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YOUTH EMPLOYMENT ACCELERATOR

SKILLING REVOLUTION: EMBRACING AI-DRIVEN CHANGE IN THE GBS AND DIGITAL SECTOR

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BPESA Business Process Enabling South Africa

G:ENESIS UNLOCKING VALUE

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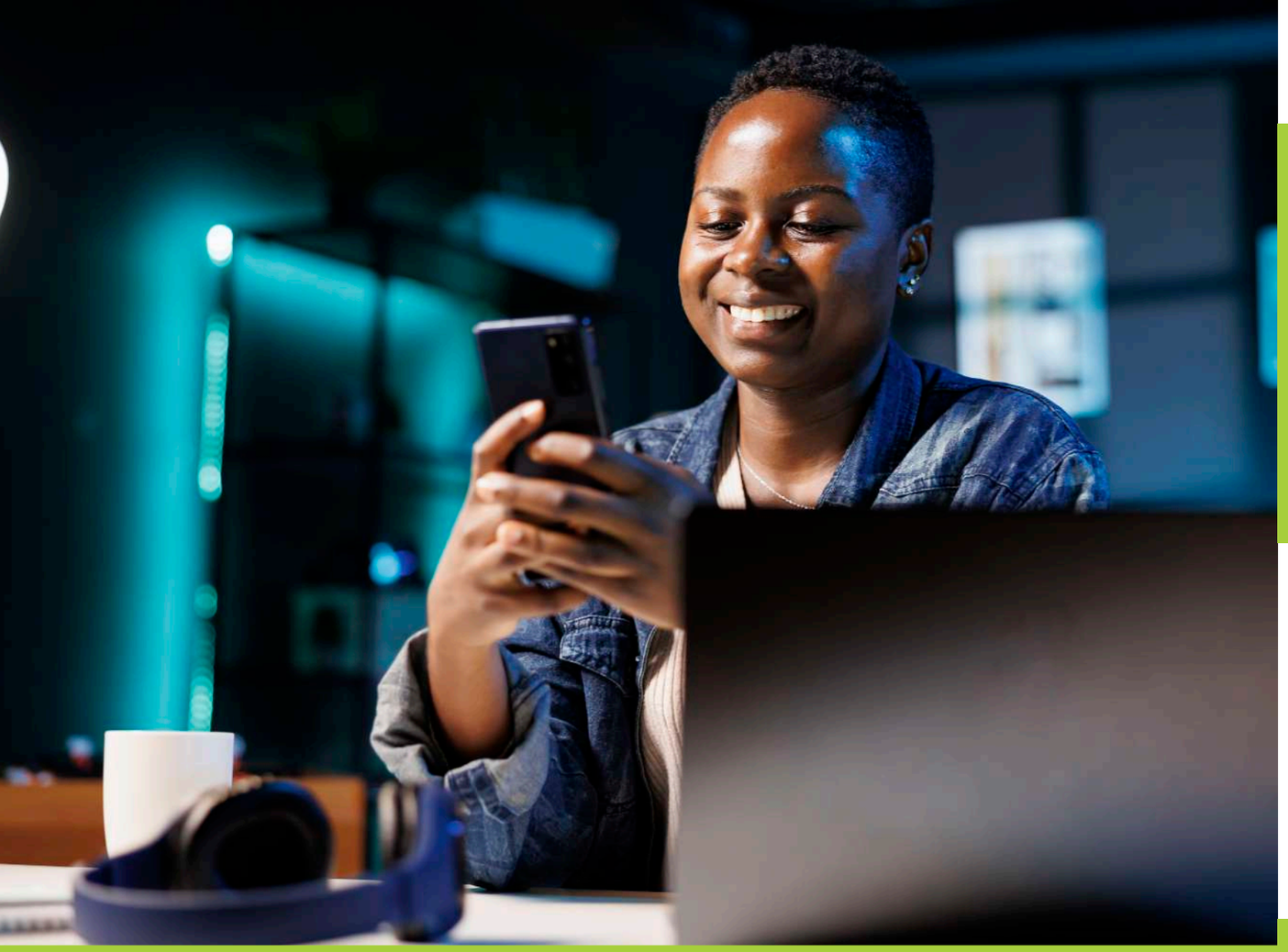
Artificial Intelligence (AI) is increasingly integrated into the Global Business Services (GBS) and Digital sectors. It presents both significant opportunities, like increased productivity and efficiency, and the critical need to fundamentally transform jobs for human-AI collaboration. From a study conducted by Genesis Analytics and Caribou Digital that looked specifically at the impact of AI on Africa's Business Process Outsourcing (BPO) and Information Technology-Enabled Services Sources (ITES) sector, task-level analysis indicated that over 40% of current tasks in Africa's BPO and ITES sectors are susceptible to automation, signaling the need for re-engineering of business processes. While this 40% represents an average susceptibility to automation across the BPO and ITES sectors, the study notes variations between different job families, with Finance & Accounting for example risking 44% of its roles being automated, Customer Experience at risk of **over 40%** and AI data services at risk of about 35%. This disruption **disproportionately affects junior, entry-level positions,** with over half of the repetitive tasks in roles like customer service, data entry, and administrative support facing automation. In contrast to junior roles, more complex intermediate and senior positions face significantly less automation risk, with senior roles being the most protected (only 4% of tasks are deemed automatable, while **40% of tasks** are considered resilient- meaning they are expected to remain primarily human driven). Positively, the largest projected impact is not job replacement but rather augmentation and transformation of roles. Generative AI has the potential to increase worker productivity by an average of **14%, with gains as high as 34%** for less experienced agents. Likewise, AI could reduce **operational costs and errors,** free up worker time, and **empower employees** to perform a wider range of expert tasks, among others. These contextual changes are fundamentally shifting employer demands as well as approaches to skilling. According to skilling providers interviewed as part of this research, employers' demands are broadly shifting from requiring standalone technical skills, like coding or software engineering, to increasingly showing preference for a more integrated set of technical and human-centric competencies to maximise the potential benefits of AI. Below we present the skills and approaches to skilling that skilling providers and youth identified as essential for success in this continuously evolving AI- influenced landscape.

