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CURRENT TRENDS

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Reshaping the Workforce: Reskilling

MOVING FORWARD WITH CONFIDENCE...

Background and Importance

How leaders can reshape the workforce to deliver new business models?

This is a question that business is facing, a situation the finance world is fronting since technology started to disrupt the sector, dramatically. In the banking sector, new digital technologies, such as automation and artificial intelligence, are reshaping not only customers' experience, but also those of bank employees as processes and jobs are transformed. In 2017, McKinsey global institute estimated that as many as 375 million workers—or 14 percent of the global workforce—would have to switch occupations or acquire new skills by 2030 because of automation and artificial intelligence. Recently, in a new McKinsey global survey on future workforce needs, January 2020, nearly nine in ten executives and managers say their organizations either face skill gaps already or expect gaps to develop within the next five years.

In fact, the **coronavirus pandemic has made the above question more urgent**. The virus is accelerating the trend that was already shifting the business rapidly. Bankers and financial analysts have to pave their way of their adaption to the rapidly changing conditions, more urgently, banks and financial analysts have to upskill and reskill their employees to the new roles in the new working environment. Employees have no option but to learn how to collaborate with the artificial intelligent technologies to deploy it and benefit from it, especially in the remote working mode.

This dynamic change is fatal and inevitable to deliver new business models in the post-pandemic era.

Definitions

McKinsey points to four ways to think about the process of reshaping the workforce, this includes:

- **Microskilling:** expanding employees' skill sets without fundamentally changing the nature of roles.

- **Upskilling:** expanding the nature of existing roles to encompass new skills and activities that will become part of the "next normal". In other words, developing skills for the new normal. Examples include:

• Bank tellers transitioning into product development or strategic marketing roles

• IT developers moving to cybersecurity

• Compliance professionals switching to algorithm quality review.

- Reskilling: retrain employees on all skills necessary for a new role in response to environmental and strategic shift.

Examples include:

• Financial advisors working alongside robo-advisors to determine the right asset allocation models for client

• Risk professionals leveraging visualization tools and advanced analytics to build new risk models.

- Hiring new talent: hire large pools of talent with the required skills to meet spikes in demand.

All four are essential for true progress in banking.

Strategies of Reskilling Implementation

The process of reskilling may either take the form of just providing the employees with some sort of ongoing digital training for all new software products, or it may consist of a mix of digital training, with dedicated in-person help. In either ways, reskilling is crucial now to adapt to the new changes of shifting the customers' demand and the new post- pandemic ways of working (remote working). All in all, six steps are identified for the organizations' leaders aiming at reskilling workforce:

- Rapidly identify the skills that the recovery business model depends on: doing this, leaders should quickly identify crucial skill pools, value drivers and employee groups that will drive the new future of the business. In this case, leaders may need to identify a different skill set to facilitate the change in customer demands and expectations.

- Building employee skills critical to the new business model: building a no- regrets skill set- a toll kit that will be useful no matter how an employee's specific role will evolve. This may include:

• **Expanding the ability to operate in a fully digital environment:** by building technical awareness and skills so employees can fully operate in a remote world and be productive within the company's ecosystem.

• **Developing cognitive skills:** critical thinking and sound project management are needed in the challenging environment brought by remote work.

• Strengthening social and emotional skills: advanced interpersonal skills are needed to ensure that the professional ties are kept strong despite distance.

• Building adaptability and resilience skills: supporting critical employees to build their self-awareness, self- confidence, and self -resilience so they can use new experiences as a source of learning.

- Launching tailored learning journeys to close critical skill gaps: as leaders need detailed vision of the activities that the critical groups will begin undertaking in the short term plan (12 to 18 month), they also need to identify the skills which each of these groups need hence, the skills gaps will be identified. Once they are identified the reskilling journey starts.

- Starting now, testing rapidly: getting started on reskilling programs makes organizations better prepared for potential future role disruption—and is preferable to waiting. By building the organizations' own institutional learning, and capturing what works and what doesn't now, organizations are put in a position to apply those lessons during more disruptive events in the future.

- Acting like a small company to have a big impact: studies and experiences proved that reskilling programs at small companies are more successful than those at large one. This is attributed to various reasons, some of which are that small companies tend to have clearer view of their skill deficiencies, so they are better at setting priorities of the gaps they need to address at selecting the right candidates for reskilling.

- Protecting learning budgets: training budgets ought to make skill's building a key strategic lever for adapting to the next normal.

Adding to this, **considering the training delivery method is a fatal decision; organizations may consider the following when making such a decision:**

- Retraining is most successful when it happens on the job, and employees are most likely to retain information if it's immediately applicable. Learners need to be able to connect what they've learned in training to their day-to-day responsibilities, and the best way to help them do so is to integrate training experiences into the flow of work.

- Using branching scenarios, online training simulations, and serious games are proved to be powerful reskilling tools. They offer real world experience without any risk, which allows corporate learners to build essential skills more rapidly.

- Hosting skill- centered webinars, this is particularly useful for the skills that require observation and modelling.

- Creating a new, chief-level executive who oversees reskilling, this is recommended by Harvard Business Review. The suggested job title is chief skills and learning officer, or CSLO.

When Reskilling can be an Effective Strategy and with Whom

There are number of cases when this could be an effective strategy:

- Employees' current skills are losing relevance: if the talented employees' expertise, working for the organization, is becoming less relevant, an effective idea is to retrain them rather than waiting till they become obsolete.

- Newer skills are needed for a role; even if the employees' current skill set is fine, the position itself requires additional set of skills to address a change in the industry's practices, legislation, and working methods.

Who is a good candidate for reskilling;

- Self-starters: those are the employees who seem to go out of their way to learn new skills and try to achieve challenging goals.

- Employees who manage time well; those are the employees who manage to balance the demands of learning new skills with day-to-day responsibilities.

Successful Examples

- Big-name businesses like Amazon, Walmart, AT&T, and JPMorgan Chase are all rolling out exceptionally robust plans to reskill their workforces. In fact, Amazon is one of several corporate giants to recognize the benefits of reskilling. After a recent technology adoption that automated warehouse operations, the organization plans to reskill one-third of its workforce rather than lay off warehouse employees. The company is investing $700 million in developing technical skills around information technology (IT) support, machine learning and software engineering within its pool of factory workers.

- In 2017, Citigroup announced a partnership with Cornell Tech to develop digital talent in the New York City labour market.

- Citi also launched the Core Consumer Banking Skills training wherein 1,600 employees from frontline to managerial levels can avail of skill-based training in Process/UX design feedback and cybersecurity, according to **Jorge Osorio**, chief human resources officer at Citi Singapore. The bank is also planning to roll out Degreed, a platform where employees can access learning resources from Udemy, GetAbstract, Khan Academy, and TED in the coming months.

- In 2018, PWC launched an internal digital workforce transformation programme

Challenges in Implementation

Performance Mapping:

It's often difficult for companies to identify which skills their employees have, which skills they need and how to fill the gaps. That's why thorough needs analyses and performance mapping are vital.

The Half-life of Technical Skills

Technical skills change quickly. Industry standards for technologies and processes shift more quickly than educational systems can turn out learners. Technological changes might move even faster than designing the training sets for the employees. A survey by Prudential found that only 46% of full-time workers think their skills will make them competitive in 10 years. That's why the programs of reskilling have to be applied rapidly and efficiently.

Videos

What will the future of jobs be like?:

https://www.youtube.com/watch?v=eH1fFdjzJAw

Upskilling & Reskilling: The need is now!:

https://www.youtube.com/watch?v=OYFbVEzkSxw

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