The Guide to Upskilling and Reskilling Employees

Namely

Contents

Introduction

<u>Over half</u> of senior leaders believe their employee and leadership development strategies do not cultivate integral skills and business potential. Yet, with the global workforce evolving and the job market growing, efforts to attract and retain top talent are set to extend into long-term strategic planning for organizations across the globe.

Instead, businesses are encouraged to invest in **upskilling** and **reskilling** their workforce. Upskilling and reskilling boost recruitment strategies due to prospective employees valuing professional development opportunities. It's also a great retention opportunity for employers to advance their workers' careers within the organization.

With online education and certification programs becoming more widely available and affordable, it is more accessible for employers to support formal upskilling and reskilling resources. These are are a win-win situation for organizations that choose to invest in adequate training, resources, and support.

Upskilling and Reskilling Your Workforce

While hiring and retention has been a core focus for most businesses, it has become increasingly difficult to attract and retain top talent. With the global workforce constantly changing and creating an unpredictable economy, from remote and hybrid work options to automated and AI-focused efforts, upskilling and reskilling have become more practical, effective recruitment strategies.

According to LinkedIn, members' skills for the same role changed by roughly 25 percent between 2015 and 2021. By 2025, members' skills for the same role are expected to change by approximately 40 percent. The hard reality that many businesses are facing, perhaps as a post-pandemic "new normal," is that the current workforce's skills are no longer meeting the skills required to effectively perform in their roles.

The demand for upskilling and reskilling will increase as the emphasis on learning and development continues to drive future efforts. A 2020 LinkedIn report found that 94 percent of employees would stay with a company longer that provided more learning and development opportunities. Additionally, "opportunities to learn and grow" is the top driver of a great workplace culture (up from #9 in 2019).

Upskilling vs. Reskilling

So what is upskilling and reskilling? And why does it matter to you?

Upskilling strengthens current skill sets through additional training or education, whereas reskilling involves acquiring new skills to fulfill a new role. Reskilling and upskilling provide unique value props to employees and employers alike.
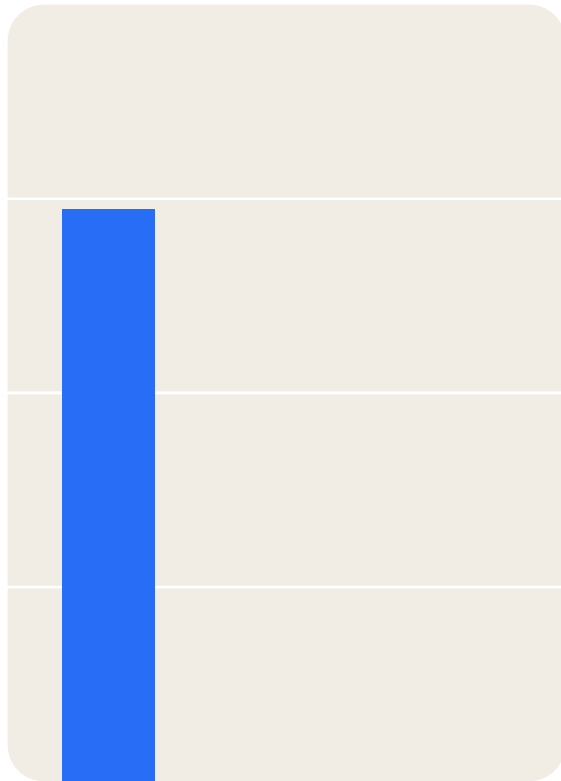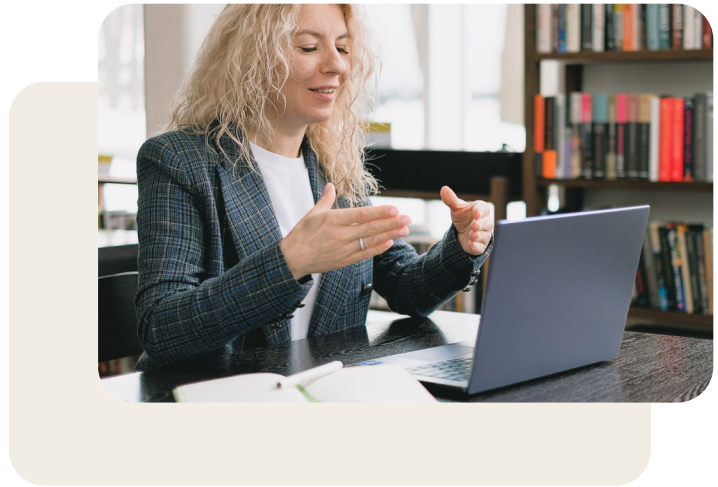
U.S. Chamber of Commerce Foundation reported that 74 percent of hiring managers recognize the current skills gap in today's workforce.

