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Stuart Strome ([stuart.strome@gartner.com](mailto:stuart.strome@gartner.com)) is the Director of Research in the Gartner Legal, Risk & Compliance Practice in Arlington, Virginia, USA.

# How to address the technical skills gap compliance will face due to AI

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By Stuart Strome

In 2023, it's fair to say generative artificial intelligence (AI) made a lot of headlines. The speed with which large language model (LLM) AI tools came into widespread use is quite unprecedented, and while Gartner experts placed the technology at the “peak of inflated expectations” in its Hype Cycle for Emerging Technologies in August 2023, they still see it having a profound impact on business and society.<sup>[1]</sup>

Generative AI presents a dual challenge for compliance functions: They must find ways to use it to boost the function's productivity while at the same time ensuring their wider organizations are compliant with a growing and increasingly complex patchwork of global regulations.

This will require technical skills that most compliance departments currently lack. In terms of adopting new technology, it could be argued that compliance functions can move at the pace at which they can acquire the skills they need.

In fact, compliance functions that drag their feet will expose their business to risks in the current environment of growing workloads, flat budgets, and falling headcounts.

Without appropriate technology, it will become increasingly difficult for compliance teams to predict, monitor, and mitigate noncompliance effectively in their organizations. So, the compliance function must access the technical skills that will enable it to stay on top of its responsibilities.

Moreover, the need for new technical skills won't end there because, aside from operations, compliance officers themselves will need a greater level of technical knowledge to properly understand new legislation requirements and whether their organizations' activities meet such standards.

The salient implication here is that compliance departments must find a way to build up the technical skills in the function. They must also do so at a time when they face enormous competition for these skills—from other functions in their company and external organizations.

## Rethink recruitment

Given that expertise in such in-demand areas will be in short supply, compliance departments cannot hire based solely on prior experience or hire for all in-demand skills. Compliance leaders must make trade-offs among the skills they need in their department and consider hires they typically might not, such as those with lower levels of experience.

A key priority should be identifying talent gaps in the department and developing a list of the skills needed to ensure regulatory compliance. Then, triage skills based on their urgency, criticality to the department, and potential for them to be upskilled or trained later. Hiring is going to be challenging and costly, so it is important that compliance leaders understand what skills and qualifications they cannot develop in-house and focus their recruitment efforts accordingly. This process will likely focus recruitment on technical skills not directly pertaining to compliance, such as data science.

In the long term, compliance departments must ensure they are attractive to candidates with in-demand skills and consider hiring for dedicated technical roles, such as technology specialists. This will likely mean partnering with human resources to develop a talent recruitment strategy focused on meeting employees' escalating expectations to entice top candidates.

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