WHAT SKILLS DO YOUTH NEED TO THRIVE IN AN EVOLVING GBS AND DIGITAL SECTOR?

Insights were gathered through one-on-one Key Informant Interviews (KIIs) and group discussions with youth part of skilling programmes (total of three reached) and senior leadership (total of two reached) from two skilling partner programmes. According to skilling providers and youth, youth will need to develop a blend of both technical and human-centric skills in order to thrive in the evolving GBS and Digital sectors. Skilling providers noted that key technical competencies include

- **AI literacy,** which is the ability to use tools like generative AI effectively while understanding their limitations;
- **Data competencies** that encompass a range of foundational skills such as data management and analysis to advanced data storytelling skills that involve the ability to translate complex data into compelling narratives;
- **Responsible technology deployment,** covering automation, cybersecurity, and data governance
- **And lastly, forward looking technical skills** such as prompt engineering and machine learning (ML) were also discussed as important competencies for specific roles and are being integrated into skilling programmes



More importantly, however, both skilling providers and youth noted that it is the uniquely 21st century skills such as **critical thinking, communication, and empathy** that are becoming the most essential for young people to succeed, with a focus on abilities that complement rather than compete with AI. These human-centric skills are critical to evaluate AI outputs, ensuring accuracy, fairness, and ethical compliance. To impart these 21st century skills skills, skilling partners are utilising a range of methods including dedicated foundational training modules that cover professional competencies such as communication, experiential learning through real world simulations that allows learners to collaborate and navigate different team dynamics, and putting an emphasis on self-reflection and behavioural feedback which allows for critical thinking. In addition, skilling providers believe youth will equally need to remain **adaptable and embody a mindset of lifelong learning** in order to keep pace with rapid changes. Lastly, **strong communication and emotional intelligence** are also considered core skills that will allow young people to manage both team collaboration and customer relationships. Developing a combination of these skills and competencies will position youth as well-rounded professionals who are able to not only apply technical tools for productivity but also critically evaluate AI outputs, translate complex data into business insights, and deploy technology in a secure and ethical manner.

