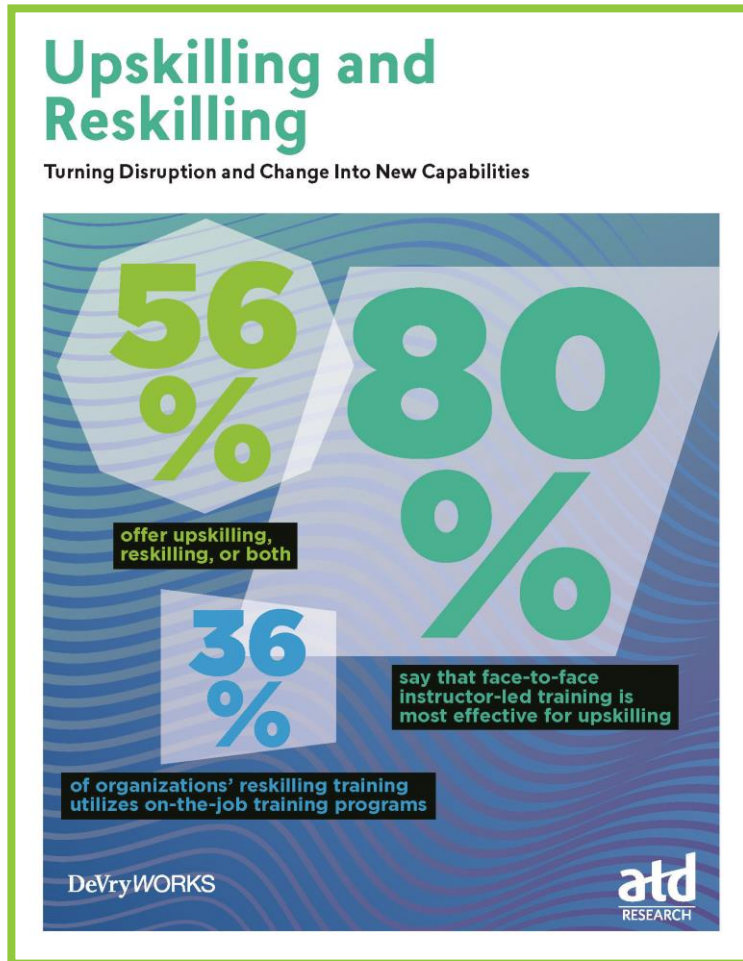# Upskilling and Reskilling

Turning Disruption and Change Into New Capabilities

The Report

- Research conducted by ATD and i4cp

- Interviews with several talent development professionals

- Report published in June 2018

The Participants

- 223 participants were included in the study

- 42 percent worked for global organizations

- 80 percent held manager or higher-level positions

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Key Definitions

- **Upskilling** describes training designed to augment existing skills with new or significantly enhanced knowledge or skills to enable individuals to continue and succeed in the same profession or field of work. Upskilling does not refer to normal, ongoing development offered to upgrade knowledge or skills in the course of business.

