

**A STUDY ON THE SIGNIFICANCE OF RESKILLING AND UPSKILLING IN BUILDING
EMPLOYEE VALUE PROPOSITION IN IT COMPANIES**

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Abstract- Upskilling is undertaking learning to expand the skillset from the existing skillset. Reskilling means learning a totally new skillset from the employee's existing skillset. The common thing about both is they help the employees to expand their knowledge, but they differ in the end result. With the advent of Industry 4.0 technological disruptions are taking place on a wider scale and Covid-19 has also accelerated the pace of these changes by increasing automation, remote work and flexibility at all levels in IT organizations. The IT companies have witnessed the surge in new technologies such as Artificial Intelligence, cyber security, data visualization, data analytics quantum computing etc. For this skill do a power is required so that the present skills in these organizations do not become obsolete to gain a competitive advantage. So, companies have come up with the idea of Employee value proposition that will motivate the employees to acquire new skills for the benefits and perks they receive in return for the skills, capabilities and experience they bring to the company that helps the company in achieving its goals. When we examine more on the EVP, it is about how the companies wishes to keep themselves unique in terms of motivating people to work and retaining great talents and attracting potential talents in the company by creating a uniqueness in what the company has to offer. As the IT companies are moving towards a technological shift it is important to understand the significance of reskilling and upskilling in building employee value proposition. In this research paper we aim to study the significance of reskilling and upskilling in building employee value proposition in IT companies through descriptive research design for obtaining the objective of the research, a pre-planned and structured questionnaire was used. A sample size of 50 employees from different IT companies were approached on a convenient basis. Both primary and secondary data were used in compiling the study. Secondary data was collected from websites, books and articles while primary data were collected with the help of structured questionnaire from the employees of IT companies.

Keywords- Upskilling, Reskilling, training, skills

I. INTRODUCTION

This study postulates that for organizations to sustain and hire best talents from the labor market they must focus on upskilling and reskilling their employees to a level that they are able to add value proposition to the organization which again will support the employer for their employer branding. An employer value proposition is a strategy of the employer branding that represents all the value that the employers have to offer to their employees (SHRM,2023).

The effect of great resignation has made hiring and retaining talents a major challenge that needs to be worked by the organizations. So, employers are trying to give a chance to the employees by trying to understand what they need from their job which seems to be too tempting, but it can be a risk for the employees because it tends to focus on the material aspect of a job that are on the top on the employees and the recruiter's mind.

In the past it was pay and now it is flexibility that is being offered; mostly remote and hybrid works. This seems to be well appreciated by the employees, however these material aspects seems to catch the eye of the competitors who can copy the same style and attract talents hence retaining talents has become a very challenging job for the HR's(hbr,2023). Elements of the EVP that the employers can focus are:



Figure 1: Employee Value Proposition [EVP]

1. Upskilling and Reskilling of the Employees

The process of learning new skills relevant to the present profession due to the changes in the working is called Upskilling. Reskilling is the process of building a completely new talent which may or may not be related to the present employment. Reskilling and upskilling help an employee to improve their skills to do well in the present job or to sustain in the everyday changing competitive environment. Technological changes have made it mandatory for individuals to learn the skills they lack because it gives a notion that the present skills one have may become obsolete in tomorrow's job environment. (Prof. Sahana, Deeksha M.Nagaraj, 2023)

As per world economic forum future of jobs report half of the employees worldwide would be needing reskilling by 2025. In the year 2016 it also predicted that half of the children entering primary school today will be ultimately working an entirely different job that will provide skill, knowledge and culture needed for an entrepreneurial culture. When an organization is providing a platform for the employees to enhance their skills it is building a more inclusive culture for the employees. Learning is a life-long process.

The need for new skills and technologies emerged a decade ago. It is high time that the people gained the requisite skills required to sustain them in the more competing labor market. Moving to 2025 analytical thinking and innovative skills crowd the skill set that employers predict will grow in the coming years. Critical thinking and problem solving was at the top in 2020.

