

An Empirical Investigation of the Impacts of Reskill and Upskill Training on Employee Performance

Devikomathy. A ¹ & S. Suthakar ²

¹Assistant Professor, Department of Management studies, Rajalakshmi Engineering College, Chennai, India

² Research Scholar (Pt), Department of Commerce, Periyar University, Salem- 636011

ABSTRACT

The intention of this study, is to figure out the manner in which employee performance in modern business environments is influenced by upskilling and reskilling training initiatives. The intention of the research is to evaluate the efficacy of these training initiatives in enhancing employee skills and ascertain their impact on performance indicators for individuals and organizations. Combining quantitative and qualitative research approaches, a mixed-methods approach is employed. The quantitative phase involves surveying a diverse sample of employees from automobile industries to measure their engagement in upskill and reskill training, identify specific training programs, and assess their perceived impact on performance. Unstructured interviews with a subset of surveyed employees and their managers are conducted to uncover their experiences and perspectives on the effectiveness of upskill and reskill training and their impact on the daily performance of work. The findings will offer insightful information about the connection between upskilling and reskilling initiatives and employee performance, shedding light on their impact at both individual and organizational levels. The study aims to contribute to the development of evidence-based recommendations for organizations designing and implementing effective upskill and reskill training programs, aligning their human capital development strategies with the evolving demands of the 21st-century workforce.

Keywords: Upskilling, Reskilling, Employee Performance, Training Programs

I.

INTRODUCTION

This paper raises awareness among organizations so that they can help their employees see the path to career advancement in front of them and get excited about what could come next. Employers can do this by helping to ensure that employees' skill sets won't become outdated, boosting morale, and demonstrating that they care about their careers and futures. The exact definition of "reskill" as provided by the Cambridge Dictionary is to acquire new skills in order to execute a different job. The exact definition of "upskilling" is "to teach workers new skills or learn new skills."

We are living in an epochal age of corporate change. In accordance with recent research by the McKinsey Global Institute, by 2030, the skill sets of over 375 million workers may have completely changed. This will happen as the job is completely disrupted by contemporary technologies like automation, artificial intelligence (AI), and digitization. As a result, a lot of employees are focusing on earning additional degrees and certificates in these technologies, either through loans for short-term courses or self-financing. This skill sets transformation challenge are essential for certain business. Readjusting to this shift numerically would be like adjusting to the agricultural to manufacturing shift that occurred in Europe and North America throughout the 20th century. However, things are set to become better because several major corporate actors are going to be investing more in "reskilling" and "upskilling" their current workforce.

Businesses engage in employee upskilling and reskilling training programmes to provide their employees new skills that will help them perform their jobs more successfully, advance in their careers, and adapt to changes in the workplace. Upskilling training programmes frequently aim to enhance employees' current abilities, whereas reskilling training programmes focus on teaching employee's new skills relevant to new job responsibilities or functions within the business. The goal of both types of training programmes is to help employees stay competitive and up to date in their roles and career paths. Numerous delivery methods, such as online courses, in-person training sessions, coaching, and mentoring, are available for these programs. The programmes are usually designed with the specific needs and goals of the organisation in mind, together with the personal development plans of the staff members. The ultimate goal

of retraining and upskilling programmes for employees is to increase an organization's productivity, overall performance, and competitiveness in the market.

II. REVIEW OF LITERATURE AND HYPOTHESES

Upskilling and reskilling requirements

A study by (Mrunali, Pathak et al., 2021) at JK Paper Ltd found that training significantly impacts employee performance, reduces turnover, increases productivity, and contributes to higher financial returns, but suggests improvisation in identifying training needs regular salary structure revisions. (Muis et al., 2021) The literature on training and development in human management is reviewed in this work, aiming to provide a better understanding for researchers. In addition to research trends and opportunities for the future, the study prioritizes on aspects that govern training and development. A thorough search turned up 158 possible reviews, of which the final synthesis had 47 pieces. Further research on concepts, models, forms, contents, and assessments at various levels may be possible, as the review's scant contributions to the understanding of training and development in human management indicate. The Research on Need Analysis for Training of Employees aims to identify the types of training needed for employees, including technical, non-technical, and soft-skills. The study aims to improve employees' performance and behavior by analyzing and evaluating current training practices. (Richa Sharma 2018)

