

Why Both Upskilling and Reskilling Are Critical

Author: Fadzai Danha . July 2021

The World Economic Forum each year publishes a report entitled The Future of Jobs Report. This report gives in-depth findings on the state of jobs now and in the future. It essentially portrays the jobs and skills of the future whilst tracing the pace of change. According to the [2020 report](#), an estimated 40% of employees' essential competencies would change during the next five years. This means that half of all employees will need to retrain or upskill. The [2018 report](#) predicted that 75 million jobs would be lost in 20 major economies by 2022. At the same time, technological advancements and ongoing digital transformation are anticipated to create 133 million new jobs. This is only one year away. The annual L&D [Global Sentiment 2021 Survey](#) found that the number one priority for learning and development is upskilling and reskilling employees.

Individual employees will need to engage in life-long learning if they are to have satisfying and successful jobs as the sorts of skills required in the labour market change frequently. Companies will need to develop reskilling and upskilling plans to attract the talent they require and contribute to socially acceptable approaches to the future of work. More than a quarter of individuals in an OECD [World Economic Forum survey](#) "identified a mismatch between their present skill sets and the credentials necessary to accomplish their employment," according to the World Economic Forum. The way we work — and learn — is changing due to shifting demographics and the growth of technology and automation. These changes place more pressure on education to educate younger students for future occupations while also assisting the current workforce in upskilling and reskilling for employment of the present.

One way of preparing for the future is to plan for it by embracing Upskilling and Reskilling.

What is Upskilling?

Upskilling is the process of learning additional skills or enhancing existing abilities, often with the goal of advancement. An example of this is a lower-level HR employee obtaining qualifications that can result in them landing an HR management role.

What is Reskilling?

Reskilling is the process of learning new skills or receiving training for a new function, usually to transfer to a new career or sector. An example of this would be a driver who wants to become an engineer. They would need to reskill.

Why the need for Upskilling and Reskilling?

1. Closing the Skills Gap

There may come a time when job vacancies saturate the job market with no one suitable for filling them or many skilled job seekers but with skills no company is looking for. This mismatch makes it difficult for individuals to find jobs and for employers to find appropriately trained workers. One way of closing this skills gap is to upskill or reskill

2. Digitalization, robotization & automation

Technological advancements are exponentially accelerating. This has led to changes in customer needs and market demands. With this comes the need for new skills to match the changes. To keep up with the times, employees need to upskill or reskill.

The Benefits of Upskilling and Reskilling

- While technology creates powerful business opportunities, it also creates skills gaps: Upskilling and reskilling bridge the [digital divide](#), increasing the company's competitiveness.
- Employee upskilling and reskilling has made eight out of ten employees more productive, according to a recent [TalentLMS survey on employee upskilling and reskilling](#).
- **Employees who haven't had any reskilling or upskilling training would prefer to work for a firm offering learning possibilities.** They result in shorter adaptation periods for new hires. (TalentLMS)
- They improve loyalty as the staff is aware that the company is investing in their growth.
- Offering continuous training enhances the corporate reputation.
- They support the UN [Sustainable Development Goals](#)(SDGs), particularly numbers 8, 9, and 10.
- They promote a dynamic company culture that adapts to a changing environment.

What Can You Do As An Organization?

When implementing an upskilling and reskilling plan, you need to follow the following steps:

1. Research the company's needs to determine whether additional roles and skills are required.
2. Evaluate existing worker capabilities to determine who needs upskilling and who requires reskilling, based on company needs.
3. Design a training system for different profiles, making training easy through digital tools and favorable hours, preferably during the working day.
4. Carry out a continuous assessment to determine the level of progress and analyze the level of staff response.

Companies Which Have Embraced Upskilling And Reskilling

- Apprenticeships and work-based learning programs enable persons with minimal education to make a living while learning a trade. The United States Department of Labor created [Apprenticeship.gov](https://www.dhs.gov/apprenticeship.gov) last year, which features a search engine for vacancies in various cities. [A recent report from the Center for an Urban Future](#) called apprenticeships "an ideal training model" for the fastest-growing industries in a city like New York.
- [Starbucks](#) and [Lowe's](#) are giving employees money for tuition.
- Home Depot is donating \$50 million to [train construction workers](#), many of whom are returning veterans.
- [Employers like AT&T, Boeing, and Disney](#) spend millions of dollars on internal programs to upskill current employees. In technology, manufacturing, and healthcare — sectors where companies struggle the most to find talent to fill open positions — employers focus [less on traditional degrees and more on in-house training](#).

Conclusion

Investing in upskilling and reskilling your employees results in a more productive, loyal, and engaged workforce. It also means that companies are prepared for future needs, and this improves their future outlooks.

Fadzai Danha is a consultant at Industrial Psychology Consultants (Pvt) Ltd, a management and human resources consulting firm. Phone: +263 242 481946-48/481950 or email: fadzai@ipccconsultants.com or visit our website at www.ipccconsultants.com

<https://thehumancapitalhub.com/articles/why-both-upskilling-and-reskilling-are-critical>