- **Reskilling** describes training designed to help individuals gain new knowledge or skills to enable them to perform new jobs or enter new professions.
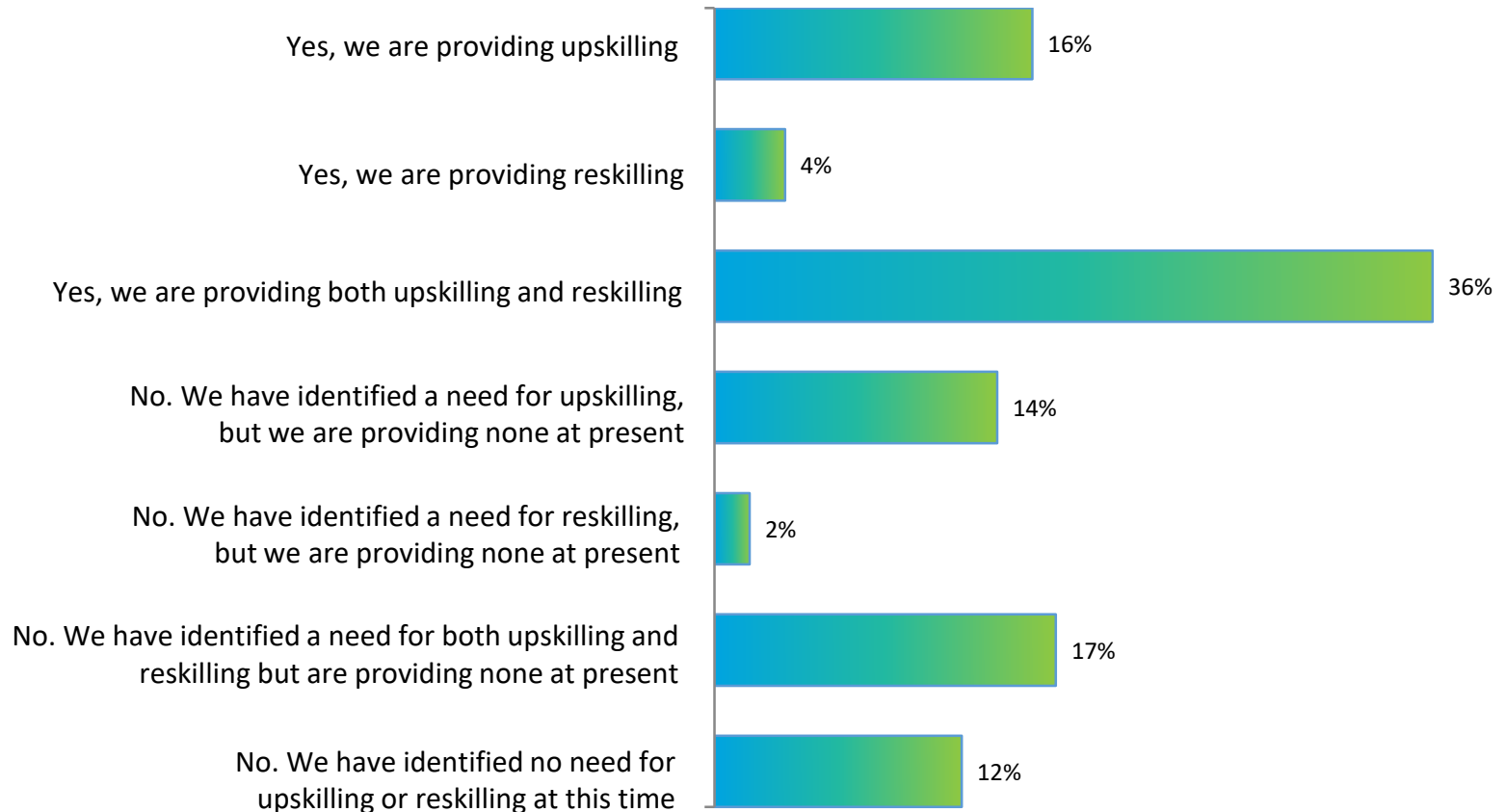
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"Change happens so quickly now that organizations consistently have to reinvent themselves…to remain relevant in the marketplace…Employees have to reinvent, too, by upgrading their skills and learning new ones."

—Rob Lauber, Senior Vice President and Chief Learning Officer, McDonald's Corporation

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Most Organizations Recognize Needs for Skills Upgrades

Yes, we are providing upskilling — 16%

Yes, we are providing reskilling — 4%

Yes, we are providing both upskilling and reskilling — 36%

No. We have identified a need for upskilling, but we are providing none at present — 14%

No. We have identified a need for reskilling, but we are providing none at present — 2%

No. We have identified a need for both upskilling and reskilling but are providing none at present — 17%

No. We have identified no need for upskilling or reskilling at this time — 12%

Q: Is your organization currently providing upskilling or reskilling training in response to a precipitating event(s)?

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Respondents

25%

of respondents said upskilling was highly effective.

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"Because we believe we are America's best first job, then we have to give people some direction and help getting to their second job. The Archways program design naturally follows that reasoning. We think we have a compelling value proposition when we can say, 'You want to be an engineer? A nurse? Whatever it is, come to us, and we'll help you further your education so you can realize those dreams.'"

—Rob Lauber, Senior Vice President and Chief Learning Officer, McDonald's Corporation

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Top Five Drivers of Upskilling and Reskilling

