



Encourage and support employers to invest in upskilling/reskilling of workers

It has been estimated that a third of all jobs will undergo substantial transformations, although it is not possible to predict the kind of these transformations across industries/organisations.¹ As automation technologies extend wider and deeper into the labour market, the impact of job transformation will be extensively felt. Employers need to be encouraged on how to be best prepared for these future changes. This underlines the importance of upskilling and reskilling of workers, so that if job transformation leads to extreme job polarisation and there is substantially more demand for highly skilled workers, employers and employees are prepared for these changes in the labour market. If employers are encouraged and supported to invest early in upskilling and reskilling of workers, they will be better positioned to not only overcome challenges but also to reap opportunities brought by automation technologies. Moreover, upskilling/reskilling represents an investment into human development of workers and will boost their employability in the future.

Inform employers about the importance of employee upskilling and reskilling

Informing employers about the importance of upskilling/reskilling of employees can encourage them to invest in it, as well as, to stimulate skills development among workers. Upskilling/reskilling can have many benefits, simultaneously, while ignoring the need for upskilling can have serious harmful consequences in the short and long-term. For example, skills development facilitates the process of job transformation, better prepares employees for the future of work, boosting their capabilities to fulfil current and future job responsibilities, as well as, increasing their future employability. A lack of training may cause frustration and lower job satisfaction, a drop in the quality of work, and a disruption to work organisation. For employers, ensuring that their current employees acquire necessary skills is more efficient than hiring new employees and ensuring these are also sufficiently trained. Informing the employers about the importance of employee upskilling/reskilling can be delivered through public consultations, events, network/stakeholder organisations or media.

Encourage employers to contribute to regional/national socio-economic development

Upskilling and reskilling will not only benefit employers and employees, but the society in general. Given that automation technologies are being adapted at an increasing rate, everyone who works or will work in the future should be equipped for participating in the new world of work. Corporate Social Responsibility (CSR) highlights that employing organisations

¹ How upskilling employees strengthens your business. PwC ProEdge RSS. (2022). Retrieved December 20, 2022, from <https://proedge.pwc.com/upskilling-employees-makes-for-a-stronger-team>



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have a responsibility not only to maximize own profits, but also to maximize their contribution to societal good. For this reason, employers should be encouraged to contribute to regional or national socio-economic development by providing upskilling and reskilling opportunities. A good example of how organisations are already dealing with this responsibility can be demonstrated with the integration of digital inclusion CSR programmes.² These programmes offer a structured and scalable digital inclusion course in which employees who participate can support others to learn new digital skills. These digital skills can range from teaching people to videocall their family members or manage online finances.

Support employers in the identification of employee skills needs

For employers to be able to successfully upskill and reskill their employees, they must first identify the exact type of skills required/missing.³ For this reason, it is central for employers to receive support in conducting robust skills gap analyses.⁴ To perform an effective skills gap analysis, organisations must have deeper understanding on their values, objectives/goals, skills needed and skills available. This can be achieved in a multiple way. For example, by means of skill assessment tests, surveys and interviews, consultations with the workers' representative organisations. Employers can also receive the references to the tools and specific platforms highlighting the best practices on developing these tools. Lastly, simply by making employers aware of the need to identify skill gaps can prove to be encouraging enough to act.

Support employers in the development of employee skills

Once employers have identified the skills that their organisations lack, the focus can be moved to identifying the solutions to develop these skills. This is not an easy task, since organisations would be attempting to impart knowledge that is possibly completely lacking within the organisation. There are multiple ways to support employers. One of the options could be making employers aware of education/training organisations that offer relevant training courses. This implies that a wide range of training courses should be available, in terms of contents, duration, formats and modes of delivery (e.g., onsite, hybrid, digital). Another option could be supporting education/training organisations and employers to jointly develop new trainings. At times, this is arranged with the support of stakeholder/network

² Inspire: Digital Inclusion. Inspire. (2022). Retrieved December 20, 2022, from <https://www.digitalinspire.co.uk/>

³ How upskilling employees strengthens your business. PwC ProEdge RSS. (2022). Retrieved December 20, 2022, from <https://proedge.pwc.com/upskilling-employees-makes-for-a-stronger-team>

