


Middle East / Africa

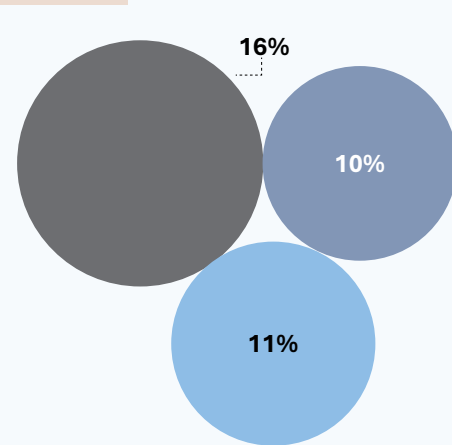


Latin America

North America



Asia-Pacific



THE U.S. NUMBERS: ANTICIPATED IMPACT OF AI

People in the United States revealed one big outlier on AI: Among young workers, 25 percent said they had no idea how AI would change their jobs, more than double the global average of 12 percent.

I believe AI will positively impact my job.

15%

I am scared my job will be replaced by AI.

13%

I have no idea how AI will change my job.

17%

SECTORAL DIFFERENCES

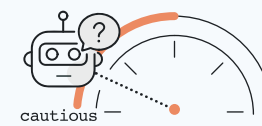
Worker sentiment about AI also showed differences depending on the sector.

Positive outlook on AI



- Technology services
- Finance and insurance
- Information

These sectors tend to be early adopters of innovative technology. And they prize efficiency and small gains in competitive advantage, both of which AI can enhance through automation, data analysis, and improved decision-making.



- Personal services
- Transportation and warehousing
- Health care and social assistance

These three sectors rely heavily on human interaction and personalized services, which might contribute to worker apprehension. People in these jobs might worry that AI could compromise the quality of personal service, or they could perceive it as a threat to jobs. These workers also might be more cautious about AI as they weigh the complexities of introducing the technology into highly relational environments.

Fear AI



- Mining
- Agriculture
- Utilities

Fear of AI might stem from the dual-edged nature of technological advancements. While AI presents significant opportunities for efficiency and innovation, it also necessitates careful consideration of its impact on the workforce, the environment, and current practices. It's worth noting that these three sectors also have the largest share of workers—about 15 percent—who say they have no idea how AI will change their jobs. This unknown might be fueling fear.



- Public administration/ service
- Educational services
- Health care and social assistance

Because many people who work in these sectors have hands-on jobs and deal directly with people on a daily basis, it's possible they believe that AI won't affect their jobs one way or another.

Source: ADP Research Global Workforce Survey

BARRIERS TO ADVANCEMENT

The path to advancement isn't always up. Often, it's out.

Workers are adept at reading the job landscape. When they quit their jobs, it's not always about moving to the next rung on the career ladder. Often, it's about finding a ladder with more rungs to climb.

Career advancement isn't the straight line it once was. When we asked workers to identify their biggest barriers to career advancement, the largest share— 19 percent— said their current job lacks any opportunity to advance at all.¹

Fifteen percent believed strongly that they would need to change employers to get ahead.

This lack of opportunity was a particular problem in Latin America, where 25 percent of workers cited it as their biggest barrier to career advancement.

North America is the only region where a lack of opportunity wasn't the most-cited barrier. In this region, 19 percent of workers surveyed said they had a lack of desire to move up the career ladder; 17 percent cited a lack of opportunity.

Only 6 percent of respondents selected a lack of skill as their biggest barrier to advancement, putting this reason near the

15% The share of respondents who believed strongly that they would need to change employers to get ahead.

bottom of the list. This was surprising, given that only 24 percent of respondents said they were confident that they have the skills needed to advance to the next job level. Even fewer— 17 percent—strongly agreed that their employers were investing in developing their skills.²

Perhaps having the skills needed for advancement becomes irrelevant to workers if they don't see a clear opportunity to use those proficiencies at their current place of employment.

Workers who were confident that they had the necessary skills to advance and those who weren't both selected lack of opportunity as the most common barrier to career advancement.

For many workers, landing a

promotion or advancing a career simply weren't top priorities. Nearly 1 in 3 gave a personal reason for not advancing, citing a lack of motivation or confidence. Thirteen percent said they were happy in their current role and had no desire to switch jobs.