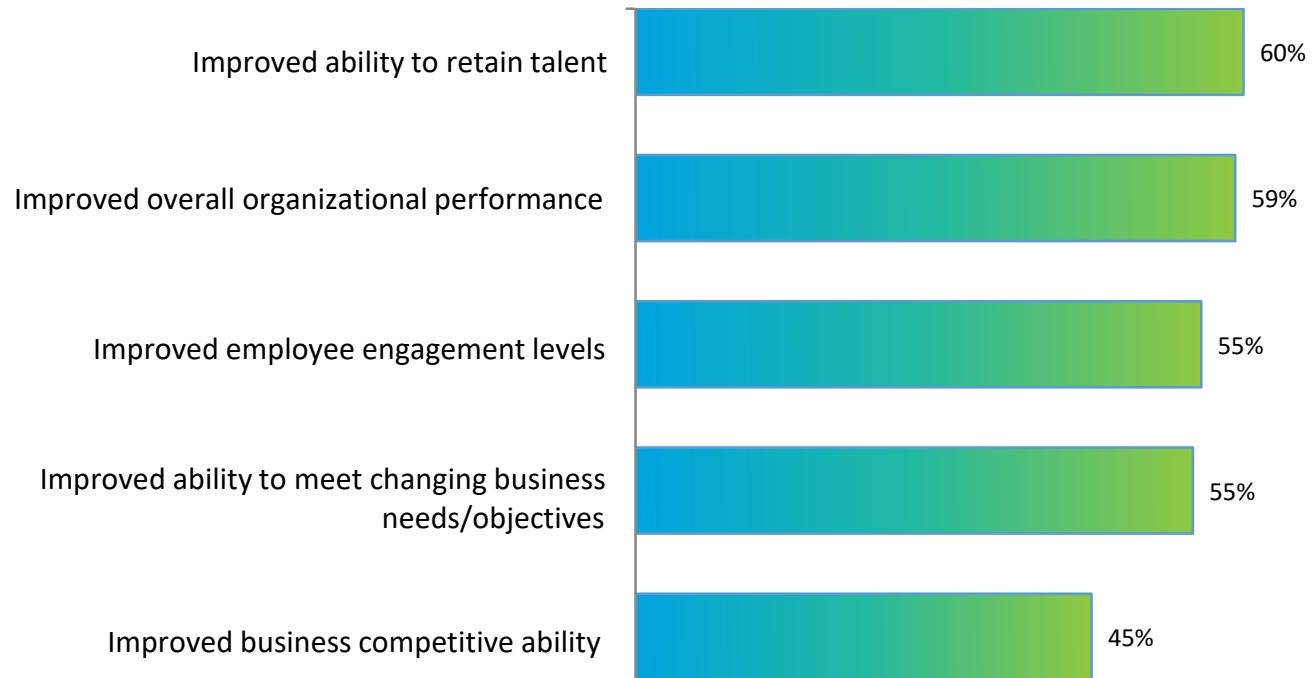| Driver	Percentage
Talent risk	55%
Technology-related change that requires employees to learn how to use new technology	48%
Shift in customer demands	46%
Shift in organizational focus or mission	45%
Change in our markets	39%

Q: Which of the following events motivated your organization to respond by providing upskilling or reskilling?

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Leaders Expect Skills Training to Support Talent Retention

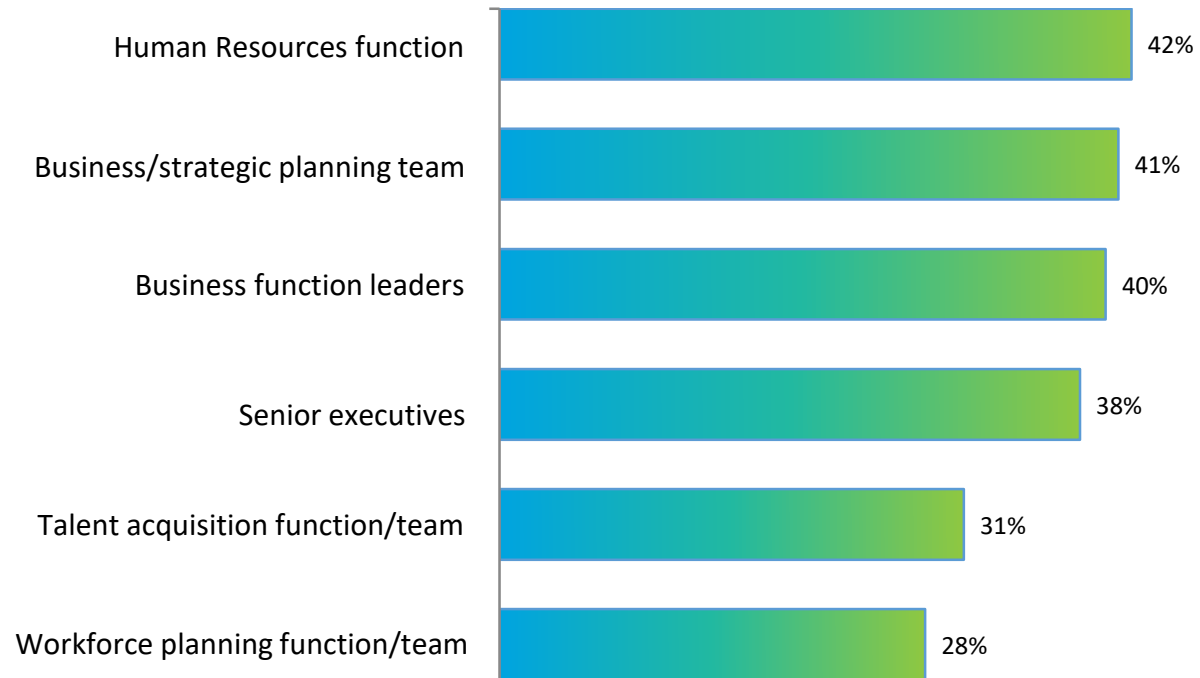| Benefit	Percentage
Improved ability to retain talent	60%
Improved overall organizational performance	59%
Improved employee engagement levels	55%
Improved ability to meet changing business needs/objectives	55%
Improved business competitive ability	45%