It is now gone to 3rd and 4th place respectively as per world economic forum survey. With the advent of new technologies at a faster rate, new products are coming onto the market and therefore the working process is also slowly changing. So, the employees will also have to develop their creative and innovative minds so that the organization flourishes in the fast-moving global market. The skills that are going down in the labor market are negotiation and people management. The quality control skills such as active listening and emotional intelligence were top in the skill requirements in 2015. But now the emerging skills are self-management skills such as active learning, resilience, stress tolerance and flexibility.

II. SIGNIFICANCE OF RESKILLING AND UPSKILLING IN EMPLOYEE VALUE PROPOSITION

1. Problem Statement

An employee value proposition can be defined as a set of rewards, recognitions, support and company culture that the employer provides the employee with enabling them to do their best work and achieve the highest standards. Reskilling and upskilling can add value to the employee value proposition as it will allow the employees to learn a new skill or shift to the totally new role which gives the employee an opportunity to grow personally and professionally and add more value to the organization. Every employer must embrace employee value propositions. It is an important aspect in IT companies as IT companies have lots of reskilling and upskilling opportunities coming up from time to time. So, this research aims to investigate the significance of reskilling and upskilling in employee value propositions in IT companies.

III. LITERATURE REVIEW

1. Rhea Sawant, Bryan Thomas & Swati Kadalg (2022) Reskilling and Upskilling

To Stay Relevant in Today's Industry states that low skilled employees will be at risk to lose their jobs as a result of the technological advancements that has increased the machine interventions. According to the authors every single day there are three kinds of industries that needs to be talked about ones that are created in synchronization with the changes that definitely are the ones that are coming up with a need for new skills to be fully functional. One such was the emergence of blockchain and crypto currency. This raises a need for new skills which is not easily possible with just a bachelor's or master's degree in the relevant field. The second kind of industry is the one that brings disruptive technology e.g.: Netflix and its streaming services that gave a stop to the CD's and DVD's. The third kind of industry are the one that require better skills to sustain the competition of tomorrow's world i.e. UBER the ride sharing app. The new era of AI is going to bring a complete shift in the jobs in every sector. It will completely change the dimensions of production and the way it is delivered to the consumers. According to Microsoft 150 million new digital jobs are going to come in the next 5 years which is going to increase the demand of the online certifications in learning platforms such as Coursera. The main essence of this technological shift is the change in the work structure and the need for upskilling

and reskilling. Skill-based education is the main need of the hour. Technological advancements will change the nature of work and even though some of the works will become obsolete, it has the ability to create more jobs than to eliminate.

2. Sukarna Chakma & Nanvadee Chaijinda(2020), Importance of Reskilling and Upskilling the Workforce

In this paper the researchers have focused on the importance of reskilling and upskilling for an organization due to the changes taking place because of Industry 4.0. They emphasized that making an investment in reskilling and upskilling is less than recruiting and training new workers. Reskilling and upskilling help in creating a well-trained capable manpower as per the requirements of the industry norms. It improves the knowledge and capabilities of the workforce and increases the organization's income and retention of employees. The authors also reinforce the explanation of reskilling and upskilling. As per the McKinsey report more than 375 million people may need to completely change their skill sets by the year 2030. This would happen because of newer technologies such as digitization, AI and automation disrupting the future of workplaces. As a result, many employees are forced to take new degrees and certifications in the upcoming technologies. In an era of globalization, it is imperative to keep the workforce relevant to the current competitive global market. Getting the right talent is one part, making them productive as per the current global market requirements in another major part. This paper also focuses on agility which is crucial for organizations to adapt to the changing paradigms. The transformations of the work environment will change job profiles completely and the employees are required to be updated to the latest trends constantly. This requires the employees to acquire new skills in global awareness, financial, economic, business and entrepreneurial literacy, civic literacy, health literacy, environmental literacy. The Four C's critical to adapting to a work environment in the 21st century is: • Creativity and Innovation • Critical Thinking and Problem Solving • Communication • Collaboration. The paper also focuses on the shift in the teacher's role in order to connect better to the students to update them to the current trends. The teachers will also have to reskill and upskill themselves so that their roles do not become obsolete. The terms up-skilling, re-skilling, down skilling are latest buzzwords at workplaces including industries and companies and soon these terms may become hot buzzwords in academia too.

