
Jobs Are Changing. Four Ways Employers Can Successfully Close the Future Skills Gap

Thinking about the demand for certain skills, coupled with the longevity of these skills, is the key to a strong and resilient future workforce.

Workforce demands are changing. As the market continues to evolve along with the way we work, the people and skills needed to move businesses forward competitively and successfully will also need to change. It's time for employers to come to terms with what skills among their workforce are no longer relevant or will soon become less so.

In a [published guidebook](#) on the topic, Aon defines future workforce skills as behaviors and abilities that transcend traditional technical skills and enable the workforce to operate in a more agile and resilient way. In other words, companies are looking to future-proof their workforce and seeking more versatile talent that is eager to learn and grow with the firm.

Reskilling and upskilling are two ways we are seeing companies address skill gaps. Indeed, Aon's seventh Global HR Pulse Survey conducted in May 2021 found that 28 percent of organizations are planning new initiatives to identify future skills gaps and 30 percent are improving current programs to identify future skills.

Upskilling involves progressing through a career ladder within the same job family. Reskilling is broader and dives into new territory, making the proximity between old and new skills irrelevant. Out of the two, upskilling is often preferred due to its relative simplicity and greater chance of success.

However, we've come to realize through our conversations with clients that there are many legitimate concerns around the process for identifying and developing future skills. Below are just a few of the challenges and considerations clients have raised before jumping into anything too fast:

- Major organizations are investing money in their talent and providing resources for learning and developing new skills, but how do you incentivize your workforce to continuously engage in the marketplace and own their own career paths?
- Even when employers pay for extra educational tools and resources, the employee must then use them on his/her own spare time.
- In many cases, there is no indication that learning certain skills will lead to higher compensation. Therefore, many employees claim they are putting in extra work at their own expense with no clear outcome.
- When new, in-demand skills are gained, the chances of turnover increases. Other companies are more likely to recruit talent with specific skill sets. Employees could also use this new skill to their advantage when searching the job market. They've learned something new, so they may wonder if it's time to move on.

There are several strategies or solutions to mitigate these types of concerns. While neither is a panacea to make the reskilling and upskilling work seamless, together these solutions can make the enormity of closing the future skills gap more manageable.

Solution 1: Enable an agile workforce

Building an agile and flexible workforce should be the overarching goal for all companies. After all, workforce agility is an enabler for employees to feel and act more resilient. It lays the foundation for the future of work, making other activities, like establishing formal upskilling or reskilling programs, possible. Agile and resilient employees are equipped to weather any storm, adapt to adverse situations, manage stress and retain motivation — all necessary, future-leading business traits.

Enabling agility empowers employees to quickly move into new roles or develop new skills to support changing business needs. This then allows companies to avoid hiring or relying solely on external talent, which often results in more time and money. While assessing where you stand on your future skills journey can be challenging, if you focus first on agility, the rest will fall into place.

Solution 2: Assess for core traits

Assessing for core traits that will transcend any expiration dates is not a point-in-time activity. Assessments must include behavioral as well as cognitive abilities that exceed some of the fast-moving digital skills in the market. Addressing your future skills gap and creating a long-term plan is critical for employers to align success with their talent and business strategies. First, make sure you understand your organization's status quo and clearly define its future direction. Know what future skills you need and then benchmark to determine the gap against peers.

While reskilling and upskilling is preferable, there is a chance you will have to plan for some level of external hiring. When thinking about a long-term strategy, firms must hire for mindset and train for skills. In other words, employees and job candidates should be assessed for their mindset and behavior competencies (e.g., agility, ability to learn, curiosity, digital leadership) just as much as technical skills that can quickly become outdated.

Solution 3: Value future skills through rewards

To avoid employees feeling like they are advancing their skills with no compensation benefits, be sure to have a clear plan for how you will value future skills through rewards. Formulate a holistic reskilling data benchmarking strategy that includes analysis of potential pay gaps and future compensation adjustments. The first step of data benchmarking should reveal information about any existing gaps.

The process Aon uses looks at current market rates and a role's future skills profile. A rewards strategy needs to be developed to ensure high-potential employees with adaptable capabilities are being valued for their future skills and not only their present-day contributions. It's important to conduct an analysis that can flag areas of flight risk should pay levels be below market rate. The potential fate of certain roles should essentially inform rewards strategies and ensure that organizations recognize and properly value the future of work.

Solution 4: Build trust through transparency

When employers communicate things like possible upskilling and reskilling changes and opportunities openly, this builds trust and understanding, which then leads to increased engagement and loyalty. Employers that make reskilling and upskilling part of their value proposition and total rewards strategy from the start, have a solid story to share with their employees and wider community. Be open about this

story — provide clarity on the path of a role or what learning opportunities lie ahead. Then talk about career options that cater to each individual employee.

Turnover, along with many of the other items mentioned above, will become less of an issue if all the cards are on the table from day one. Companies should willingly explain their future workforce needs and the shifting demands for certain skills with full transparency and consistency. Be up-front about it. Consider laying out a plan for what employees could earn if they focus on expanding their skills to include programming languages, artificial intelligence and other digital competencies. Take, for example, a company investing in digital marketing. The firm must ensure marketers have access to relevant training and can upskill to new opportunities, all while clearly articulating that it sees this direction as the future.

Next Steps

Organizations that identify and build future skills into their workforce are more likely to realize success in their broader talent strategy. Failure to act now poses longer-term risks.

Looking back, it's amazing how quickly the future of work came upon us. But it's even more amazing by how resilient and adaptive the business landscape has proven to be. Tomorrow's skills are complex and fast-moving — and there will undoubtedly be obstacles. However, with the right strategies, navigating an environment of constant change is always possible.

To speak with one of our human capital experts about future skills planning and how we can help organizations develop effective talent strategies for the future of work, please write to humancapital@aon.com.

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