Q: In addition to learning and development, which of the following are top benefits your organization gains, or expects to gain, from providing upskilling and/or reskilling?
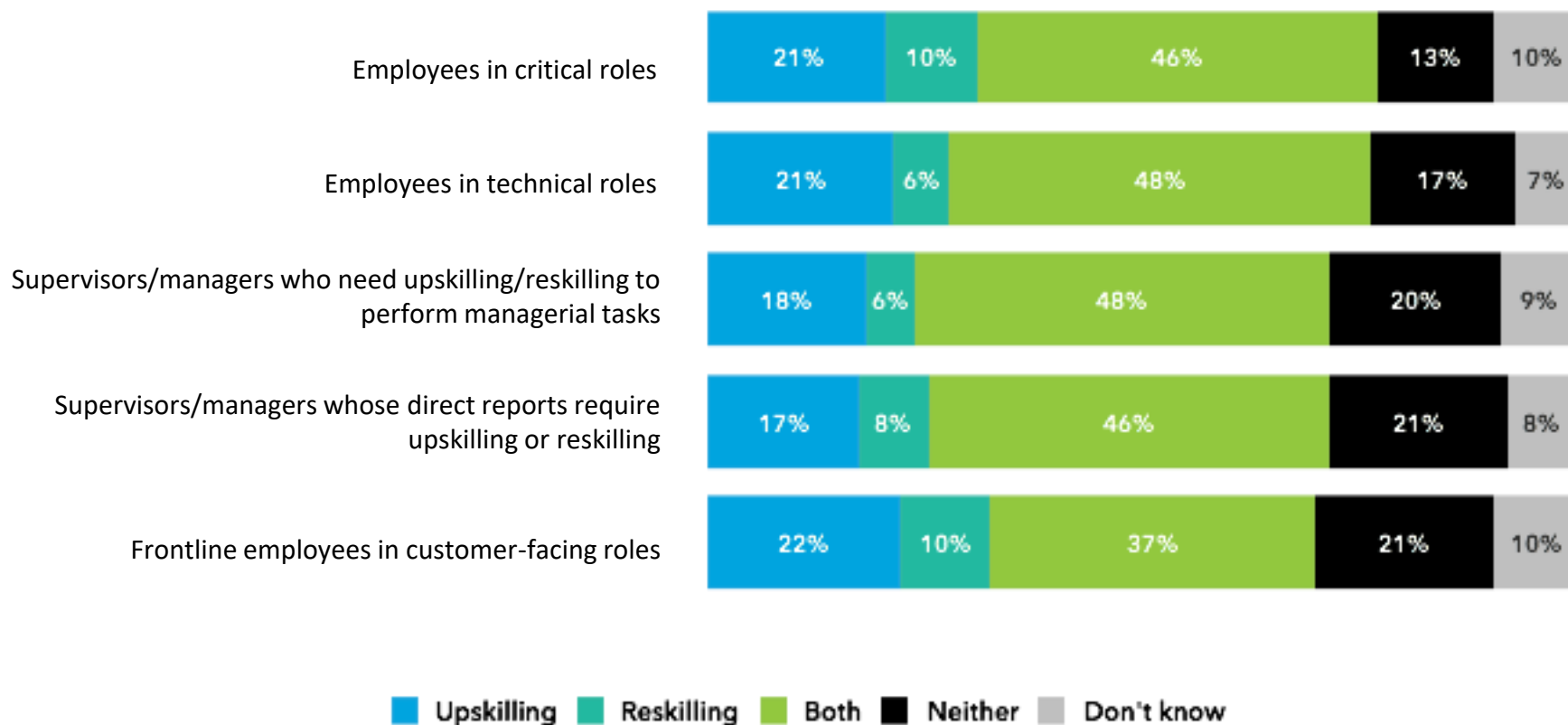
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Most Talent Development Functions Don't Partner Internally

Category	Percent
Human Resources function	42%
Business/strategic planning team	41%
Business function leaders	40%
Senior executives	38%
Talent acquisition function/team	31%
Workforce planning function/team	28%

Q: To what extent does your talent development function align/partner with the following to assess/predict needs for upskilling and/or reskilling?

High-Priority Audiences Are Most Likely to Receive Skills Training

Audience	Upskilling	Reskilling	Both	Neither	Don't know
Employees in critical roles	21%	10%	46%	13%	10%
Employees in technical roles	21%	6%	48%	17%	7%
Supervisors/managers who need upskilling/reskilling to perform managerial tasks	18%	6%	48%	20%	9%
Supervisors/managers whose direct reports require upskilling or reskilling	17%	8%	46%	21%	8%
Frontline employees in customer-facing roles	22%	10%	37%	21%	10%

