Reskilling, you say?

From Strategic HR and Manpower Planning to internal mobility using skills assessments: what is Reskilling?

RESKILLING /riːˈskɪlɪŋ/

Noun

"The process of learning new skills so you can do a different job, or of training people to do a different job."

The COVID-19 crisis has significantly impacted our daily lives. Companies have had to kick themselves into high gear to adapt to the overwhelmingly digital current landscape they now face, as jobs and industries change.The pandemic has also effectively highlighted the skills gap that exists in companies and the general workforce. This is in part a result of the ever-growing presence of artificial intelligence, which is rapidly leading to a new era of automation.

It's important to note that 59% of companies believe they lack the information to even know if their employees are ready to meet new demands.

This reconfiguration of professional structures is leading more and more companies to invest in Manpower Planning or the likes in the search for more internal resources, or even into reskilling programs that aim to train employees for professions of the future, as well as for jobs they are momentarily straining to fill. These are often profitable investments when put into perspective with the costs associated with letting workers go, external recruitment or the integration of new employees.

According to a study by Deloitte, 84% of companies surveyed plan to increase their investment in reskilling programs.

Often these programs are implemented over a 3-step process:

1- Identifying prospective professional skills that will be needed in the future.

2- Measuring these skills internally in your workforce to understand how much of a gap exists between the supply and demand of the skills at hand.

3- Putting in place the actual strategy and training to fill this gap.

"However reassuring having such a logical and formulaic process may be, it's clear that in practice, most companies implementation of one such as this is destined for failure in the long-term."

In fact, each of the previously described steps are most often oriented towards short-term goals and are poorly targeted, quickly making the investment and strategy obsolete.

IDENTIFYING PROSPECTIVE SKILLS.

The future starts today.

1

THE PROBLEM.

Too often we see companies approaching reskilling which make the mistake of looking to match an immediate demand for knowledge or technical skills. When a need arises, logic dictates that we identify and respond to by training employees.

However, if there is any takeaway we can glean from the greatest changes in the world of work, it is that this need has a high likelihood of disappearing just as quickly as it has arrived, leaving a trail of other needs in its path. It's like that arcade game, "Whack-A-Mole": even once you manage to hit one mole and make it disappear, another one reappears somewhere else even faster.

The process of specific technical skills becoming obsolete grows shorter and shorter. According to the OECD (Organisation for Economic Co-operation and Development), that span is placed between 12 and 18 months. Situations where a human can learn a skill, machines will develop it much faster soon after. In the end, we find ourselves in an endless cycle where our reskilling efforts become quickly overwhelmed, as they are based on being reactive rather than proactive. Companies suffer for chasing after their own delay.

It's easy to then think that we should just anticipate skill needs further ahead in the future and adapt accordingly. Except... that doesn't really work for two main reasons. On the one hand, humans are very bad at making accurate predictions due to cognitive biases, difficulty interpreting statistical trends or synthesising data, as well as accepting scientific evidence (just think of anti-masks or flat-earthers).

"A recent example? Working remotely."

While the majority of experts anticipated the peak of remote work (and the necessary skills associated with managing it) would arrive after 2025, nearly all professionals had to adapt to some degree overnight as cities, states and countries went into lockdown.

Back to our two main issues... On the other hand, changes, whether they be organisational or societal, often happen much too quickly to be anticipated. As a recruiter, how often have you had some describe a position or need, only to tell you in a few days that their needs have changed or the original description is no longer relevant?

"38% of companies said that identifying workforce development needs and priorities is their greatest barrier to workforce development."

(Deloitte, 2020).

THE SOLUTION.

Building relevant reskilling programs that are effective over the long term calls for a redefining of "talent" in the digital age. If we continue to consider human talent from the angle of technical skills, experience or diplomas, then we are forgetting the essence of what makes us human and what gives us our competitive edge over machines.