Benefits of Upskilling

- **Opportunity for higher salary.** Sharpening skill sets can lead to higher productivity, quality output, and an elevated sense of purpose, which can open doors to promotion.

- **Enhance existing skill sets.** No harm in brushing up on current skills! Help your employees become the best in their respective fields by enhancing their already-superb skills.

- **Potential career change.** Sometimes employees have reached the peak of their careers within a department of an organization. Instead of turning to a new opportunity, upskilling can provide them the resources they need to succeed in a new career path at your company.

- **Support recruiting efforts.** Upskilling is seen as an investment in professional growth, which is a highly sought-after benefit that today's top talent demands. Strengthen your recruiting efforts by showing employees you truly care about their personal and professional development.
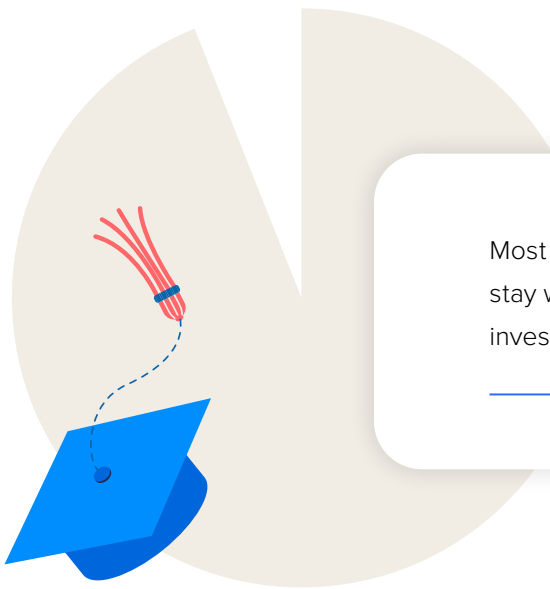
Most employees (94 percent) stated they would stay with their current employer if their company invested in professional growth opportunities.

6 Steps to Upskill Your Employees

1 **Identify Skills Gaps.** Start delving into your organization, from departments down to individual employees. Which departments are thriving? Which ones need some improvement? What are the issues – short staffed? Obsolete positions? Demand for new positions and skills? Evaluate where in your organization you might have skills gaps.

2 **Establish Goals.** What is your intention? Simply to close the skills gap? Or perhaps a more comprehensive objective to boost an entire department? Whether you want to focus on individual employees or entire departments, make sure you clearly communicate the intended mission and highlight your expectations.

3 **Design a Professional Development Plan.** You've identified the problem and set a goal – now you need to map a plan to attain it. Draft a detailed plan, including stakeholders, implementation of the program, measurement, and opportunity for feedback.

4 **Implement the Plan.** Move forward with your plan for implementing the program.

5 **Measure and Analyze Results.** Hopefully in your planning stages, you defined ways to measure your results. Take time to carefully review the results – where can you improve? What worked well? Are there additional items that need to be addressed?

6 **Adjust Plan as Needed.** Based on your results, adjust your program as needed. If you need to invest in an external resource, such as an industry consultant, to help guide you in best practices or add more value to your existing program, explore your options.

World Economic Forum predicts that more than 40 percent of the global workforce will require reskilling by 2025.

Benefits of Reskilling

- **Prevent burnout and turnover.** Whether from natural demands of your industry or influences from the current state of the economy, staffing shortages and technology advancement can lead to employee burnout and turnover. Reskilling offers your employees an opportunity to learn new skills to either keep up with their current role demands or find a new role that challenges them to stay.

- **Reduce layoffs and rehiring**. Oftentimes, when a role becomes antiquated, employers terminate or lay off the impacted employee(s). However, reskilling can provide employees and employers another option that not only helps retain current talent, but also offers an opportunity for the employer to save the money it would otherwise cost to rehire or train a new employee.

- **Boost cost savings.** DYK: the average cost of hiring a new employee is $4,000? Hiring a new employee typically involves recruiting, interviewing, hiring, and onboarding, which can not only hit hard on the budget, but also consume valuable time of current staff, including yourself. Reskilling typically involves a small investment in specialized training for a distinct skill. Reskilling employees saves time and money because current employees are already familiar with company policies and procedures and most likely contribute to a positive workplace culture.