Legend: Upskilling · Reskilling · Both · Neither · Don't know
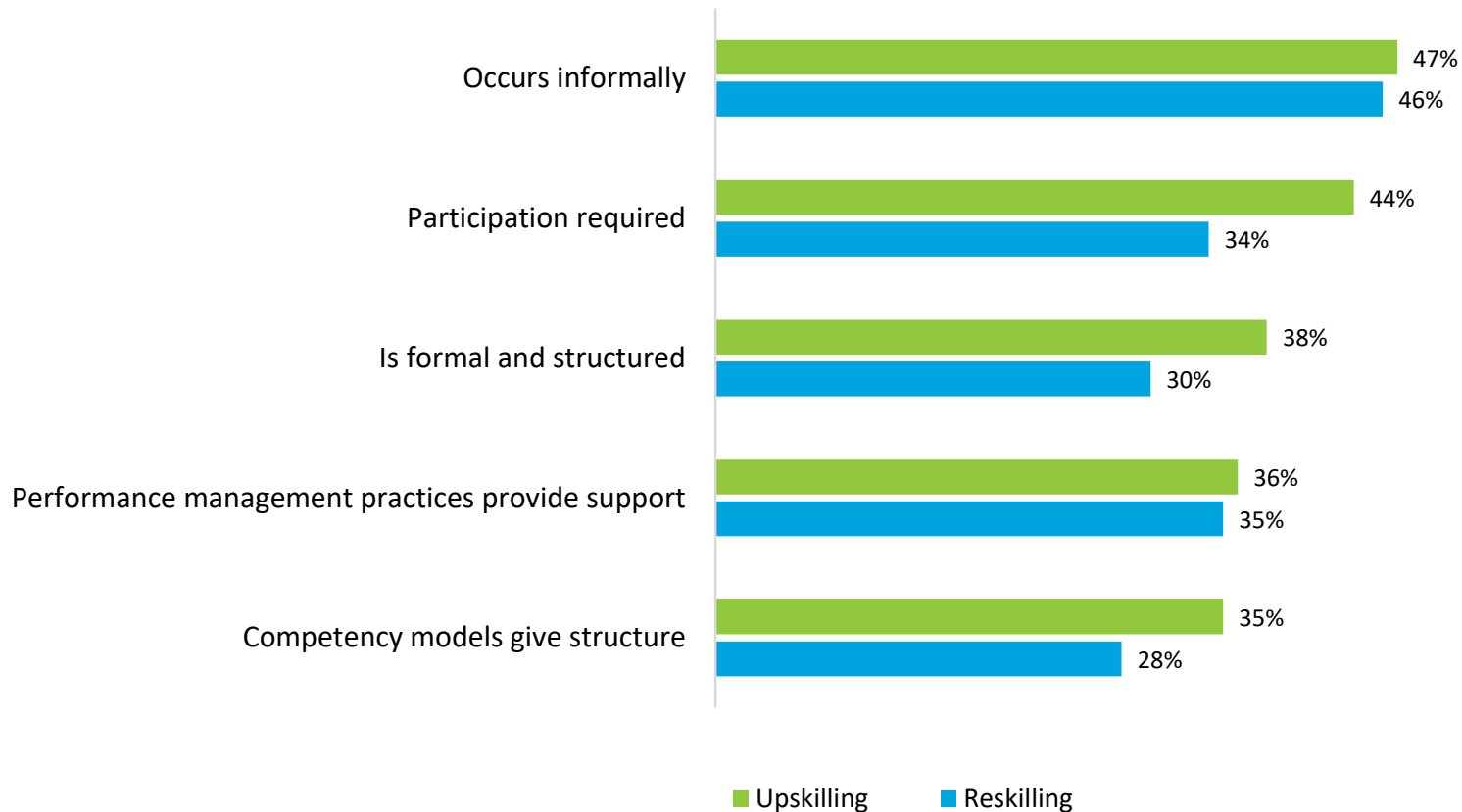
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Amazon's Career Choice Program

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"The real game changer, we feel, is that we do the homework in advance. We use data from the U.S. Department of Labor's Bureau of Labor Statistics and local workforce entities to determine what will be the most high-demand roles in coming years in communities near fulfillment centers. Then we offer fields of study exclusively in those areas. So, their education will enable people to focus on the skills they'll need to perform future in-demand jobs right in their own communities."