But for people who are keen on landing more responsibility or pay, that ambition influences other decisions. Workers who saw ways to advance in their current job cited that opportunity as their top reason for sticking with their employer. Opportunities for advancement ranked above a flexible work schedule, training and skills development, and even bonus pay when it came to reasons for staying with an employer.

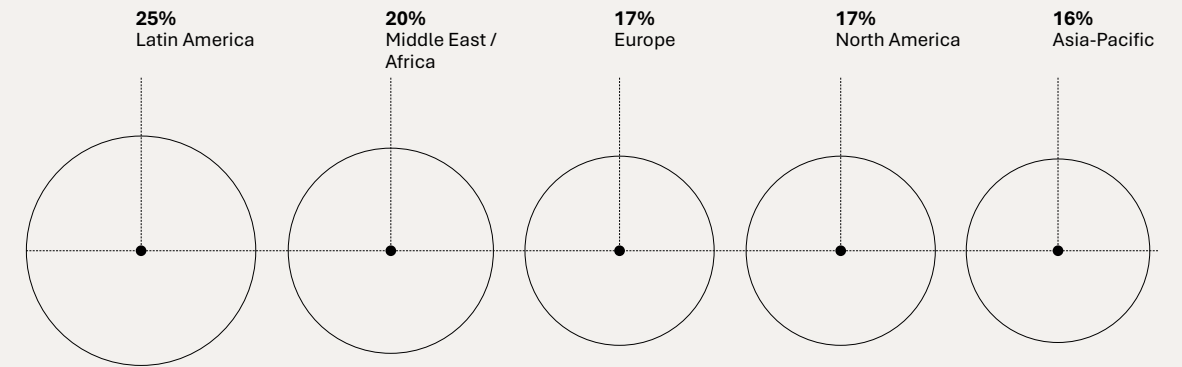
¹ We asked respondents this question: What do you see as the biggest barrier to advancing to the next level of your career? Respondents selected only one of the following options:

- 1 Lack of desire (happy in my current job and don't want to change)
- 2 Lack of opportunity
- 3 Lack of time
- 4 Self-motivation
- 5 Lack of support (e.g., mentor, career champion, or advocate)
- 6 Lack of education
- 7 Lack of experience
- 8 Lack of confidence
- 9 Fear
- 10 Lack of visibility with management, etc.
- 11 Lack of skill

² For more information, see our article on skills development in People at Work 2025.

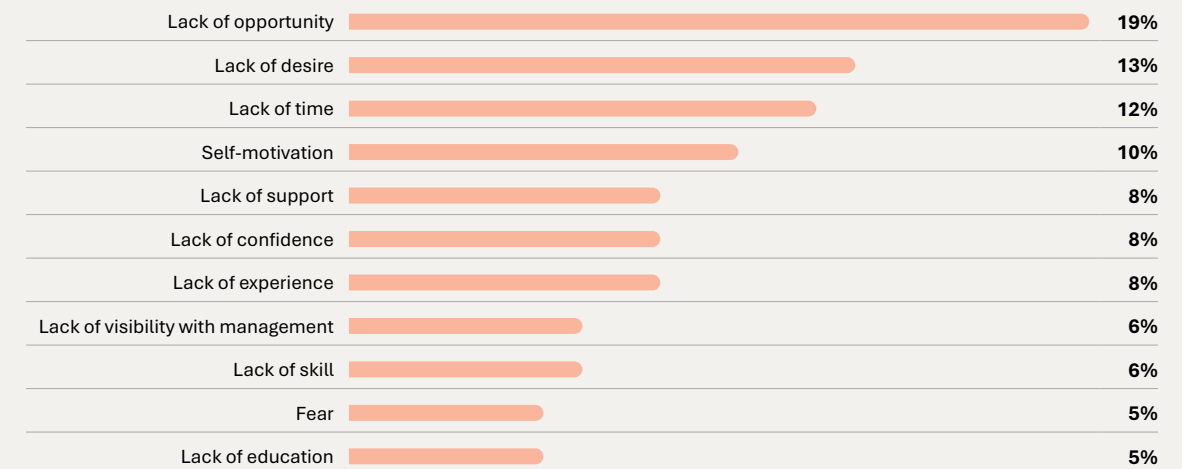
LACK OF OPPORTUNITY, by region

Share of workers who feel stymied by a lack of opportunity.