⁴ Agouridis, A. (2022, October 27). 5 Strategies to Upskill and Reskill Your Workforce. Jobylon. Retrieved December 20, 2022, from <https://www.jobylon.com/blog/5-strategies-to-upskill-and-reskill-your-workforce>



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organisations that ensure that several industries/organisations will benefit from a new type of training courses. The latter can also stimulate better cooperation between the organisations.⁵

Provide financial incentives and resources for employee upskilling and reskilling

Provision of upskilling and reskilling trainings comes at a monetary cost. Although employers who are providing these trainings are aware of the benefits, they might still face shortage of resources to organize them. Among the major barriers for employee upskilling and reskilling is a lack of committed time during a workday for training, as at the end of the working day there are low willingness and limited (cap)abilities to participate in skills development. Governments should provide financial incentives and resources to make these training as widely available/accessible as possible or offer financial instruments that can cover the costs of organizing these trainings. These financial incentives can take many forms. For example, within the EU the training grants are one of the well-established sources of funding for training and adult education.⁶ Moreover, the Public Employment Services (PES) of countries are good sources of information for matchmaking between education/training providers and organisations/employees seeking upskilling/reskilling.

Consider the following PILLARS and external resources to encourage and support employers to invest in upskilling/reskilling of workers:

Title and weblink	Author and year	Description
<u>Skilling, Re-Skilling, Digitalization And The Future Of Work</u>	ILO, 2022	In this podcast episode, the focus is on investigating the evolving demands for skills in the labour market, emphasizing the role of education, training, and lifelong learning in effectively equipping and re-equipping workers amid the dynamic and ever more digital job landscape.
<u>Inspire</u>	Digital Unite, 2023	Inspire encourages employee volunteering to support others in acquiring new digital skills, utilizing adaptable and scalable resources readily available. It can serve as an initial step toward broader community engagement and offers measurable outcomes aligning with CSR and ESG goals. Volunteers benefit from its efficiency, providing immediate and tangible results from their efforts.

⁵ Froy, F., Giguère, S., & Meghnagi, M. (2012). Skills for competitiveness: A synthesis Report. OECD. Retrieved December 20, 2022, from <https://www.oecd.org/cfe/leed/Skills%20for%20competitiveness%20Synthesis%20FINAL.pdf>

⁶ Training fund. CEDEFOP. (2022). Retrieved December 20, 2022, from <https://www.cedefop.europa.eu/en/tools/financing-adult-learning-db/instrument-types/training-fund>



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<p><u>Elderly Left Behind? How Older Workers Can Participate in the Modern Labor Market</u></p>	<p>Oliver Falck, Valentin Lindlacher and Simon Wiederhold, 2022 (PILLARS REPORT)</p>	<p>Older workers benefit greatly from digital skills, which boost their job prospects and productivity, allowing access to higher-paying positions. These skills are learnable at any age. To close the gap in digital abilities among seniors, policymakers should incentivize employers to offer training and fund programs in higher education. There's a significant global difference in digital skills among the elderly, surpassing that of younger age groups, underscoring the need for immediate action.</p>
<p><u>Digital Skills And Jobs Coalition</u></p>	<p>European Commission, 2023</p>	<p>The Digital Skills and Jobs Coalition (DSJC) unites EU Member States, companies, social partners, non-profits, and educational providers to tackle Europe's digital skills gap. It provides a platform for organizations to share experiences, exhibit their efforts, and enhance digital skills continent-wide, playing a pivotal role in achieving the Digital Decade objectives. Actions carried out through the Coalition are instrumental in reaching these ambitious digital targets.</p>
<p><u>Job Training, Human Capital, and Labour Market Outcomes: The Role of Automation, Offshoring, and Digitization</u></p>	<p>Oliver Falck, Yuchen Guo, Christina Langer, Valentin Lindlacher and Simon Wiederhold, 2022 (PILLARS REPORT)</p>	<p>In recent years, significant shifts in the labor market due to technological advancements and global outsourcing have altered occupational demands and required skill sets. Certain occupations, especially routine ones, are at risk of automation, potentially reducing the need for specific tasks. Similarly, jobs with tasks that can be outsourced internationally face changes in skill demands due to technological advancements and decreased trade barriers. Additionally, the increasing digitization of workplaces has amplified the necessity for digital skills, which has been linked to higher wages. This situation prompts the exploration of how workers lacking these skills can acquire them. One potential avenue is through job training, prompting an investigation into whether such training can enhance workers' digital skills and, consequently, their success in the job market.</p>
<p><u>Guidelines On Rapid Assessment Of Reskilling</u></p>	<p>Nikoletta Bika, 2023</p>	<p>A skills gap refers to the disparity between the skills desired by employers and those possessed by their workforce. Performing a skills gap analysis aids in pinpointing the necessary skills required to align with your business objectives. Employing a skills gap analysis template further assists in shaping employee development initiatives and refining hiring strategies.</p>
<p><u>How To Conduct A Skills Gap Analysis</u></p>	<p>Emeritus, 2022</p>	<p>In response to the significant skills transformation propelled by digitalization and automation, every company, regardless of size or industry, encounters challenges. A World Economic Forum report forecasts that about 40% of the global workforce will require up to</p>



