

Designing a Successful Reskilling Program

Advice based on a survey of 1,200 organizations. **by Jorge Tamayo, Leila Doumi, Sagar Goel, Orsolya Kovács-Ondrejko, and Raffaella Sadun**

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In October 2023, we hosted a gathering of over 70 reskilling and upskilling experts at Harvard Business School, and it didn't take long for everybody to arrive at a unanimous consensus: Reskilling today is a strategic imperative.

The question is no longer “Whether?” or “Why?”; it’s “How?”

Not long before the conference, we had addressed that question by surveying the best practices being used by reskilling pioneers — and in our HBR article “[Reskilling in the Age of AI](#),” we described what we learned. The article generated a great deal of interest, which made us wonder about a new question: To what extent have regular employers begun to adopt those practices?

To answer that question, we recently surveyed chief human resource officers from approximately 1,200 organizations in the U.S., along with business leaders from around 200. What we learned from them was good news: Reskilling is on track to becoming mainstream. Fifty-six percent of survey respondents reported that their organization is now actively implementing reskilling initiatives, often in conjunction with the hiring of fresh talent from the external labor market and other skill-sourcing strategies. And 82% of these adopters described themselves as keen to continue.

Not surprisingly, the respondents reported encountering major challenges and made clear to us that they still have plenty of work to do. In this article, drawing on what we’ve learned from our survey, we’ll review how firms are managing the five paradigm shifts introduced in our previous article. Informed by additional research we’ve conducted since that article, we’ll add a sixth shift: the measurement and evaluation of the impact of these initiatives, which is essential for the implementation of reskilling investments. But the data also have also revealed possible bottlenecks and significant areas for further progress. In this article, we’ll briefly discuss each of our now-six paradigms and lay out key questions that you should be asking yourself when designing and running reskilling programs.

1. Reskilling is a strategic imperative.

Most organizations recognize this already. Reskilling has emerged as an essential strategy for companies aiming to secure a competitive advantage by cultivating unique talent and addressing critical skill shortages. Many shifts in the labor market have contributed to this new focus: the aging of the workforce, the introduction of new roles, and a rising demand for distinct, organization-specific skills. Our survey indicates that nearly all companies engage in workforce planning, with about 70% doing so annually. Additionally, companies that prioritize reskilling are driven by a combination of business- and talent-development goals. Approximately 60% of organizations told us that adopting new technologies is one of their primary business objectives, and 60% to 70% reported they view reskilling as crucial for attracting, engaging, and retaining talent. Many also indicated that finding ways to enhance the core employee value proposition — including efforts to engage, retain, and promote learning culture— ranks high among talent-development objectives.

Key questions practitioners should ask: Are the business and talent goals we expect to achieve from our reskilling investments clear and aligned with our company strategy? Do we have a clear view on the critical skills needed to achieve these strategic goals? Are we properly embedding our reskilling initiatives (from selection of participants to placement after completion) in business activities?

2. Reskilling is the responsibility of every leader and manager.

Across most organizations, HR continues to own the reskilling agenda — from conceptualization to completion to post-completion reviews. Although this is natural to expect, our research has underscored that successful reskilling initiatives require not just a profound commitment from HR but also a broad recognition of their strategic value across the organization. This comprehensive engagement is vital for generating

the extensive and sustained effort these programs need to thrive. However, our survey points to a gap here: Although about 56% of organizations still see reskilling as primarily an HR domain, only about 13% involve other top managers in the design and implementation of programs. Furthermore, when it comes to reviewing key performance indicators (KPIs) related to reskilling, HR managers predominantly take the lead, with the engagement of other C-suite leaders standing at merely 48%. Only 34% of organizations have incorporated reskilling as a KPI for managerial roles. This disconnect suggests that plenty of room remains to create a more-integrated approach where reskilling is not just an HR mandate but a strategic imperative embraced across the C-suite.

Key questions practitioners should ask: Do we have an invested, influential champion behind our reskilling initiatives outside of the HR function? How can we ensure our leaders are actually invested in the success of our reskilling initiatives? Do we have the right leaders and managers involved in the design, implementation, and monitoring of our reskilling programs?

3. Reskilling is a change-management initiative.

Reskilling is much more than training. It demands that organizations pivot toward continuous learning and skill-centric management, alongside support for individuals before, during, and after training. Our findings indicate a spectrum of progress across organizations in implementing these components effectively.

Changes in the organization: In the context of reskilling, respondents seem to be taking steps toward skill-centric talent management. Approximately 60% of firms utilize preexisting skills or knowledge assessments to identify candidates for reskilling programs. Meanwhile, they also incentivize and enable middle managers in the

implementation of reskilling programs. The contribution of middle management is critical to this ecosystem; 70% of initiatives offer specialized training to managers overseeing reskilled personnel, aiming to cultivate a supportive environment and address the challenge of talent hoarding. Half of the organizations surveyed also incorporate financial incentives to further encourage managerial engagement.

Changes for trainees: A notable 92% of reskilling programs now incorporate on-the-job training, with 43% of organizations embracing a “place and train” strategy that emphasizes learning in actual work environments. Despite this, only 17% guarantee a job afterward, highlighting a possible margin for improvement in providing job security for participants who are leaving behind their traditional occupations. This gap is especially crucial considering the significant investment and risk that learners undertake in reskilling efforts. In terms of facilitating the integration of reskilled employees into new roles, virtually all firms provide some form of support, with over 60% instituting mentoring relationships and a comparable proportion implementing shadowing opportunities to smooth this transition.