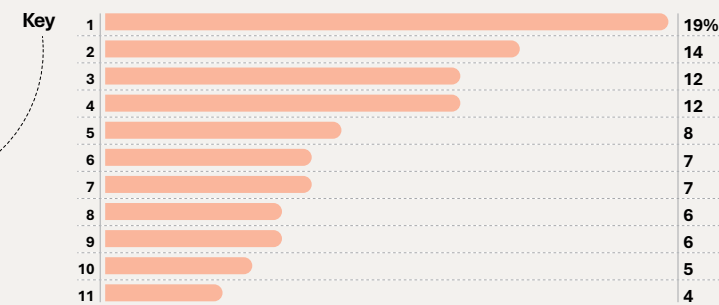
BARRIERS TO CAREER ADVANCEMENT

What's keeping you back? Many workers blamed their lack of advancement on their employers.



U.S. respondents

WHAT DO YOU SEE AS THE BIGGEST BARRIER TO ADVANCING TO THE NEXT LEVEL OF YOUR CAREER?



SKILLS OPPORTUNITY TAKEAWAY

Career growth shouldn't be a priority only for workers. By investing in their employees and building on the talent already at hand, employers, too, can benefit when workers advance. The arrival of artificial intelligence has handed employers an ideal moment to turn their

attention to their greatest resource. Just making workers aware of upskilling offerings and career advancement opportunities can help foster positive changes in employee sentiment. And workers who are engaged on the job are more productive and more likely to stick around.

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Source: ADP Research
Global Workforce Survey

Employee engagement hits a record

More employees were engaged on the job in 2024, continuing a post-pandemic trend.

Nearly 1 in 5 workers worldwide reported being fully engaged on the job in 2024, a record high in data going back a decade. It was the third straight year that the share of engaged workers grew.

The global share of engaged employees now stands at 19 percent, 5 percentage points higher than its pandemic low of 2020, when only 14 percent of workers reported feeling fully engaged on the job.

WHAT IS ENGAGEMENT?

ADP Research has been tracking worker engagement around the world for 10 years. We define engagement as the emotional state of mind that causes people to do their best work and do it sustainably. This means they're doing their best work now and are likely to continue doing it.

Engagement is an important metric. Our research has established a strong connection between a person's level of engagement on the job to their level of productivity and

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loyalty to their employer. All organizations, big or small, want to retain workers and enhance their productivity. As such, all employers have an interest in fully engaging their workforce.

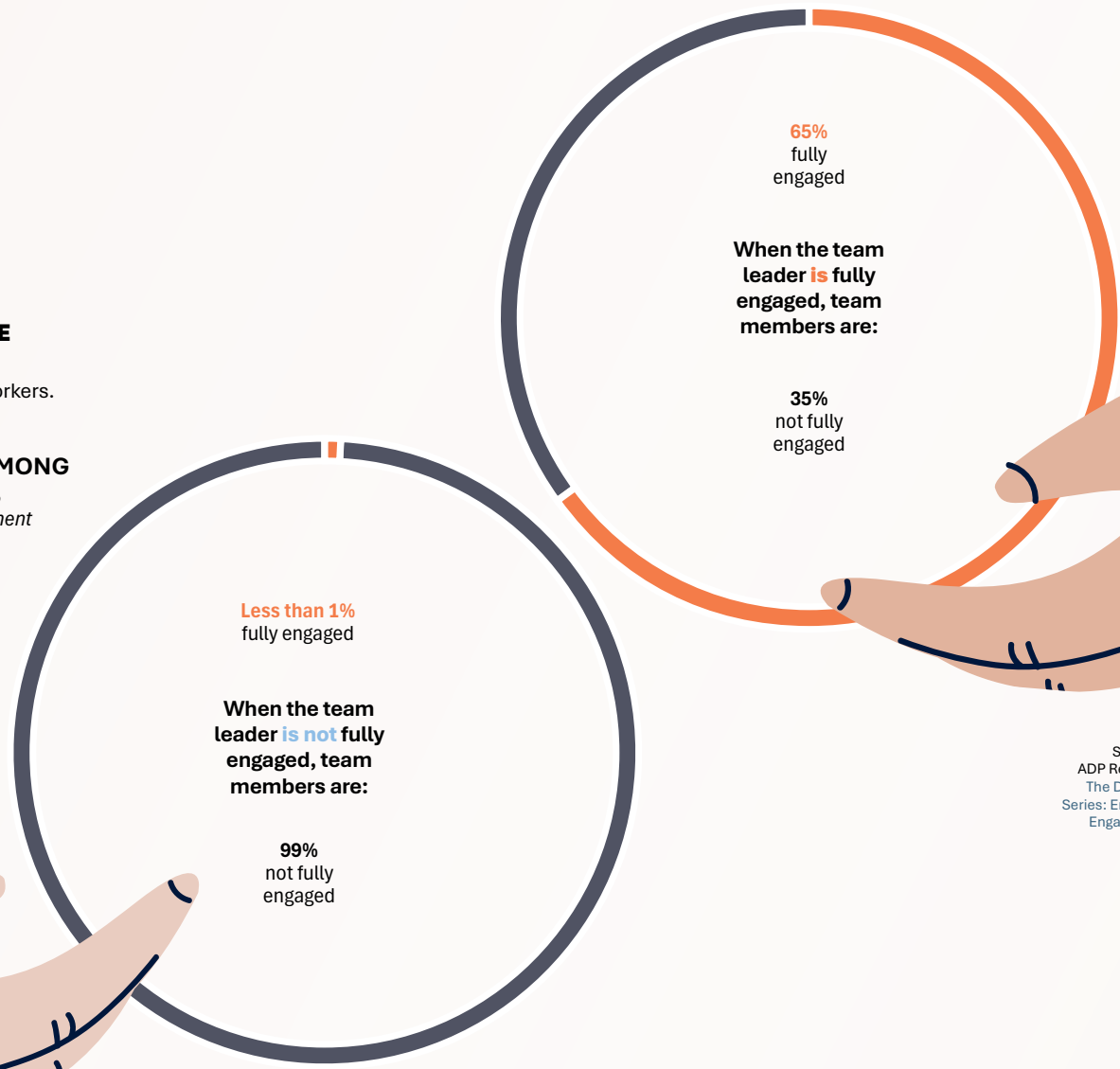
Source: ADP Research Global Workforce Survey