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		<p>six months of reskilling by 2024. This website provides guidelines on how to tackle this challenge.</p>
<p><u>Empowering Adults Through Upskilling And Reskilling Pathways</u></p>	<p>CEDEFOP, 2020</p>	<p>European policymakers and stakeholders recognize the urgent need to upskill and reskill adults in response to rapidly evolving labour markets and various challenges like digitalization, technological shifts, environmental concerns, aging populations, and social inclusivity. This publication is an integral aspect of the Cedefop project "Empowering adults through upskilling and reskilling pathways." This initiative aims to bolster VET policies and measures, focusing on aiding adults, particularly the low-skilled, in acquiring the necessary knowledge, skills, and competences vital for employment, work readiness, and continual learning.</p>
<p><u>A Pragmatic Guide To Reskilling: Intelligent Cities Challenge</u></p>	<p>European Commission, 2021</p>	<p>The Intelligent Cities Challenge (ICC), a European Commission initiative, supports 136 cities in employing advanced technologies for a smart, sustainable, and socially conscious recovery. These cities and their ecosystems will play a pivotal role in revitalizing local economies, fostering job creation, and enhancing citizen engagement and welfare. The guide details essential phases crucial for designing reskilling initiatives, encompassing ecosystem building, future skill identification, solution design, implementation, and progress monitoring.</p>
<p><u>EU Funding Instruments For Upskilling And Reskilling</u></p>	<p>European Commission, 2021</p>	<p>A list of all the funding instruments available in the EU based on Commission proposals, which are subject to change.</p>
<p><u>The Reskilling Revolution: Better Skills, Better Jobs, Better Education For A Billion People By 2030</u></p>	<p>World Economic Forum, 2020</p>	<p>Introduced at the World Economic Forum's 50th Annual Meeting in January 2020, the Reskilling Revolution initiative targets empowering one billion individuals with improved education, skills, and employment opportunities by 2030. This initiative seeks to equip workers against technological shifts, fostering skill adaptation for the Fourth Industrial Revolution and supporting economies.</p>
<p><u>Benchmark for Future Policies: Studying the Effects of Training on the Adaptability to Technological Change Worker-Level Evidence</u></p>	<p>Oliver Falck, Yuchen Guo, Christina Langer, Valentin Lindlacher and Simon Wiederhold, 2023 (PILLARS REPORT)</p>	<p>This study, using detailed data from the Programme for the International Assessment of Adult Competencies (PIAAC) across 37 developed nations, investigates the impact of job training on workers' vulnerability to automation. It reveals significant variation in automation risk within specific occupations, often overlooked by broader measures. The research highlights that workers involved in job training experience a 4.7 percentage point decrease in automation risk compared to similar non-trained workers, alongside earning approximately 8</p>



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percent higher wages. While training generally reduces automation risk and increases wages across most countries, there are notable differences in its effectiveness. These findings stress the need for comprehensive data on training participation and job tasks to better understand the impact of training programs on addressing automation risks.