3. Muchiri, D. G.(2022), Skilling, Reskilling, and Upskilling a Workforce

A Perspective from Kenyan Enterprises In this paper the researcher discusses if the Kenyan organizations have embraced a learning ecosystem for their employees by offering them opportunities to reskill, upskill and acquire new skills. The researcher also focused on the skill gaps in the Kenyan organizations and tried to bring into light the role of reskilling and upskilling in the future of Kenyan organizations. It also discusses the practices and solutions being used by various enterprises in Kenya to prepare their workforces for the future of work. The study seeks to understand a concern if the organizations are putting timely reskilling/upskilling efforts. The

researcher referred to the evidence shown by the organization for economic cooperation that automation, globalization, demographic changes as well as changing values and preferences.

4. Ananda Devan Sivalingam, Prof. Dr. Shaheen Mansori, How Organizations Should View Reskilling and Upskilling the Workforce

In this research paper the researcher emphasizes reskilling and how it is important for switching jobs, especially from one sector to another. The researcher tries to explain the concept of reskilling and upskilling by giving examples because they feel understanding the difference is very crucial for organizations and individuals. The food for thought given to the organizations in this research paper is to question if their workforce is able and skilled to drive the business ahead. Is upskilling required and if required why it is needed. Were the resources upskilled for the technological advances and is the organization prepared for upskilling its resources for all the technological innovations that will come its way. It further investigates if the resources will be replaced by automation and if they reskill will they be helpful for new ventures within the organization. One more important question that delved into the mind of the researcher for the organization is will they have to shut down the business due to Covid-19 impact. In that case what will happen to the investments made in reskilling and upskilling.

5. Sofia Morandini, Federico Faboni, Marco De Angelis, Gabriele Puzzo, Davide Giusino, Luca Pietrantoni, the Impact of Artificial Intelligence on Workers' Skills: Upskilling and Reskilling in Organizations

The paper aims to investigate the change in professional skills due to the advent of AI. Implementation of AI in various organizations has led to automation of works and a lot of requirements of reskilling and upskilling the employees in these sectors. Successfully embracing these changes will lead the organizations to a new working and organization models. AI is used in many fields today. Some of the AI tools are Path AI tool helps doctors diagnose cancer accurately, then the various customer service AI tools that leverage natural language processing. To successfully adapt to these changes' organizations, have to change to a new working model and the resources therefore have to be reskilled or upskilled to handle the changes in the technology. AI will bring automation. So, it has an implication on both the knowledge workers and the blue collar workers. It is estimated that before 2030, 375 million (14% of the world workforce) will have to change jobs due to AI related advancements in technology. The research further investigates that the demand for so-called mid-range workers, operational workforce and visual spatial skills are declining. There are new arguments that implementation of AI in the organizations will lead to emergence of new jobs. The skills that are going to be in demand due to AI are critical thinking and problem solving. The statistics further says that the share of key skills will change 40% in the next five years and 50% of the workers will need retraining and further education according to (World economic forum, 2020).

To investigate further these changes the European Commission recently launched a check on the upskilling in the industries which initiated a cofounded international upskill project. This project aims to identify the balance between humans and technology in manufacturing. It further focuses on generative AI. Generative AI aims in generating new contents or data rather than analyzing existing contents or data. It can be used both in text and images.

Through generative AI the human transverse skills such as communication, problem solving, and conflict resolution can be managed. Eg” Chat GPT that uses natural language generation to convert into human like conversations. The research further focuses on all the transversal skills required for AI like communication, self -management, problem solving, conflict resolution, thinking skills etc. The research further goes to understand the dark side of AI on the workers. It further understands the pitfalls and shortcomings that AI can bring if not used critically.