$4,000

Average cost of hiring a new employee

6 Steps to Reskill Your Employees

1 Determine Position Availability and Future Opportunities. First and foremost, your goal is likely not to layoff or terminate employees if there is an opportunity to reskill. Take a look at your organization and see where you have vacant positions and/or potential for future opportunities.

2 Prioritize Essential Skills. Next, determine which skills are most important to you and your company. If it helps, try ranking the skills by level of necessity to continue success. For example, if you are looking to implement or you recently updated your technology, reskilling may be critical to supporting your organization's technology stack.

3 Nurture Transferable Skills. Though the aim to reskill employees is to develop new skills, some employees might have background knowledge or education in those skills. Utilize your database to identify potentially transferable skills and determine ways to nurture them.

4 Incentivize Reskilling. Learning a new skill set can be intimidating. Be sure to communicate the importance of reskilling in your organization and the support you will be providing them. One way to offer reassurance to your employees is to incentivize reskilling through performance milestones or opportunities for raises and promotions.

5 Conduct Training and Education. Developing new skill sets typically requires a mix of formal education and training. External educators and training programs often offer customizable courses to coordinate with specific organizational demands. For example, a team might participate in a group enrollment. Additionally, consider opportunities to cross-train employees. Whether it is to explore areas of interest in reskilling opportunities or simply figuring out where an employee might fit in a new department and/or role, cross-training can provide invaluable, transferable skills.

6 Collect and Analyze Success. One way to measure the success of reskilling is through the use of SMART goals. SMART goals provide "specific, measurable, achievable, relevant, and time-bound" individual and organizational objectives that can allow you to properly collect and analyze success, as well as make any modifications to your reskilling strategy.

In 2020, 87 percent of executives experienced skill gaps.

Upskilling and Reskilling at a Glance

Approximately 70 percent of businesses are focusing more on reskilling and upskilling than before the COVID-19 pandemic. To help businesses bolster their upskilling and reskilling efforts, here are some need-to-know factors to consider.

Top Skills in the Workplace

Soft skills refer to skills that are focused on interpersonal interactions, such as communication, empathy, and general social skills. They are also considered transferable skills, meaning that they are oftentimes difficult to learn and measure. Hard skills refer to typically job-specific skills that are teachable, such as technical and computer skills. Because of the [difficulty] to teach soft skills, they are often the most valuable job skills to learn.

Sixty-one percent of recruiters and hiring managers believe that soft skills are the most important, whereas 39 percent believe that hard skills are more important.

Soft Skills
Most Sought-After in the Workplace

Adaptability

Creativity

Collaboration

Self-Motivation

Problem-Solving

Communication

Time Management

Hard Skills
Trending in the Workplace

Digital Literacy

Data Analytics

Industry-Specific Tools
(i.e. accounting, scheduling, etc.)

Web Development

Cybersecurity

Social Media

Agile Project Management

Sources: Edyoucated, Forbes, Zety, Go Skills, Forbes

Top Skills to Learn by Industry

Here are a few role-specific skills that are highly sought-after in their respective industries.

Marketing

Copywriting

Digital Marketing and SEO

Graphic Design

Web Design

UX/UI Design

Video and Audio Production

Social Media Management

Project Management

Customer Relationship Management

Content management systems (i.e. WordPress)

## Technology

Computer Programming

Data Science and Analytics

Source: Career Contessa

Upskilling and Reskilling Trends to Watch

1 **Keeping Up with the Digital Revolution.** As technology continues to evolve, advanced skills are required. Not exclusive to IT roles, cross-department training will be necessary to remain literate with various digital tools.

2 **Adjusting to Flexible Work Arrangements.** While flexible work arrangements are not new to businesses, the COVID-19 pandemic has significantly impacted the way employees work. As an extension of the digital revolution and with more than half of the workforce working remotely, organizations will need to upskill and reskill to ensure employees continue to perform their jobs while working outside the office.

3 **Understanding Generational Skills Gaps and Interests.** Employees are undoubtedly interested in professional development. However, different generations may have skills gaps and varied interests. For example, Gen Zs likely want opportunities to move up and focus their training on leadership development. Whereas, generations like Baby Boomers might want to learn more on technology and digital strategies to compete with the younger generations.

4 **Developing Long-Term Strategies.** Upskilling and reskilling has proven to boost employee morale and retention efforts. With that in mind, businesses should focus on developing long-term strategies for professional growth to continue retention, engagement, and morale incentives.

