

# **SIGMA Assessment Systems**

## **Talent Development**

# **A Manager's Guide to Reskilling: Why, When, and How to Reskill Your Team**



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*"The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn." — Alvin Toffler*

Industries are evolving, perhaps more rapidly than ever. As a result, organizations are experiencing ongoing change — both in their day-to-day operations and long-term strategy. This means job descriptions are changing too. As roles and responsibilities shift, employees need to acquire new knowledge and learn new skills. This process is referred to as “reskilling.” Reskilling can take many forms. Some people “reskill” themselves, pursuing self-guided training either on-the-job, or outside of office hours. On the other end of the spectrum, reskilling may be a part of a formal employee development program facilitated by the employer. To help managers better understand why, when, and how to invest in reskilling their team, SIGMA’s talent development experts have put together this guide. Inside you will find:

- An introduction to what reskilling is, and how it differs from upskilling.
- An overview of the benefits of reskilling.
- A description of when reskilling is necessary.
- An outline of what reskilling entails.
- Links to helpful resources that can be used to facilitate the reskilling process.

## What is Reskilling?

Reskilling is the process of gaining new skills or knowledge following an employee's initial onboarding training. While onboarding equips employees with the essential skills to perform their roles effectively, reskilling offers employees the chance to deepen their expertise in their current field or branch into new areas of the business.

### What is the Difference Between Reskilling and Upskilling?

**Upskilling** is focused on honing an employee's existing skills to foster upward mobility within a field or organization. By deepening their expertise in their current field, upskilling paves the way for employees to progress in their careers.

**Reskilling**, on the other hand, focuses on the development of new or different skills and abilities. Employees are usually reskilled so they can perform a different job at the same organization. Note: A “different job” may not necessarily be a different position. It may be the same job, but with different roles and responsibilities due to changes in the industry or organization.

## Benefits of Reskilling

Reskilling may be an investment, but it has benefits for both the employee and their organization.

### Benefits for the employee:

1. Increased employability.
2. Broader skill set.
3. Easier career progression.
4. More challenging and engaging work.
5. Increased job satisfaction.
6. Opportunities to network.

### Benefits for the organization:

1. Higher value of the internal talent pool.
2. Money saved on external hires.
3. Time and energy saved on training external hires.
4. Improved productivity and motivation.
5. Greater job satisfaction and company loyalty.
6. Lower turnover.

## Benefits of Reskilling: What the Research Shows<sup>1</sup>

In a recent survey by Gallup, data showed that 64% of workers who had recently completed skill development courses stated that it had a positive impact on their standard of living. Three out of four (75%) of those who participated in skill development also reported some form of career advancement. More than half of those advancements (52%) occurred in the individuals' current role.

## When is Reskilling Necessary?

No matter the industry, reskilling will likely be required for every employee in every position at some point in time. So, when should employees be reskilled? There are a few scenarios in which leaders should consider reskilling their team:

**Industry change.** Changes in the industry — particularly related to technological advancement — usually necessitate the use of new skills. Employees may need to learn how to code, incorporate artificial intelligence, or use new software and hardware. Rather than hiring new people who have already learned these skills, reskilling provides an opportunity for organizations to keep their current workforce by investing in their internal talent pool.

**Operational insourcing.** Similar to industry change, moving business operations in-house creates a need for reskilling. Businesses often outsource functions like social media marketing or website design. Bringing these roles in-house provides an opportunity for existing employees to learn new skills, like social media management or web development. It is worth noting here that the costs saved from eliminating the need to outsource certain tasks significantly offset the investment required to reskill employees.

**Organizational growth.** When businesses grow, both in revenue and size, employees often need to be reskilled to meet the needs of the expanding business. This kind of reskilling may involve learning new operational processes, or how to use new software intended to make processes more efficient and effective.

**Product and service differentiation.** In addition to organizational growth, businesses may also expand the scope of their products and services in such a way that employees need to be reskilled. For example, if an organization that specializes in business-to-business product sales adds a consulting component to its services, employees will need to learn new project and client management skills.

**Resource reallocation.** Reskilling may also be necessary when employees are reallocated across departments or teams. Here, employees will need to learn the knowledge and skills required to do their job in the context of a new group, or potentially a new area of the business. This type of reskilling may look similar to the initial onboarding process a new hire would complete to get familiar with their role.

**Preparation for promotion.** Upskilling is almost always required when employees are promoted. However, in some scenarios, a certain level of reskilling is also necessary. This is particularly true when employees are promoted from technical to managerial roles. These employees will need to learn how to facilitate teamwork, provide direction and feedback, and manage other people's work rather than simply completing their own. This jump from task-based to managerial work is much easier when employees are provided with opportunities for reskilling along the way.

## What Does Reskilling Entail?

Reskilling can take many forms. Below is a simple list of activities and approaches that can be used to help employees acquire a variety of skills in a variety of contexts:

- ✓ Job shadowing.
- ✓ Formal education, such as certificates, designations, or degrees.
- ✓ On-the-job learning.
- ✓ Self-guided learning.
- ✓ Coaching.
- ✓ Stretch assignments.
- ✓ Cross-departmental training.
- ✓ Individualized talent development plans.

## Case Study: Seagate<sup>2</sup>

Seagate is a data storage solutions company, headquartered in Dublin, Ireland. Recently, the organization began focusing on redeploying talent in a scalable way across their global workforce. Those efforts have paid off. During the height of the COVID-19 pandemic, Seagate's leaders used strategic internal redeployments to prevent the need for company-wide layoffs. They put workers in places where they could continue to contribute with their full set of skills, and invested in strengthening those skills that would be needed for the future of work.

As a result, Seagate saved \$13 million in reduced external hiring costs, \$20 million from minimized termination costs, and 30% of their full-time roles are being filled internally. Going forward, the company plans to use its reskilling program to provide employees with mentorship opportunities, dynamic sourcing, succession planning, career planning, and more.

## Looking for More?

Are you interested in learning more about reskilling and talent development? Visit SIGMA's [blog](#) for more information and practical tools and templates, or explore our [talent development services](#). If you would like to discuss what a [customized consulting project](#) could look like, contact Glen Harrison below. We are always happy to chat.



[Glen Harrison](#) is an organizational transformation consultant and leadership assessment expert. Over the course of his career, Glen has worked with one-third of the Fortune 500 list and with every level of government in Canada and the United States. Glen has extensive experience in the application of SIGMA's products and services to help organizations realize their people potential.

[Email Glen](#)

1 – 800 – 401 – 4480 ext. 233

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<sup>1</sup> Gillespie, L. (March 27, 2023). Upskilling statistics: How online learning can increase your salary by thousands per year. *Bankrate*. Retrieved from <https://www.bankrate.com/personal-finance/upskilling-statistics/#boost-your-salary>.

<sup>2</sup> Gregerson, A. (October 25, 2022). 5 successful examples of reskilling and upskilling programs. *Gloat*. Retrieved from <https://tinyurl.com/4xsxfzj>.