The research further argues that AI might bring lots of capabilities to the organization but whether it will improve the employees’ skills is questionable. Also, the impact of AI will increase depending upon the level of the job. But the researcher confirms that the employees’ job insecurities can be reduced by reskilling themselves. The researcher further brings into light the challenges of reskilling and upskilling, it states that the countries with poor education system and structure are reluctant to invest in reskilling and upskilling. Time can be a constraint to the workers. So, except for a few skilled workers, the remaining skill enhancement may be a tedious process due to time, money and other environmental constraints.

Objective

- To identify the reskilling and upskilling opportunities in IT companies.
- To understand the significance of reskilling and upskilling in building employee value propositions in IT companies.

IV. RESEARCH METHODOLOGY AND DATA COLLECTION

- **Research Design:** For efficient study of the research exploratory research design is used as the problem needs more clear investigation since it was rarely investigated before. The study aims
- **Population:** Employees of IT companies.
- **Sample Design:** Quantitative.
- **Sample Size:** 41 Employees of IT companies.
- **Sampling Method:** Simple Random Sampling
- **Research Instrument:** Questionnaire The study will use a combination of primary and secondary data collection methods.
- **Primary Data:** will be collected with the help of a questionnaire circulated among the employees.

- **Secondary Data:** will be obtained from publicly available sources, research papers, company websites or other relevant sources.

Data Interpretation

Table 1: **Age vs Count**

Interpretation	20-30	10
	31-40	10
	41-50	17
	51-60	3
	Above 60	0

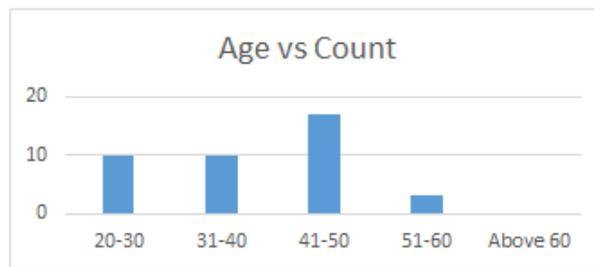


Figure 2: **Age vs Count**

What are the existing technologies used in your organization?

Table 2: **Existing technologies in organizations**

HTML	15
CSS	13
Javascript	14
React	8
Redux	4
Typescript	8
C++	7
Ruby on rails	3
Cloud	22
Analytics	19
JQuery	9
Other	13

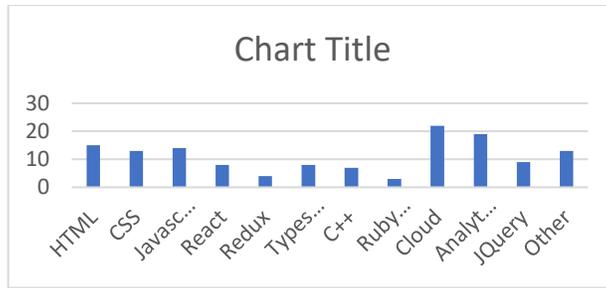


Figure 3: Existing technologies in organizations

What are the new technologies adapted by your organization?

Table 3: New technologies in organizations

Machine Learning	15
Quantum Computing	3
Cyber Security	18
Virtual Reality	5
Augmented Reality	2
Genomics	0
Predictive Analytics	9
Extended Reality	0
Cognitive Technology	2
IOT	6
Other	3



Figure 4: New technologies in organizations

Was upskilling or reskilling an important requirement of your current job?