Paradoxically, the accelerated digital transformation we're all experiencing should be an invitation for us to refocus on what makes each worker human and to consider talent as the match between personality and the position in question.

In an environment of constant disruption, the only certainty is change. Even if you train your employees for in-demand professions, progress and technological improvements will quickly render it useless. And in this case, If an employee is unable to relearn and meet new needs, all efforts will have been wasted, regardless of short-term success.

On the other hand, betting on behavioural potential and on employees who know - and want - to continuously learn will give you flexibility to meet future needs and will minimise risks associated with changes in your business.

A person's behavioural potential is seen as the combination of three factors: the way they reason and learn (their abilities), what sets them in motion (their motivations) and the way they behave (their personality).

Of course, the idea is not to recruit or train people so that they all have the same psychological profile, but rather to seek the best match between the behavioural skills of an individual and those necessary to succeed in a position. For example, the human skills that would help explain the success of an engineer will be quite different from those needed by a developer.

Also, contrary to certain unfounded beliefs, valuing behavioural potential over experience or diplomas promotes diversity: from a statistical point of view, these factors are indeed much better distributed in the general population, and are found in equivalent proportions whatever the age, gender or ethnic origin of individuals.

These natural talents, in addition to better responding to current uncertainty, are also the most predictive criteria for success at work.

(Schmitt, 2014).

Betting on employees who know how (and want) to learn continuously, will give you more flexibility to meet future needs, and will minimise the risks associated with changes in your business.

Several studies, however, demonstrate the rather notable transversality of intellectual agility and success at work. Through a <u>meta-analysis</u>, Frank Schmidt, professor of psychology at the University of Iowa, shows that it explains about 42% of the efficiency variable between the best and worst collaborators (Schmidt, 2016).

Also, at a time when no one really knows what business skills will be needed in the future, your best bet is the people who will be most able to develop them, regardless of what they are. Before thinking about training your employees in new technical or professional skills, your reskilling strategy should, as a priority, be geared towards developing their capacity to learn and desire to be curious.

IDENTIFY THE TALENT OF TODAY AND TOMORROW.

With AssessFirst, you can quickly and reliably identify the people who will know how and love to build the business of tomorrow with you.

And by allowing you to understand who people really are, what they are really capable of, you and them both can also discover who they could become, placed in the ultra specific context of your company.

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14-day trial

MEASURING THE SKILLS ALREADY IN YOUR COMPANY.

You don't know your employees…

2

THE PROBLEM.

Most companies don't *really* know their employees. Of course, anyone could give a person's first name and job easily enough, probably the department they work in, their job skills, seniority, and maybe even say if they have children.

But they probably wouldn't know who each person really is: how they behave naturally on a daily basis, what motivates them deep within, how they learn new things, if they're (objectively) efficient or even if they'll be able to adapt to the future of the company (whatever that may be). **Today,** <u>59% of companies</u> **are concerned that they lack the proper information to know if their employees are ready for the future.**

This lack in assurance and information leads to a major problem: let's call it forcing the puzzle-piece. Anyone who has ever tried a puzzle can relate to this reflex: you see a hole in the puzzle that has right next to it a piece that could potentially fit, so you feel compelled to try placing it in the space even if it means forcing a bit, before admitting that it's really not going to work. This same phenomenon of forcing the puzzle-piece unfortunately happens in many companies, whether with reskilling or recruitment.

Realistically, when you have, say, 5 positions to fill on one side and 5 employees who see their job disappear on the other, the reconciliation is (too) quickly done. Many of us tend to want to combine the two odd ends, even if it means forcing a little. The problem is that even if the situation may appear to work in the short term, it will more than likely lead to a strong loss of commitment and efficiency in the long run, as it's very possibly a bad match between the employees and the positions in question.