> **“I’d say I think the skills that are really gaining value as we speak are the soft skills. Communication, resilience, just being humble, things like that… if you’re really good at doing that and you add on your tech skills, you’re going to be very valuable to the company that even if there was an AI that could do what you’re doing, they wouldn’t replace you.”**
> *Youth participant*

While youth are broadly aware of AI tools, the application of these tools in professional and educational settings is mixed and rapidly evolving. Specifically, while youth in work indicated limited examples where AI was currently being used in their work, this was different for youth in skilling programmes mainly because some skilling providers are beginning to formally integrate AI into their curricula. One multi-national skilling provider for example has introduced modules on how to use different AI tools, write effective prompts, and understand AI ethics. Outside of these formal contexts, youth themselves are also demonstrating significant personal initiative by independently using a wide range of AI tools for writing, content creation, and in technical fields such as software engineering for self-teaching. Broadly, youth are relying on tools such as Grammarly, ChatGPT and Canva among others

> **“I’m new to the job, but especially on emails, like if I write an email, I make sure to take it there [copilot] and make sure is this the correct grammar? Is there a better way for me to write this? Is my point coming across as it should be? So, stuff like that.”** Youth participant

> **For my recent project… I came up with some of the codes on my own, but some I completely had no idea where they were going to come from. And so, I wrote a prompt [for Chat GPT]… and it just taught me… a lot of times you have to do a lot of self-study so it acts as a teacher, [it] teaches me and can explain even if I know nothing.”**
> *Youth participant*

INNOVATIVE SKILLING MODELS THAT MEET THESE NEEDS

Leading skilling providers are not just teaching AI tools, but they are instead pursuing innovative approaches that blend technical training with the essential human skills needed to thrive in this new AI influenced landscape. This stems from the GBS and Digital landscape being redefined by AI.

And it becoming increasingly clear that the skills needed to thrive are not necessarily AI specific but rather human-centric. The following case studies of ALX, operating in Rwanda, and The Collective X, operating in South Africa, showcase two distinct models that offer key insights for the broader skilling ecosystem.

ALX

ALX's skilling model is demand-led and learner-centred. It uses insights from companies to refine its programmes. While also pursuing a learner-centred approach that empowers youth to take ownership of their educational journey. A key innovation is its layered structure, where all learners first complete a mandatory three-month **"Professional Foundations"** programme to cultivate essential 21st-century skills like critical thinking, communication, and time management before starting their technical training. The professional foundations course is specifically designed to close the gap in essential human-centric skills often reported by employers. The learning journey is grounded in a "learn-by-doing" methodology, which uses real-world projects and entrepreneurial challenges to ensure graduates are not just technically skilled but fully prepared for the professional environment. Given the rapid evolution of AI, the ALX model also implicitly prepares learners for lifelong learning, equipping them with the mindset needed to continuously adapt throughout their careers.

ALX is proactively adapting its model, in response to the rise of AI, but this process is not without challenges. ALX is embedding AI modules directly into all technical and non-technical tracks, launching **new introductory courses** like **AI Career Essentials** (which includes an introduction to AI including effective prompting and how to leverage AI to be more efficient while remaining ethical), **piloting advanced programmes** such as **AI for Devs** (a revamped version of ALX's Back-End and Front-End Development tracks. ALX is also reimagining our Software Engineering programmes to align with the rapid changes shaping today's tech landscape. ., ALX is also **encouraging cross-skilling** to enhance learner adaptability. However, this dynamic model faces hurdles, including a curriculum lag, where the speed of AI development means that content can become obsolete quickly; trainer readiness, which requires **continuous reskilling of facilitators;** and managing **complex employer expectations,** which demand that graduates are both proficient with the latest AI models and possess the critical judgment to use them responsibly. These challenges underscore the increasing relevance of Work-Integrated Learning (WIL), as it provides learners with real-time exposure to how AI is being applied in the workplace, complementing formal training in the context of rapid technological shifts

> "We've embedded AI modules into data science, software engineering and even non-technical tracks like virtual assistants. We have also created a course that is called 'AI Career Essentials ' for people who want to get an introduction to AI and how to leverage AI to be more efficient in their jobs.
>
> The way of learning is also changing and some curriculums are becoming obsolete. We are now really revamping our front end and backend courses where we are piloting a new course called 'AI for devs' to really prepare software engineers for an AI augmented world. Another thing that we do, we encourage cross-skilling. For example, a data analyst learning prompt engineering or a Virtual Assistant learning to automate."
>
> *ALX Management*