Table 3: Importance of upskilling and reskilling in current job

Yes	39
No	2

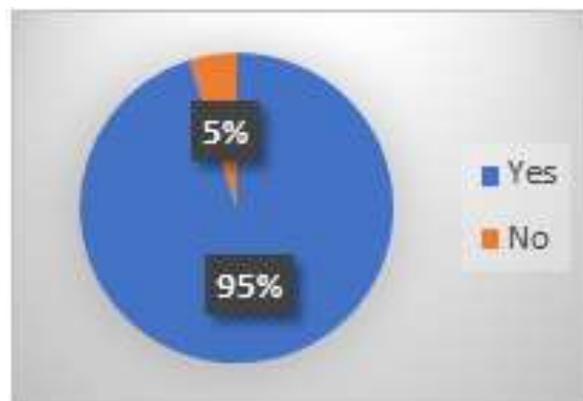


Figure 5: Importance of upskilling and reskilling in current job

How did your organization help you in upskilling or reskilling to the new technologies

Table 5: Organization support



By providing an online training	28
By providing an offline training	12
By providing on the job expert support	7
By providing online e-learning support	19
NA	3

Figure 6: Organization support

Is upskilling or reskilling a part of your organization's skill enhancement initiatives

Table 6: Organization skill enhancement initiatives

Yes	40
No	1

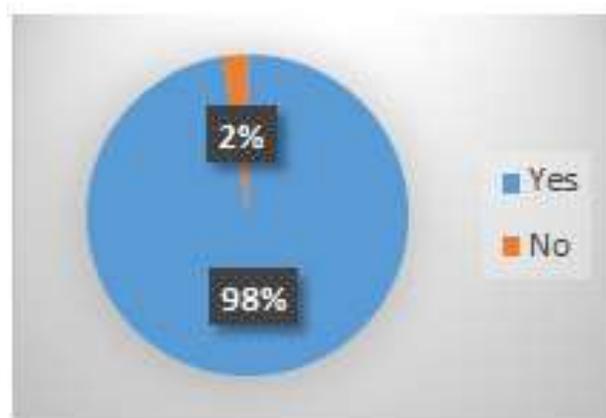


Figure 7: Organization skill enhancement initiatives

What initiatives are taken by you to upskill or reskill yourself

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Table 7: **Self initiatives**

Upgraded by self	26
Joined Edtech courses	4
Joined online courses	28
Joined offline courses	6
NA	0
Other	0

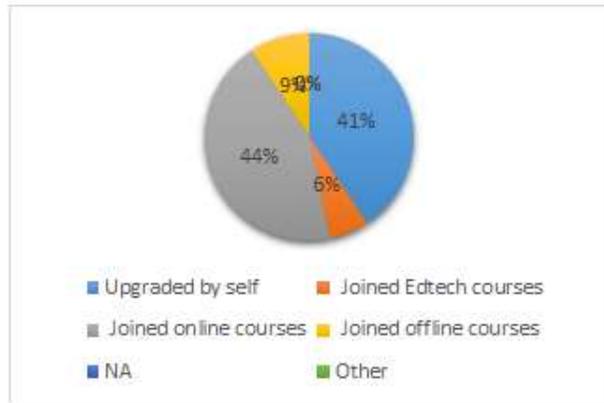


Figure 8: **Self initiatives**

Did your organization come up with rewards for skill enhancement?

Table 8: **Rewards for skill enhancement**

Yes	21
No	8
May Be	12

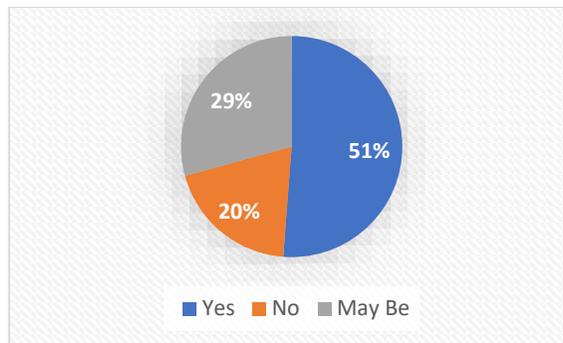


Figure 9: **Rewards for skill enhancement**

What were the rewards for self-upskilling and reskilling initiatives?