Of course, in theory, the employee also is responsible for knowing themselves and their own interests, and could communicate their lack of interest in the training or in the position. In reality, though, it's unlikely to turn out this way for two main reasons. One, it's incredibly difficult for an individual whose job was just eliminated to refuse reskilling (and this is only amplified in the middle of an economic crisis). Two, few people have an objective view of their talents and potential, which all too often leads them to choose a career or training for hidden reasons unknown or unacknowledged to themselves.

85% of individuals don't really know... themselves.

(Tasha Eurich, 2017).

"This problem of forcing the puzzle-piece is not only present in companies, however, but is often also found in our education systems."

When schools (universities, vocational training centers, etc.) perceive a need among employers, they tend to develop training programs based on answering those needs and invest in major communication campaigns in order to attract students, which in turn (1) saturates the market (in terms of the supply of skills), and also (2) trains people who are often more attracted by promises of hiring linked to a field of activity, rather than by the activity itself. The perfect example is, in recent years, the interest and subsequent boom in training offered for digital and IT sectors. Of course, it is presently a sector that is often hiring, but many individuals began (and begin) training without any real intrinsic motivation.

The consequences? A lack of investment in the training in question (many being satisfied with "classroom learning" and not caring to go further or deepen their knowledge), graduates who are not truly operational for the job market, and difficulties in finding a job (or making it stick) because of an obvious lack of interest in their profession.

THE SOLUTION.

In order to know who your colleagues or employees are, the first step is to accept that the notion of "talent" requires us looking at it from a different angle of understanding, analysis and decision making (see Problem #1).

Today, the question isn't really whether it's pertinent to make HR decisions based employee's potential, but rather how to do it. Much too often, when evaluating potential, recruiters and managers have a tendency to overestimate their own intuition, believing that the ability to assess potential factors is innately human. This is evidenced by the fact that for over 100 years, unstructured interviewing has been the most widely used evaluation technique by companies (Buckley, Norris & Wiese, 2000).

A simple algorithm is now able to make <u>better recruitment decisions</u> than a human (Kuncel, Ones & Klieger, 2014). This means the companies that will be successful in the future are those that understand **it is psychometric data, and not intuition, that holds the secrets of assessing human potential**. Additionally, the evolution of personality and reasoning assessments, which are now <u>much more adapted to current trends and needs</u>, makes it possible to optimise the recruitment experience, both for candidates and recruiters.

"Studies show that a single psychometric test has more predictive value than an unstructured interview."

(<u>Pettersen, 2000</u>).

The most important thing, though, is to develop a data-driven culture. Beyond the simple accumulation of data on your employees potential, the aim should above all be to make decisions based on this information. Collecting data can seem proactive, but if decisions aren't made based on what they say and recommend, there is zero interest. And unfortunately, at this level, the human brain naturally "gets stuck" for several reasons.

On the one hand, many decision-makers think they can predict an employee's future performance with near-100% accuracy, so they tend to try correcting their perceived imperfections of psychometric tests by adding a dose of intuition: "*If the test allows me to predict 50% of future performance, I will base the other 50% on my intuition*".

That's false: recruiting, even with the best tools available, always involves some amount of unexplained variables.

However, the results of a psychometric test alone <u>predict the future performance of a candidate or an employee better</u> than the results of this same test combined with personal judgment (Borneman, Cooper, Klieger & Kuncel, 2007).

90% of managers tend to find a strategy that ignores recommendations from data, if that data goes against their intuition.

On the other hand, many professionals still find it difficult to trust tests, and tend to use them inconsistently or selectively, which most of the time leads to poor decisions or discrimination. For example, in some cases, managers prefer to recruit a white candidate without passing the tests, and refuse a person of color who has passed the tests but "failed" (Dobbin & Kalev, 2016).

A recent study shows that when individuals make a decision, they favor emotions and intuition over logic because they consider these decisions as more precise reflections of who they really are and of their deep convictions (Maglio & Reich, 2019). These same individuals will also have an exacerbated tendency to defend this decision, even if it means closing themselves off from the very idea that they could be wrong.