LEADERS MAKE THE DIFFERENCE

Engaged leaders make for engaged workers.

ENGAGEMENT AMONG TEAM MEMBERS,

By leadership engagement



SOURCE: ADP Research, The Definitive Series: Employee Engagement.

BY THE NUMBERS

Being on the best team is strongly related to higher engagement

55%

People who feel they are on the best team who report full engagement

10%

People who are not on the best team who report full engagement



% OF FULLY ENGAGED WORKERS, U.S. workers

Office / on-site	24%
Remote	16
Hybrid	31

WHERE WORK IS HAPPENING

U.S. workers

Office / on-site	65%
Remote	17
Hybrid	18

BY REGION

Asia-Pacific

Office / on-site	60%
Remote	11
Hybrid	29

Europe

Office / on-site	59%
Remote	11
Hybrid	30

Latin America

Office / on-site	49%
Remote	12%
Hybrid	39%

Middle East / Africa

Office / on-site	46%
Remote	12
Hybrid	42

North America

Office / on-site	59%
Remote	19
Hybrid	22

GEOGRAPHY MATTERS

When we look at worker engagement by region, stark differences emerge. Economic, social, and political conditions can affect how workers think and feel.

The Middle East / Africa had the biggest gain of any region, with the share rising 3 percentage points to 25 percent.

North America fared poorly, with worker engagement falling 2 percentage points year over year. The decline was driven by Canada, where the share of engaged employees fell 3 percentage points to 18 percent.

In Europe, Poland, the Czech Republic, and the Netherlands were among the world's biggest losers when it came to engaged workers, pushing the entire 10-market region down in 2024.

Worker engagement was steady in Latin America.

THE TAKEAWAY

It's difficult to overstate the value of employee engagement. ADP Research has shown that engaged workers are more productive, less likely to quit, and generally just happier with their jobs.

The good news for employers is that engagement can be nurtured. A productive first step is to empower workers to make decisions about where they do their jobs, be it always on site, or mixed with quiet days from home.

When employers provide workers a choice, and give them the boost of high-performing teams, everyone, regardless of where they work, can reap the benefits of engagement.

A red door is set in a concrete wall. Above the door is a white sign with the word "EXIT" in red, flanked by two red arrows pointing outwards. The door is slightly ajar, revealing a bright white light from the other side. The wall is a textured, grey concrete.

EXIT

**A LACK OF ON-THE-JOB
TRAINING CAN PROPEL
EMPLOYEES TO THE EXITS.**

Today at Work

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