Table 9: **Reward initiatives**

Incentives	8
Part of variables	3
Appreciation	24
Bonus	1
Other	5

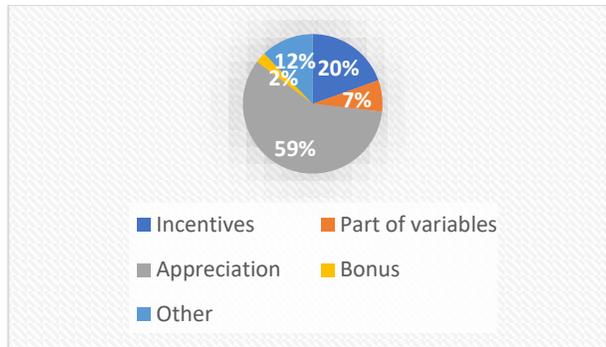


Figure 10: Reward initiatives

How much time it takes for an individual to upgrade to a new technology

Table 10: Upgradation time

Less than 10 days	1
10-30 Days	15
30-60 Days	16
60-90 Days	6
90-180 Days	3
More than 180 Days	0



Figure 11: Upgradation time

Does your employer conduct employee value proposition surveys?

Table 11: EVP Surveys

Yes	28
No	6
Maybe	7

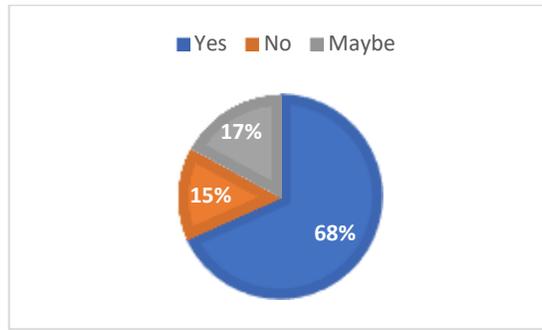
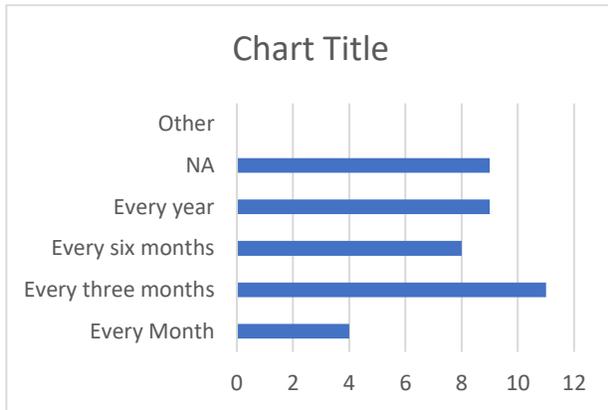


Figure 12: **EVP Surveys**

In what duration does your employer conduct employee value proposition surveys?

Table 12: **Duration of EVP Survey**



Every Month	4
Every three months	11
Every six months	8
Every year	9
NA	9
Other	0

Figure 13: **Duration of EVP Survey**

Findings

The maximum of 17 people who have answered this survey are in the age category of 41-50. The existing technologies used in their organizations are cloud. The new technology adapted by the organizations is Artificial Intelligence. Upskilling and reskilling are an important requirement of the respondent's current job. The organizations helped their employees in upskilling and reskilling by providing them online training and as a part of their skill enhancement initiative and also coming up with reward strategies for upskilling and reskilling. Also, the respondents upgraded themselves and got appreciation from their management. As per the data it takes 30-60 days to upskill or reskill to a new technology. The employers conduct employee value proposition survey every three months

V. CONCLUSION

Due to the advent of new technologies the organizations are very keen in reskilling and upskilling their employees so that there is no lack of talent and skill to cope with the changes in the technology. So reskilling and upskilling have grown at a faster pace and employers are even linking their employee value proposition with reskilling and upskilling because it is not always feasible to provide training for so many employees. Training can be provided for shorter groups but it is not cost efficient for the employers to provide training for large groups so employers are promoting reward strategies and encouraging the employees to upgrade themselves so that the lack of skills can be shortened and more and more employees are equipped with the Artificial Intelligence related technologies.

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