"Gathering data may seem proactive, but if decisions aren't made based on its info and recommendations, then there's no point. "

Though for some it may seem reassuring to know that even when using tests or relying on data, we as humans make final decision, this method clearly does not work. And unfortunately, as is often case, we as humans have a tendency to blame the test or the machine ("the tests are not precise"; "the algorithms discriminate"; "we are humans, not machines" ...), rather than questioning ourselves and recognising our own human limits. So, if we want to know objectivity who our colleagues are to offer them relevant career paths based of their personality and motivations, it's necessary (and urgent) for everyone to have the humility and awareness necessary to understand that our intuition is often wrong (regardless of gut reaction).

[S*P]+M²=Magic°

To reveal the real potential of your candidates and employees, we rely on assessing their true talents: what they can do (their skills), what they want to do (their motivations) as well as how they behave (their personality).

Discover more!
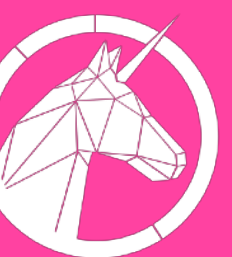
THE IMPORTANCE OF ADAPTED TRAINING

No more school desks!

3

THE PROBLEM.

Training sessions are in many cases unsuitable for the new world of work, as they are too long and expensive. Generally, they are designed in a "teacher-pupil" format that mimics school and is approached from a finite mindset *(to understand the finite mindset, see the work of Simon Sinek)*.

What does that all mean? Quite simply, for each training we can easily identify a point A (the start of the training or the request), a process and the actors (the training itself, the instructor and the trainees), rules, and a concluding point B (the end of the training).

This type of process is not, however, exclusive to companies. It entirely reflects the methods and achievements of the traditional education system.

In a way, this approach to training leads to a high initial intensity over a few days then peters out, rather than have any sense of regularity and consistency over time.

For example, a good number of training courses intended to develop leadership and its required skills among managers are organised over a few days, perhaps repeating yearly as a refresher. But the issue remains the same: at the end of those few days, we often consider that we've achieved and learned what we intended to; everyone is congratulated (like a symbolic graduation), and returns to their post without further support.

Even if this learning format was potentially suitable for acquiring technical skills in the past, it is totally inadequate in view of the current need for rapid learning and the need to develop behavioural skills, rather than techniques.
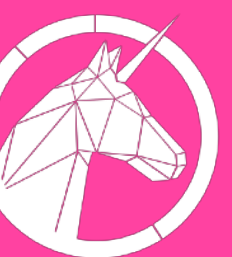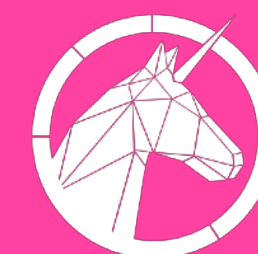
Additionally, in Canada, the UK and US (as well as many Western European countries) there is a particular lack of awareness in the global changes and an inability (or unwillingness) to recognise the impact it could have on their work.

This disbelief or denial thus leads to a shocking attitude: the lack of perceived "danger" correlates directly to less time spent on learning.

Conversely, in countries where this awareness is strong (China and Russia for example), there are much more sustained efforts in terms of training.

"Residents of countries such as the UK, US, and Canada tend to feel that neither [globalisation nor technological changes] will affect them very much. (Boston Consulting Group, 2019).
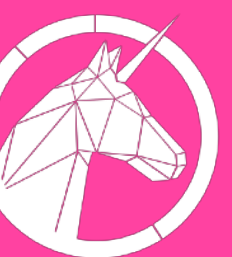
THE SOLUTION.

In today's world of work, skills acquisition and training should be thought of with an infinite mindset rather than a finite one.

Training and learning should become a **lifelong process** for workers, carried out on a regular basis, rather than intense one-shot trainings only when the need arises. It is this ability to continuously learn that will be decisive for everyone finding their place in the future.