This holistic approach to reskilling — involving the forecasting of supply and demand, incentives for trainees and managers, learning in the flow of work, and post-training integration — highlights just how multifaceted an effort it is for companies to align reskilling outcomes with organizational objectives.

Key questions practitioners should ask: How can we apply skill-based talent management to identify the right program participants based on their capabilities and motivations? Are we offering the right incentives — and support for managers as they work to integrate reskilled employees? Are we clear on the change journey of the participants, and are systemic enablers in place to support the transition?

4. Employees want to reskill — if programs are attractive.

Roughly 40% percent of respondents reported struggling to find the right candidates for their reskilling programs. To foster deeper engagement in reskilling programs, it is imperative for organizations to view employees as integral partners in the process. Several have started recognizing this.

To do so, they need to create empathetic, outcome-oriented programs that prioritize ease of access and clear benefits, while also dedicating sufficient time and resources to support effective learning for career transitions. This approach gains significance in light of findings that around 32% of organizations encounter challenges in convincing eligible employees to apply to and then complete reskilling programs. Indeed, participant selection and enrollment are reported to be central challenges, along with linking the program to career progression and ensuring that participants truly learn the needed skills.

In a positive light, 78% of organizations present reskilling as a choice rather than an obligation, embodying a collaborative stance with their workforce. Furthermore, around 77% of firms proactively highlight the benefits of reskilling and accentuate the shared value derived from these endeavors.

Another pivotal aspect in promoting participation is ensuring that employees invest in training during work hours. A notable 64% of organizations allocate training entirely within paid hours, effectively eliminating a major hurdle to participation. This focus on compensated training not only acknowledges the value of the employees' time but also reflects the organization's commitment to their professional growth, thereby ensuring that employee-development strategies are in harmony with broader organizational goals.

Key questions practitioners should ask: Do we have an in-depth understanding of the perspectives and needs of our program participants? Did we eliminate major hurdles that could deter our employees from participating? Are benefits clearly articulated to potential participants and if necessary, do we have the right incentives in place?

5. Reskilling takes a village.

Previously considered an internal matter, reskilling is now recognized as a collaborative effort within a wider ecosystem. Several organizations engage with an array of stakeholders to finance, design, and deliver their programs.

The collective endeavors of coalitions are proving to be more effective in reskilling efforts than isolated corporate actions. Results from the survey indicates that a majority of organizations are actively forming partnerships with vital ecosystem contributors to facilitate reskilling programs. Approximately 61% of surveyed companies have procured the expertise of external instructors for program design and delivery. Similarly, a significant 61% have capitalized on pre-established governmental schemes and incentives, while 43% have incorporated the support of governmental or sectoral associations into their reskilling program design. In parallel, a substantial 55% of the program funding came from employers themselves, while a smaller segment of the corporate landscape also sought out alternative funding avenues, such as government subsidies (14%), individual contributions (14%), and union support (12%). Overall, partnerships emerged in our survey as a significant driver for successful programs.

Key questions practitioners should ask: Do we understand the full ecosystem of organizations (government, NGOs, academia, training providers) that could amplify the impact of our reskilling efforts? Are we

leveraging external sources of expertise, funding, or capacity whenever possible?

6. To reskill successfully, you need to be able to analyze and measure the benefit of your interventions and investments.

Any organization engaging in reskilling efforts needs to know whether those efforts are producing results. Although many organizations (86%) have reported running a pilot, that's only the first step to a more-rigorous approach of experimenting with and measuring reskilling.

Almost all of the surveyed organizations reported that they track some KPIs relative to their reskilling program, with the majority reviewing those KPIs quarterly. Most focused on immediate training outputs, such as the number of participants who have completed the program (57%), change in skillset (56%), and total hours of training completed (51%). However, few organizations go beyond training specifics either to measure their programs' impact on business or HR-related outcomes (33%) or to compare the cost and benefits of alternative approaches (21%), such as comparing the net returns from reskilling to external hiring. While 42% report a positive return on investment (ROI), 56% either did not calculate or were unable to ascertain the ROI from their reskilling endeavors. This gap in accountability and measurement underscores a broader oversight in the strategic implementation of reskilling programs and represents an area ripe for recalibration. Without tracking all relevant KPIs and evaluating them at an appropriate frequency, it's difficult to optimize interventions or to know if reskilling investments have achieved their strategic objectives.

Key questions practitioners should ask: Have we set up reskilling pilots before scale-up, testing strategic design and delivery choices? Do we have a robust set of practical and strategic KPIs that let us measure

the initiative's impact? Do we have the right stakeholders reviewing the KPIs at an appropriate frequency in order to make timely adjustments to the program when necessary? Do we have a robust measurement design to help us evaluate the actual effects of the reskilling programs on skills acquisition and productivity?

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In today's fast-changing work landscape, the ability to reskill will become increasingly vital to staying competitive. By making it a strategic priority, involving all leaders, embracing change management, designing attractive programs, fostering collaboration, and rigorously measuring impact, organizations cannot only overcome skill shortages but also increase their overall attractiveness — to both incumbent employees and potential candidates in a competitive labor market. Developing and integrating these programs early and implementing them effectively enables businesses to stay ahead of the learning curve in utilizing reskilling as an effective lever to close growing skill gaps. If done right, companies can leverage reskilling as a key component of their human capital strategy, fostering a sustainable competitive advantage.

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