COLLECITIVE_X

Collective_X
Unleashing digital skills, together

CX's core mission is to build a robust, inclusive, and work-ready pipeline of entry-level Digital talent by directly aligning and providing youth with skills that match employer needs. CX operates as a demand-led model where it first secures formal hiring commitments from employers through Letters of Intent (LOIs). It then orchestrates a rigorous process to match this guaranteed demand with vetted training partners, ensuring skilling is precisely aligned with available jobs and inclusive hiring targets. The core hypothesis of CX's model is that WIL, like an apprenticeship, is the most effective way to prepare youth for Digital jobs. In the age of AI, CX is exploring more efficient ways to deliver its WIL model. For instance, in 2026, it plans to test two innovative approaches. First, a Bootcamp Model offering a shorter period of combined technical and soft skills training for youth from Technical and Vocational Education Training (TVET) colleges and high schools, that responds to the rapid changing nature of requisite skills for this employment landscape. Second a Try Before You Hire Model which is intended to provide employers with youth on a trial period before making a hiring decision. This second model is tailored for TVET, school leavers, and university graduates who would complete a short soft-skills module before their trial period to develop the critical skills employees have flagged as often missing in prospective candidates.

The ALX and CX's models illustrate that the future of skilling in the AI era is not about choosing between technology and human-centred skills, but about integrating them to build a resilient, adaptive, and future-ready workforce. Key learnings on how best to do this, and to thrive in the GBS and Digital sectors with AI are presented below.

> "We're always looking for ways in which that work integrated learning could be delivered at a shorter period at a lower cost with the same kind of impact...What we're about to try and understand a little bit more is two models which we plan to test in 2026. The one is what we're calling a boot camp model which is a little bit of technical training combined with this kind of soft skills for a period of time. And then we want to test a 'try before you hire model' where employers would have a trial period with these young people before they get to make an offer. But underpinning that you'll see the common thread is the soft skills that we think are the magic to what needs to be built and just either built or finessed for schooling and post school students."
> *CX Management*

EMERGING KEY LEARNINGS FOR GBS AND DIGITAL ECOSYSTEM ACTORS

Skilling providers

AI literacy should be embedded as a core component across all training programmes from the outset. The curriculum should not only focus on how to use AI tools but also their context and limitations to build the competencies needed for young people to effectively work alongside AI.

As AI makes technical knowledge more accessible, the true differentiator for young talent is building human-centric skills. Competencies like critical thinking, adaptability, and empathy are increasingly driving hiring decisions. Skilling providers must intentionally integrate human-centric skill development into the core of their curricula.

The adoption of AI introduces significant ethical risks, including data privacy breaches and the potential for algorithmic bias which could unfairly disadvantage some youth groups, among others. **Skilling providers therefore should integrate AI ethics and responsible governance into their foundational curricula for two main purposes.** First, they must ensure their own AI-influenced processes, such as recruitment or assessment tools, are rigorously audited and designed to be free from bias, thereby removing potential barriers to participation for any youth groups. Second, they should aim to go beyond theory and instead use practical, real-world scenarios, for example the risks of inputting sensitive customer data into public AI models, to ensure that young people understand how to use these tools safely, responsibly, and without perpetuating bias themselves.

Programmes should be agile and learner-centred, avoiding rigid curricula and instead maintaining constant dialogue with both employers and learners to ensure their programmes are co-created and remain relevant to the changing market. This is especially important given the emergent nature of AI, meaning many employers are still defining their own AI strategies and needs, creating an uncertain and rapidly evolving demand landscape for skills that equally demand agility.

Employers

Employers must shift from being passive consumers of talent to active co-creators of it. Skilling providers cannot effectively prepare an 'AI-ready' workforce without clear demand signals. This requires employers to partner directly with training institutions to co-design curricula, provide mentorship, and define clear use cases and internal policies for how AI should be used in the workplace. This collaboration de-risks the training process and ensures graduates have the specific, relevant skills employers actually need.

Policymakers and funders

In a fast-paced, AI-influenced sector, effective and sustainable impact comes from skilling models that are inherently flexible, adaptable, and demand-led. Therefore, **funders should prioritise investments in flexible and adaptable learning models that challenge conventional approaches** that skill for the sake of skilling and that prioritise the attainment of formal qualifications rather than aligning training directly with current labour market demand. This means directing capital towards skilling providers who demonstrate a demand-led methodology, a capacity for rapid curriculum adaptation, and a focus on holistic, real-world skills to build a resilient and future-ready youth workforce.

Policymakers have a critical role in creating an enabling environment. This includes promoting skills-based hiring that values demonstrated competencies, which can create more inclusive pathways for youth. Furthermore, it is crucial to create a supportive environment for local AI experimentation to ensure that Africa's youth become creators of AI, not just consumers.

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