In order to achieve this transformation, though, the first step is to recognise that, contrary to what most surveys will portray (for example, the one previously referenced by Deloitte), companies are not solely responsible for the training of their employees. These efforts must be made on 3 different levels.

Training and learning should become a lifelong process for professionals, carried out on a regular basis.

First, developing a workforce adapted to these new requirements involves overhauling the education system, which currently is unsuited to train for the needs of companies and can hardly be correlated with success at work.

Today, students are are trained to learn information by heart and repeat it according to certain rules - all things that machines are much more efficient at.

This change in training requires us to move passed the traditional view that academic success can be assessed solely through exam scores. A recent study shows that schools focused on developing behavioural skills have better short and long term results (Jackson, Porter, Easton, Blanchard & Kiguel, 2020).

Second, to develop employees' skills (behavioural or technical), companies need to **invest in innovative technologies proven to aid in training**. It makes sense, developing new skills at a faster pace requires an immersive and repeated learning experience, closer to the reality of actually working, with lots of opportunities for practice, and leaving room for trial and error. Using virtual reality and artificial intelligence tools for training will become of vital importance, in the sense that they are able to meet current requirements in terms of regular learning better, and are less expensive to set up on a large scale.

Several studies have shown that virtual reality training cuts down on learning time, increases the number of learning experiences, and helps solidify knowledge better over the long term (Fletcher, Belanich, Moses, Fehr & Moss, 2017).

PwC has brought in virtual reality training for developing leadership skills among their managers. The results: learning 4 times faster, managers who are 275% more confident in applying the skills learned, 3.75 times more emotionally connected to the content of the training and 4 times more concentrated than those who have followed the same face-to-face or in-person training or e-learning.

Third, it's necessary to create **more synergy between employees, employers and social obligations.**

On the one hand because so many employees (notably North American and European) are among those who are least aware of the changes, and among those who spend the least time on training.

On the other hand because employers should have an obligation to provide training for employees, giving them time for continuous training, offering suitable courses, and above all, to promote learning.

This calls for establishing a true "continuous learning contract" between employees and employers; agile and based on regular feedback; making it possible to bring together business strategy, individuals' employability, as well as the responsibilities of each, working together towards a culture of learning for the benefit of one another.

MAKE DARING LEAPS IN EVOLUTION.