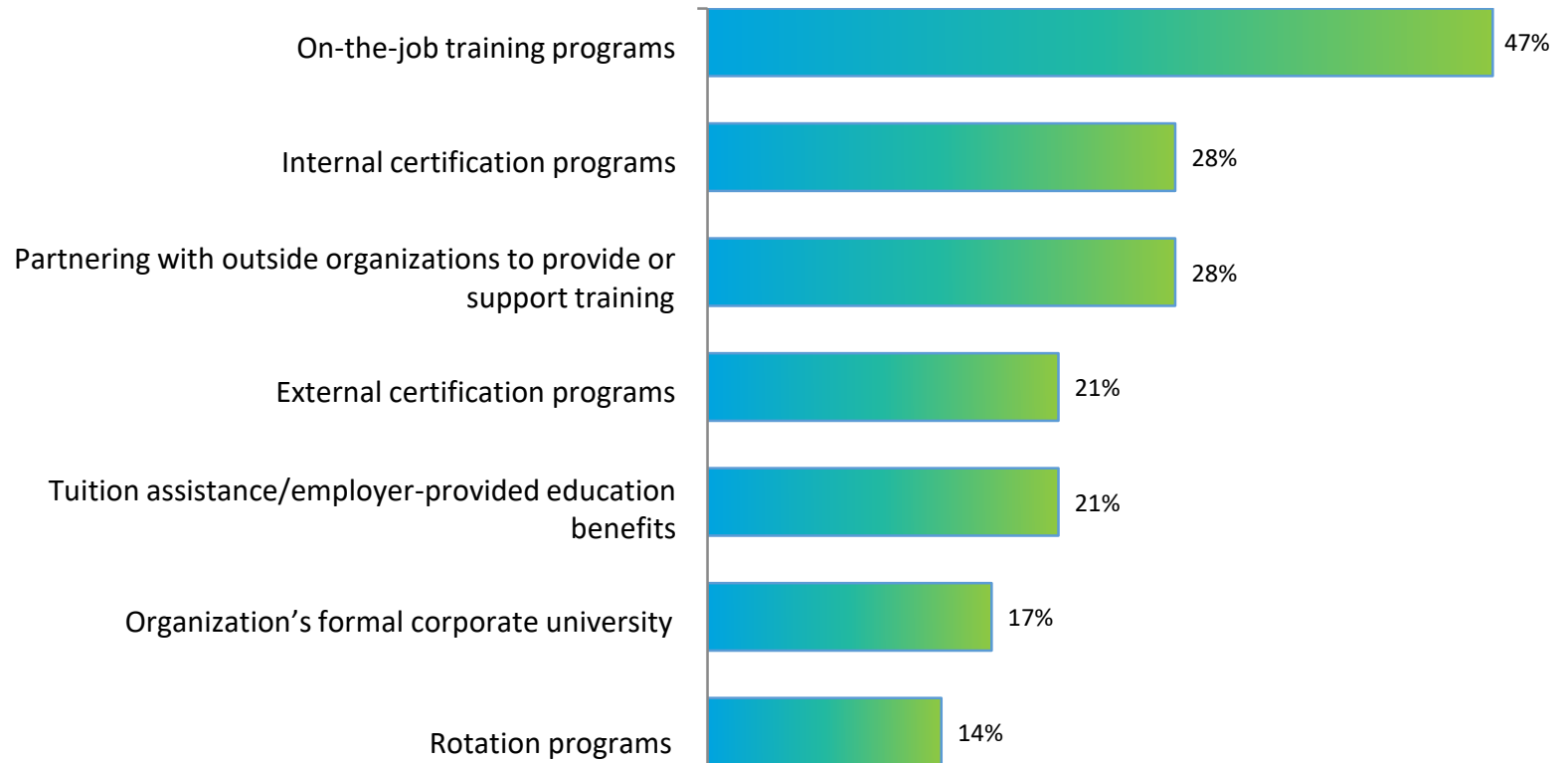—Juan Garcia, Director for Career Choice, Amazon

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Upskilling and Reskilling Efforts Tend to Be Informal

Occurs informally
- Upskilling: 47%
- Reskilling: 46%

Participation required
- Upskilling: 44%
- Reskilling: 34%

Is formal and structured
- Upskilling: 38%
- Reskilling: 30%

Performance management practices provide support
- Upskilling: 36%
- Reskilling: 35%

Competency models give structure
- Upskilling: 35%
- Reskilling: 28%

■ Upskilling   ■ Reskilling

Q: Which of the following describe your upskilling and reskilling programs?

