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EXECUTIVE SUMMARY

AI Readiness: Building the Bridge from Higher Education to Work

How institutions and employers can reduce friction and deliver AI-ready graduates

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AI Readiness Is a Transition Challenge — and a Shared Responsibility

Preparing graduates for an AI-enabled workforce, and ensuring they can work effectively alongside intelligent systems, are now widely recognized as strategic imperatives. Yet graduate AI readiness remains inconsistently realized across the pathway from education to work. Drawing on a six-country study across Brazil, Malaysia, Saudi Arabia, the United Kingdom, the United States, and Vietnam, comprising 2,711 learners, higher education leaders, and employers, this research identifies a systemic pattern: AI readiness does not falter at the point of intention. It falters at the points of alignment and execution, where what institutions deliver and what employers require have not been synchronized, and where learning is expected to translate into applied capability at work.

The transition between higher education and work has always been a source of friction. AI did not create this challenge, but it has compressed timelines, raised stakes, and reduced the margin for error. Learners are using AI widely, institutions are investing, and employers are hiring. Yet more than half of employers (53%) say their primary challenge is finding graduates with the right skills, and many graduates struggle to demonstrate applied AI capability at work. Employers rate graduates' ability to critically evaluate AI outputs as their weakest competency, even as 78% of higher education leaders express confidence that employer expectations are being met. Only 24% of all respondents believe universities are keeping pace with AI-driven change. These gaps are not about intent. They are about the system's ability to deliver readiness at the speed and depth this moment demands.

Pearson and AWS approach this challenge from complementary positions across the education-to-work continuum. Pearson brings deep expertise in learning science, assessment, education systems and workforce learning — where readiness develops. AWS brings frontline insight into how AI is built, governed, and used inside modern organizations — where readiness is tested. Together, **we define AI readiness as the human capability to work effectively alongside intelligent systems: an integration of functional AI proficiency, strategic intelligence, ethical stewardship, and critical human skills** such as adaptability, communication, and judgment. At its best, AI readiness strengthens the bridge from education to work. At its worst, its absence compounds longstanding weaknesses in that bridge.

The AI Readiness Friction Framework

To move from ambition to action, this research synthesizes survey and interview data along with secondary research to introduce the AI Readiness Friction Framework. The evidence shows that failure is not random; it clusters around six compounding friction points that slow progress precisely when speed matters most:

Pace
The widening gap between the speed of AI-driven workplace change and the slower cadence of curriculum and institutional decision-making.

Connection
Weak feedback loops between education and employers, reducing alignment between workforce needs and learning design.

Capability
Uneven faculty and instructor AI capability, limiting consistent integration of AI into learning experiences.

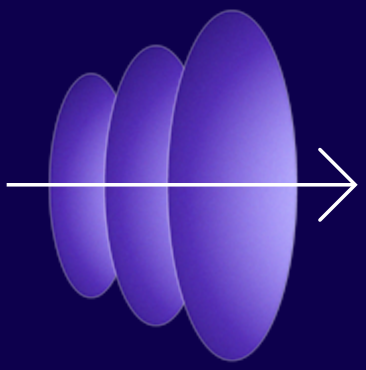
Governance
The absence of clear, practical guidance translating AI access into responsible, governed practice, resulting in shadow AI use that carries risk into the workplace.

Experience
A disconnect between access to AI tools and structured opportunities to practice, apply, and demonstrate real-world capability.

Skills
Misalignment between the capabilities graduates demonstrate and the applied judgment, adaptability, and collaboration employers require in AI-enabled roles.

These frictions reinforce one another across educational and workplace systems. Capability constraints limit applied experience; pace overwhelms governance; weak connections delay labor-market signals. Rather than prescribing one-size-fits-all solutions, the framework identifies where and why readiness stalls across the learning-to-work pipeline. The framework enables leaders to diagnose where friction is most acute in their context and target intervention at root causes rather than symptoms.

What leaders must do next



The evidence points to a shared *direction in preparing graduates for AI-enabled work* but a blocked path. Progress now depends on reducing friction across the education-to-work pathway over issuing further declarations of intent.

Start with diagnosis. The report includes a self-assessment that enables leaders to identify which frictions are most acute in their context and prioritize action accordingly.

For higher education leaders

Bridging the transition from education-to-work requires action across all six friction points simultaneously rather than in isolation. The cadence of curriculum development must accelerate through modular design, stackable credentials, and faster review cycles. Employer feedback loops must become structural and ongoing, not episodic, so that curriculum developers embed workforce signals faster. Faculty AI capability must be treated as core institutional infrastructure, not one-off training interventions. Governance frameworks must move beyond prohibition toward guidance that makes responsible AI use a visible, habitual part of everyday learning and assessment. Applied, credit-bearing experience with AI in authentic workplace scenarios must be the rule rather than an exception. And, ultimately, the skill competencies that graduates attain should reflect the full set of capabilities that employers require: functional AI proficiency, strategic intelligence, ethical stewardship, and critical human skills.

For business leaders

Graduate AI readiness is not an upstream problem for higher education to solve alone. Employers who clearly communicate their workforce needs, co-design learning with educators, and open structured pathways for students to engage with real work will close the gap faster than those who wait for universities to catch up. The AI habits students develop during their education, how they use, evaluate, and govern AI, carry directly into the workplace. Employers should treat educational partnerships as a strategic investment: actively helping to shape graduate AI readiness rather than merely expecting it.

Pearson and AWS share a core conviction: AI readiness is not owned by higher education or industry alone. It is built, or broken, in the transition between them. Building that bridge requires educators and employers to act together, with urgency, and with the framework this research provides.

Reduce friction. Build the bridge.

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Read the full report: **pearson.com/ai-readiness**