Find out more!
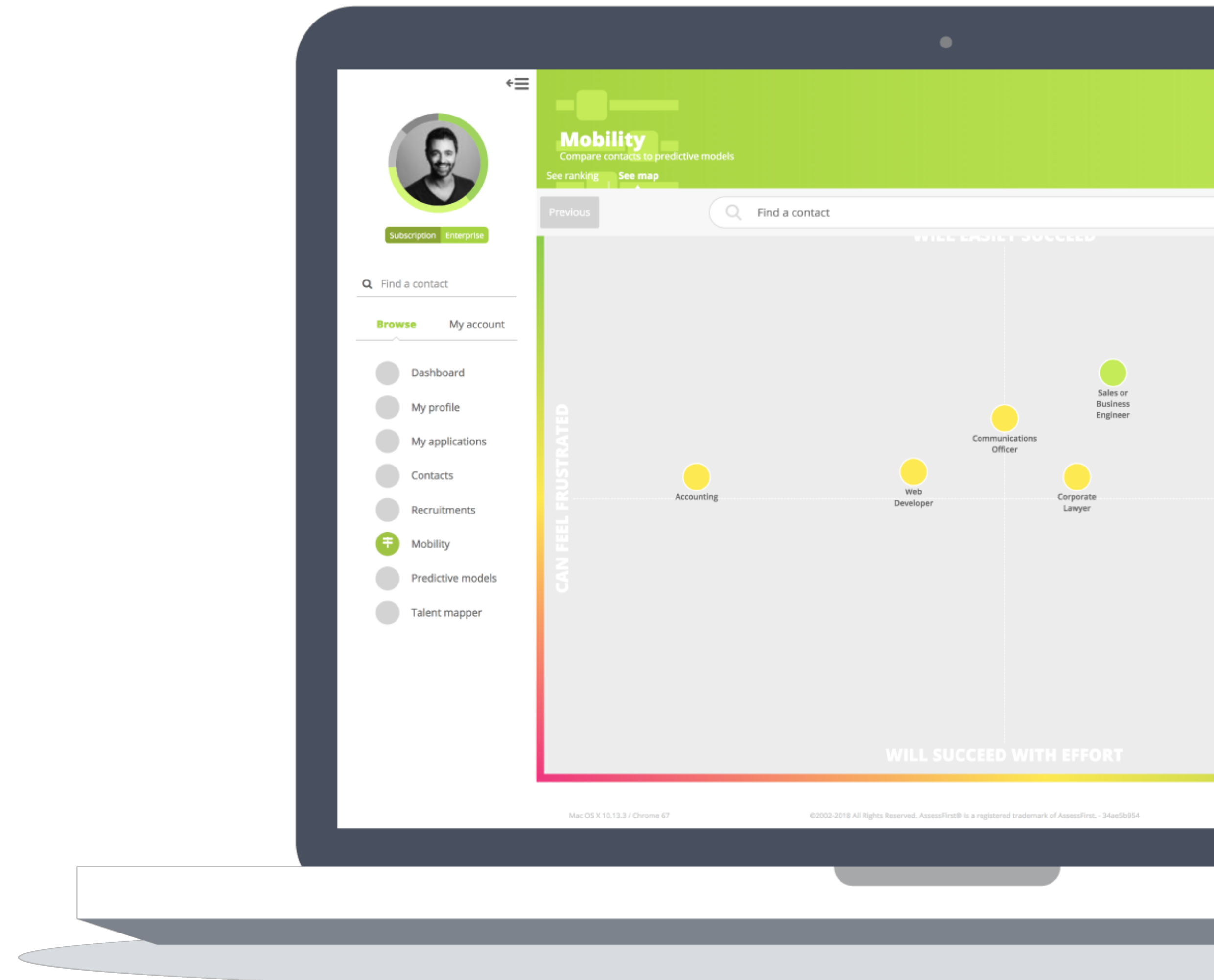
IN CONCLUSION.

Reskilling should become part of long-term strategies that value behavioural skills over quick responses to short-term needs. This process calls for a reorganisation surrounding human capital, particularly our capacity to continuously reinvent ourselves. Successful companies will be those who understand that the notion of talent requires a new angle of analysis, understanding and decision-making. Far from technical skills, experience or diplomas, talent is above all a matter of matching personality and the position in question.

Too often companies make the mistake in thinking that digital transformation is, above all, a question of technology. This simplification is detrimental to any learning culture and leads to purely technically-based training and reskilling efforts.

Instead, transformation demands a reorganisation around human capital and our ability to reinvent ourselves: you can possess the best technologies on the market, but if your employees are not able to adapt and continuously learn how to exploit them, what's the point?
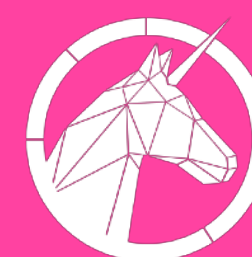
However, this paradigm shift requires that we all become aware of what makes up real human talent and also demonstrate enough humility to recognise our natural limits.

Understanding how our human qualities complement those of machines (and vice versa) is indispensable for setting up effective human-AI collaboration systems, which make it possible to increase everyone's capacities (Jarrahi, 2018) ... but also to allow everyone to find a place in the working world of tomorrow.

This White Paper on Reskilling was written by AssessFirst.

AssessFirst helps HR professionals and operational managers to make better decisions about people, at all stages of talent management (recruitment, identifying potential, development, mobility, building and management of teams).

We do this by providing you with a human factor prediction solution that is based on the analysis of people's real potential, well beyond their CV.

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