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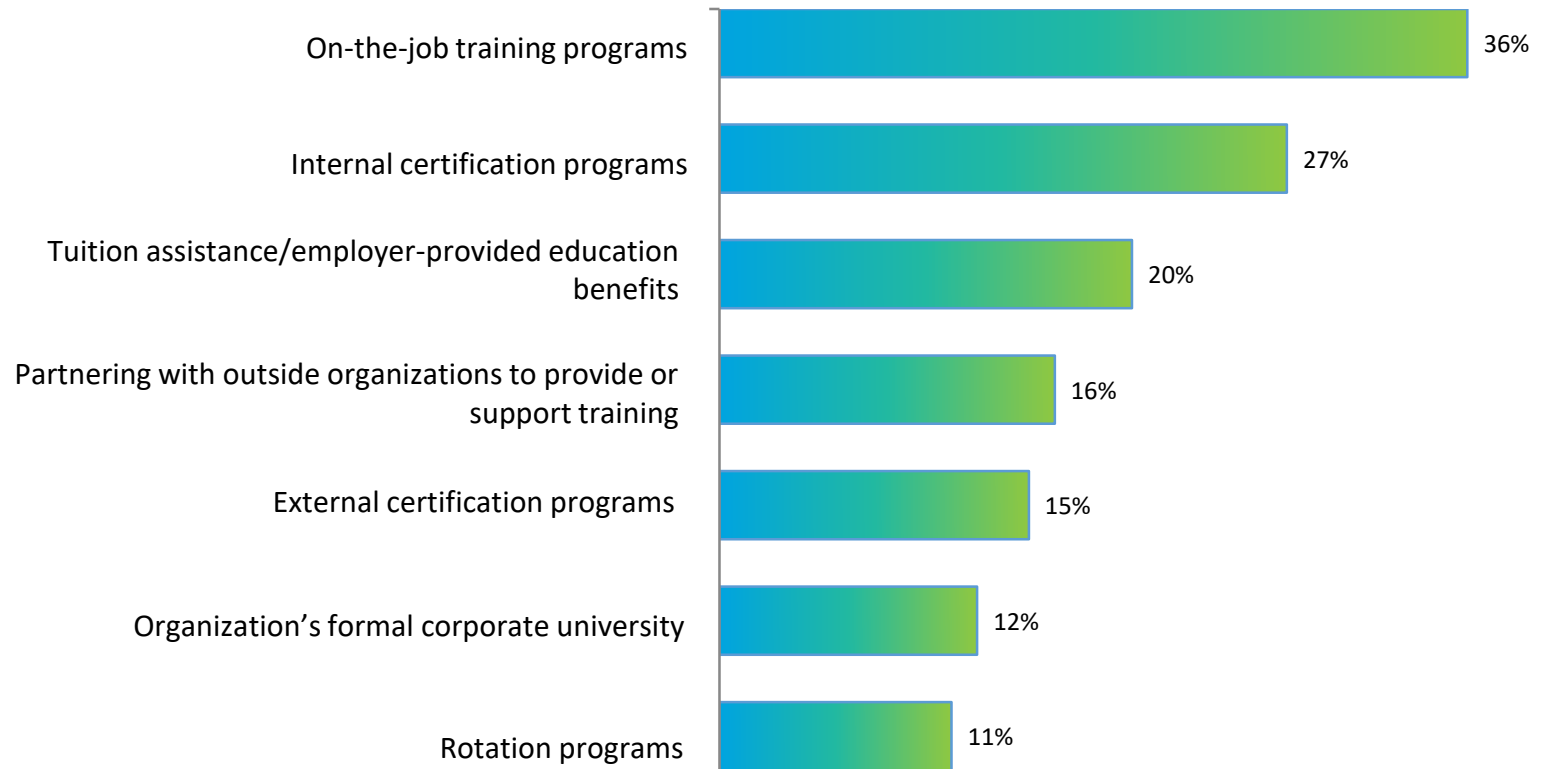
On-the-Job Training Is A Favored Approach to Upskilling

Percent of respondents indicating high or very high extent.

Reskilling Most Often Occurs on the Job

On-the-job training programs — 36%

Internal certification programs — 27%

Tuition assistance/employer-provided education benefits — 20%

Partnering with outside organizations to provide or support training — 16%

External certification programs — 15%

Organization's formal corporate university — 12%

Rotation programs — 11%

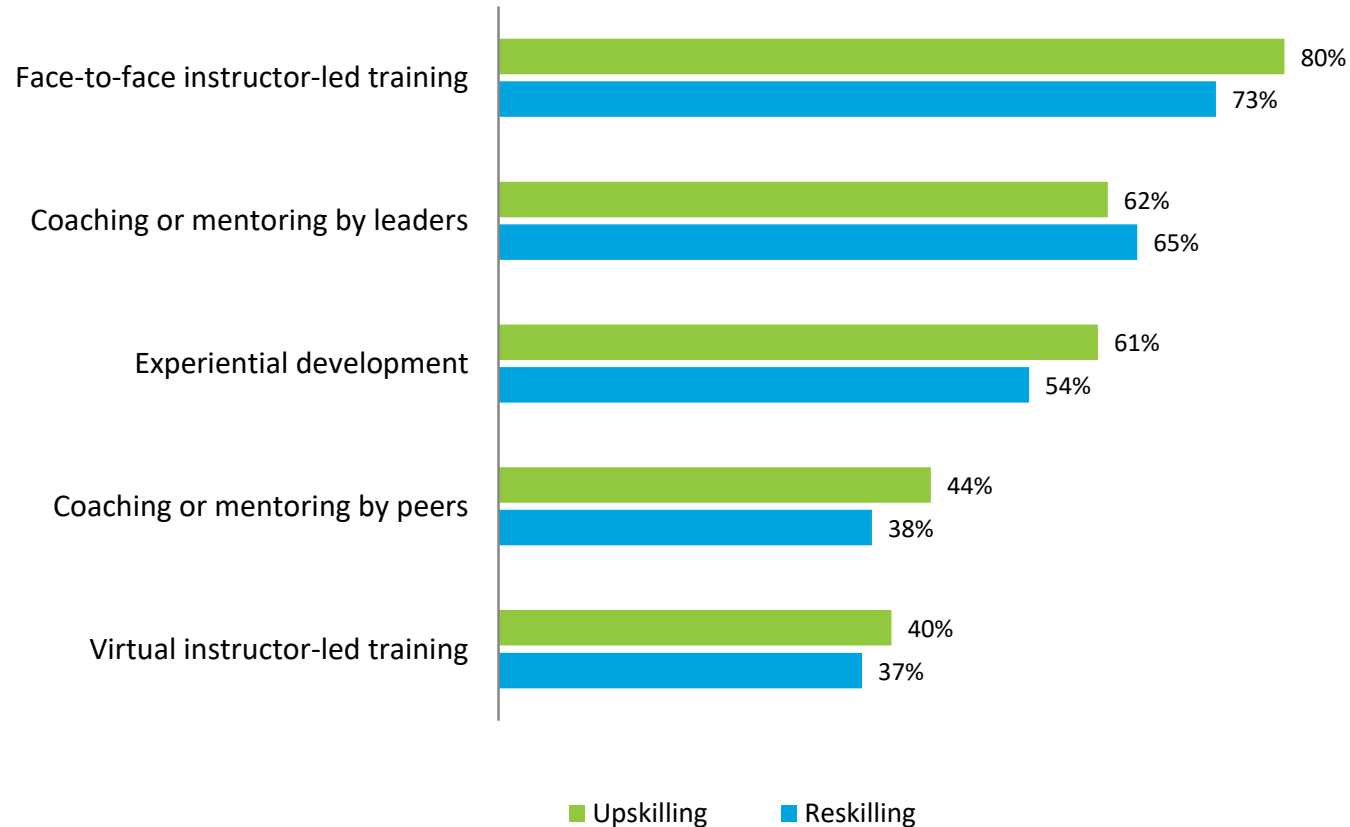*Percent of respondents indicating high or very high extent.*

