

Reskilling, Upskilling, New Skilling When to Use Each

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Over the past couple of years, business leaders have faced shifting business models, changing workforce demographics, emerging cultural movements, and persistent competition for highly skilled professionals. The list of essential job skills and competencies has changed dramatically – and business leaders are taking stock. What skills do their employees have now? What skills will their workforce need this year, next year, and five years from now? How will they close the skills gaps?

To stay competitive, it's clear that businesses need employees with updated skills. What's not so clear is whether reskilling, upskilling, or new skilling is the answer. What's the difference and why does it matter?

What are Reskilling, Upskilling, and New Skilling?

Reskilling, upskilling and new skilling all refer to employees gaining new job skills. The terms are often used interchangeably, but they each have a distinct meaning and application. Here is a brief elaboration for each, followed by use cases:

Reskilling

Reskilling occurs when employees learn new skills that replace existing skillsets. Usually, the original skillsets are no longer relevant, and reskilling helps employees take on entirely new roles in the company.

Upskilling

Upskilling refers to employees learning new skills that will help them progress *within* their current role or career track. The newly acquired competencies complement an existing skillset.



New Skilling

New Skilling is a broader term that describes a continuous learning approach or program. New skilling doesn't simply mean that employees are life-long learners who rely on learning to keep up. It also implies that the corporate learning programs, tools, and techniques advance over time, as well, to offer best practices for learning engagement, tracking, and delivery.

Reskilling: Equips Employees to Take on New Roles

Many automobile manufacturers are shifting away from gas-powered vehicles toward electric vehicles. Artificial intelligence-driven technology solutions are taking on more repetitive tasks. Self-serve kiosks are taking the place of many bank tellers, cashiers, and customer service representatives.

When entire roles face declining demand or outright obsolescence, employees and businesses should look at reskilling. It's a retraining effort that may include earning a new degree or certification to complement a company's corporate learning and mentoring programs. One advantage to reskilling existing employees is that the employer gets to keep people who are already familiar with the company and the marketplace; they are just moving to a different part of the organization. Reskilling is a win for employees, too. They get to master an entirely new set of skills that sets them up for success in a new career – without any employment gap.

Amazon is just one company with a reskilling program. When the company decided to automate much of its warehouse work, they launched a <u>reskilling program to train 100,000</u> warehouse workers and low-level coders to be IT technicians and data scientists, respectively.

Upskilling: An Essential Tool to Stay Relevant in the Field

Upskilling is different. It's evolutionary, not revolutionary.

There are many jobs that have been around for a long time – and are expected to be essential for years to come. Accountants and comptrollers. Sales and marketing professionals. CEOs, human resources leaders, project managers, and so many more!

What these jobs have in common is that, while the underlying function varies little over time, the tools, technologies, and best



practices to do the work well can change dramatically. Technology advancements, industry requirements, and customer buying preferences can all drive changes to the skillsets required by these professionals. Marketing professionals who once relied on print advertising and direct mail, for example, now must master social media engagement, virtual event promotion, and marketing automation technologies.

According to research and advisory firm Gartner, the number of skills required for a single job increases 10 percent annually. Further, one-third of the skills that appeared in an average job posting in 2017 are no longer needed in 2021.

These are natural evolutions. Upskilling will strengthen employees' current skills, build new ones, and improve their abilities to contribute to their company and their field. When employees and their managers routinely monitor the tools and best practices of the profession, upskilling is the way to gain and maintain essential skills for career success.

New Skilling: Helps to Maintain a Learning Culture

The skills for our future workforce will continue to evolve at a rapid pace. A 2018 study by <u>Dell Technologies</u> predicted that 85 percent of jobs in 2030 don't yet exist. Even if that figure turns out to be high, history shows that waves of technology innovations <u>continually create new jobs</u> that we couldn't have envisioned just a few short years before.

Ignoring technology, business, and market changes can quickly lead to skills gaps. Setting aside the difference between reskilling and upskilling, it's imperative that businesses and employees participate in "new skilling" to create and maintain a continuous learning culture. Skilled talent is a fundamental business need that will only continue to grow. Comprehensive new skilling initiatives build and hone employee skills for today's jobs, tomorrow's performance, and careers of the future. By monitoring current and future skills needs, keeping up competency models, and conducting employee skills assessments, leaders can build new skilling programs tailored to employee and company needs, effectively developing the future workforce.

Developing the skills of current employees is one of the most beneficial investments your business can take. By creating a new skilling culture, with intentional application of upskilling and reskilling to build the right skills at the right time, you and your employees will be prepared for the future of work.

Are you focused on upskilling or reskilling? <u>Contact us</u> to find out how Avilar's <u>WebMentor Skills</u>[™] can help you develop the right workforce skills at the right time.

About Avilar

Avilar – The Competency Company[™] is a leader in workforce planning and development with web-based competency management and learning solutions for corporations, government, and non-profit organizations. Formed in 1997, Avilar was a pioneer with its award-winning WebMentor[™] product line and has built itself on the basis of superior customer service and highly adaptable product design.

Avilar consultants are recognized as industry thought leaders and have decades of experience in implementation and analysis. Let Avilar help you transform your organization from ordinary to extraordinary.