Source: Robert Half
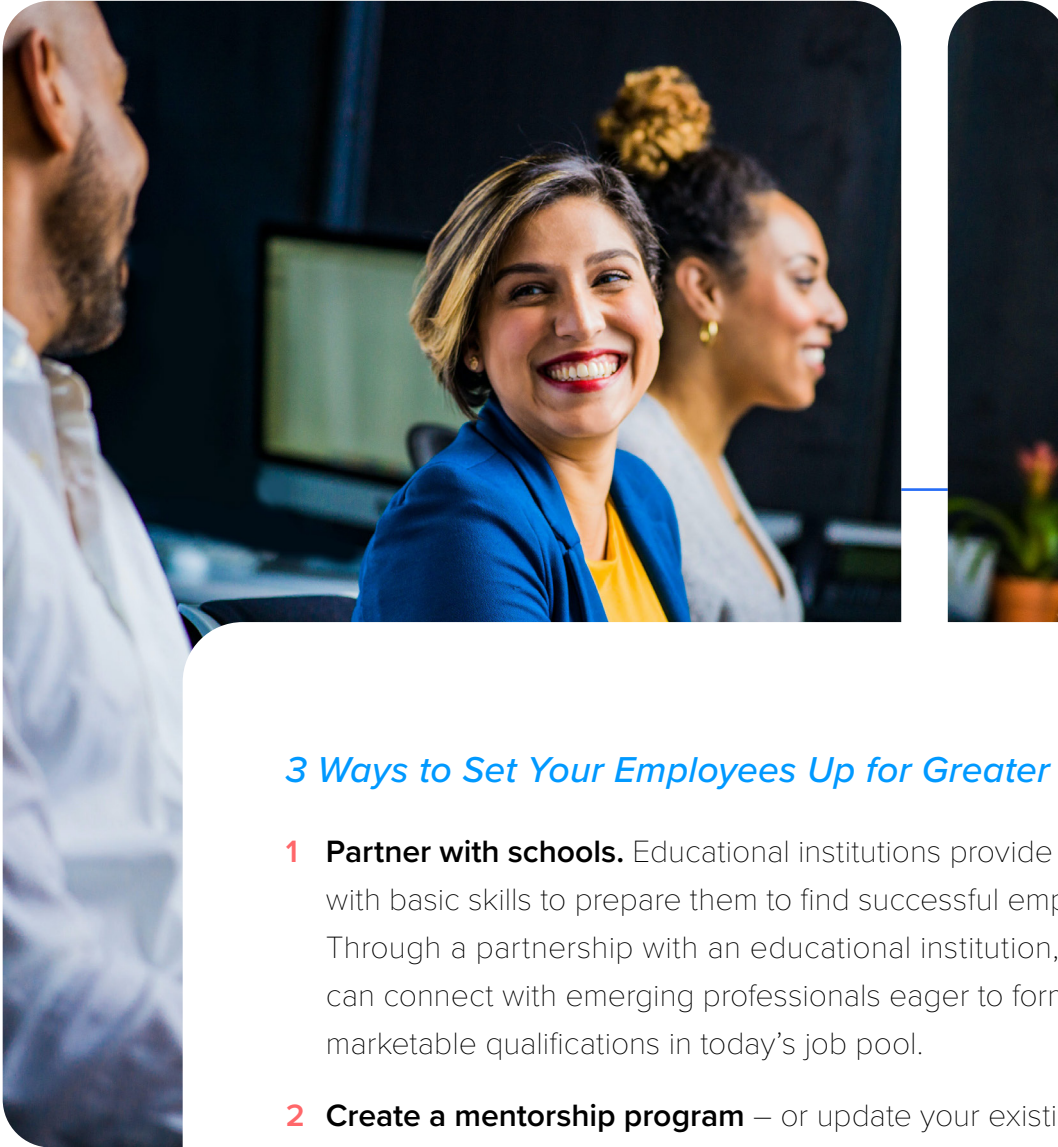
3 Ways to Set Your Employees Up for Greater Success

1 **Partner with schools.** Educational institutions provide students with basic skills to prepare them to find successful employment. Through a partnership with an educational institution, you can connect with emerging professionals eager to formulate marketable qualifications in today's job pool.

2 **Create a mentorship program** – or update your existing program. Mentorships can provide workers personalized training, access to expertise, and resources to thrive in your organization.

3 **Establish a recognition program.** While recognition and rewards might not be a direct way to boost employee development, it is a creative way to promote a positive employee experience. Work in ways to endorse reskilling and/or upskilling, such as celebrating milestones.

Source: Harvard Business Review

About Namely

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