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"We have a smaller hospital within our very large system that is exemplary in the four major categories of our business: quality and safety, patient satisfaction, employee engagement, and productivity and throughput [financial health]. Selected operations leaders from facilities not performing as effectively in one or more of those areas may do a one-month rotation in the high-performing hospital. Participants work alongside the leadership team in that facility to observe and learn what they do differently from other locations, and how the four areas are interrelated and reinforce each other."

—Rebecca Schmale, Vice President of Learning and Organizational Development, Atrium Health

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Classroom Training Is the Top Delivery Method for Skills Programs

Face-to-face instructor-led training
- Upskilling: 80%
- Reskilling: 73%

Coaching or mentoring by leaders
- Upskilling: 62%
- Reskilling: 65%

Experiential development
- Upskilling: 61%
- Reskilling: 54%

Coaching or mentoring by peers
- Upskilling: 44%
- Reskilling: 38%

Virtual instructor-led training
- Upskilling: 40%
- Reskilling: 37%

■ Upskilling ■ Reskilling

Q: When providing upskilling and reskilling training, which methods does your organization find most effective?

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Recommendations

Collaborate With Other Business Functions to Identify and Act on Skills Needs

- Internal alliances with other departments, strategic- and workforce-planning teams, and other stakeholders make sense for talent development functions, especially when it comes to identifying and assessing skills needs and potential solutions.

- Rebecca Schmale says, "Business leaders know where the skills gaps are."

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- Lack of commitment by senior executives, failure of organizational policies to support skills programs, and inadequate resources can be especially damaging for organizations.
  - *Examine the unique circumstances and factors that affect upskilling and reskilling efforts in your organization.*

- Don't forget to measure the results of your organization's skilling initiatives.

- Ensuring all the components of an organization's talent processes are consistent with providing support for effective skilling initiatives can spell the difference between success and failure:
  - *Are employees rewarded for upskilling or reskilling?*
  - *Are their new skills and greater value to companies reflected in compensation plans?*
  - *Is talent acquisition shaped by the skills businesses need?*

- Follow Atrium Health's example: Use recognition programs to give employees greater visibility to senior leaders.

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- Within the context of your organization, its objectives, and its skilling needs, consider whether these next practices might be applied or adapted to drive greater success:

    - *Use internal mobility programs to help structure upskilling initiatives and their content.*
    - *Leverage rewards and recognition programs to reinforce reskilling efforts.*
    - *Implement rotational programs or assignments to upskill employees and leaders.*
    - *Offer tuition assistance programs to help employees with reskilling.*

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- Help employees upskill and reskill by pairing with external partners so they can earn diplomas and certifications. Some potential partners are:
  - *Colleges*
  - *Universities*
  - *Vocational schools*
  - *Online education providers*

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"Our business case is this—we know there's a correlation between restaurant performance and average tenure of the people in that restaurant. Those who work there longer tend to deliver better results for the customer and, in turn, better results for the business. So, we want people to stay longer, but we also want to open doors for them. People who eventually become doctors, lawyers, engineers, and nurses recognize that McDonald's has been part of that. They become valued customers who have considerable purchasing power. In that respect, our value proposition contributes to long-term brand health for McDonald's, too."

—Rob Lauber, Senior Vice President and Chief Learning Officer, McDonald's Corporation

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