Reskilling training programs of Workforce

Government agencies are addressing the information technology skills gap by reskilling employees through technology-oriented training programs. The World Economic Forum predicts one billion people need reskilling by 2030. However, employees may struggle to apply new skills, and government agencies incur costs like financial and technology procurement. (Petter, Giddens et al., 2021) Reskilling the Workforce with Technology- Oriented Training. (*Upskilling and Reskilling Requirement in Logistics and Supply Chain Industry for the Fourth Industrial Revolution*, 2021) The demands of Industrial Revolution 4.0. (IR 4.0) are being met by the supply chain and logistics sectors, requiring upskilling and reskilling for a more demanding job scope. In order to improve competitiveness and cost-effectiveness, this paper addresses the role that upskilling and reskilling play in Malaysia's logistics sector. It focuses on transforming the workplace and workforce. It also highlights the importance of technical and human skills Cedefop (2020). For adults with low cognitive abilities and education levels, the study emphasises the value of investing in upskilling and reskilling. Poor skills can also have detrimental effects on one's health, life satisfaction, employment rates, and income. An average yearly increase could come via upskilling. Highlights of The Future of Work and Reskilling the Indian Workforce In the recent past, digital technology has changed industries, and it is rapidly changing how people commute, communicate, learn, and work. Experts and researchers describe the technological progress in this digital era as both exponential and digital. The skills of employees working for the institutions required to be upgraded to make them competent in tune with the changing scenario.

Employee Job Performance-Effectiveness

Vyas & Chandrika **et al.**, (2015) A study on Effectiveness of Training and Development in Cement Industry The usefulness of training in the cement industry is investigated in this study, highlighting the need for continuous human resource development. It provides employees' feedback on training effectiveness, enabling the development of appropriate policies and procedures for effective management in a globalized era.

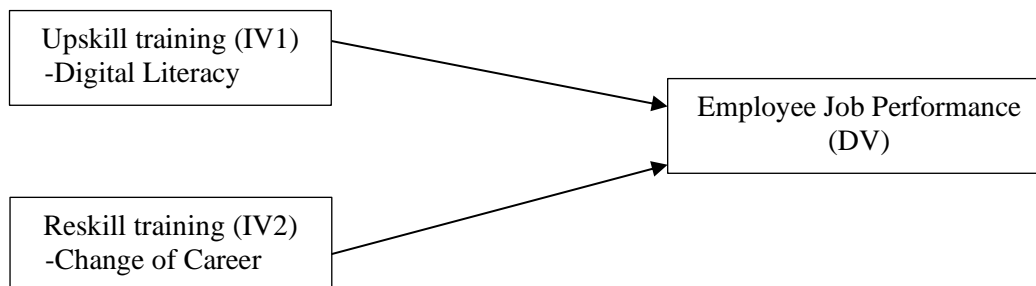
Chidambaram & Ramachandran, **et al.**, (2012). A Study on Efficacy of Employee Training highlights that Organizational accomplishment relies on effective use of human assets, including training. Training aids in developing workforce abilities, wisdom, and skills, addressing individual and organizational needs, and improving work culture. It is essential for coping with internal and external changes.

The topic of discussion above shows evident that in order to investigate various variables together, a significant amount of research is required. Based upon the prior paragraphs, we postulate that:

H1: Upskill Training contributes a significant influence on Employee job Performance.

H2: Reskill Training contributes a significant influence on Employee job Performance.

RESEARCH MODEL



III. METHODOLOGY

Sample

The study adopted a non-probability convenience sampling approach. The survey is conducted from all levels of employees working in Automobile industries Chennai. In order to find out what kinds of training were most appealing to employees as well as how and when they preferred to access them, HR held focus groups and surveys. The employees of both facilitator-led and self-directed programmes participated in a trial run conducted by the L&D team. With a response rate of 75%, 30 of the nearly 40 surveys that were given were returned. After excluding incomplete questionnaires, the final sample reached 163 participants, consisting of 98 males (60%) and 65 females (40%) with ages varying from 21 to 50.

Measures

To assess employee job performance and upskill and reskill training, a standardised questionnaire using a 5-point Likert scale was utilised. Items measured in the scale were self-framed and consulted with experts in the study organization. The respondents' information was gathered using a Likert scale with 1 denoting "strongly disagree" and 5 denoting "strongly agree.". The degree of instrument dependability for this investigation was evaluated using the reliability analysis (Cronbach's Alpha) . According to Hair et al. (2009), reliability measures above 0.70 are generally regarded as adequate.

We have used three control variables in the current study: gender (0 = female; 1 = male), Ages 1 through 3 are 21–30, 31–40, and 41–50 years old. experience (1= <5 years; 2= 5-10years;3=10-15years;4=>15years).

IV. DATA ANALYSIS AND DISCUSSION

We investigated the connections between employee performance, reskill training, and upskill training in this study. After calculating each variable's means (M) and standard deviations (SD), the correlations between the variables were evaluated. The **Table 1** that follows displays the outcomes.

Table 1 Means, Standard Deviation, and Correlations Among the Study Variables

Variables	M	SD	1	2	3
1.Upskill Training	4.1100	.78994	1		
2.Reskill Training	3.88	0.688	0.462***	1	
3.Employee Performance	3.89	0.688	0.496***	0.675***	1

**, Correlation is significant at the 0.01 level (2-tailed).

Upskill training had a mean score of 4.11 (M = 4.11, SD = 0.7899), indicating a rather high level of training. In comparison, a slightly lower level of training is indicated by the mean score of 3.88 (M = 3.88, SD = 0.688) for reskill

training.

Indicating a moderately favorable association between these two variables, the correlation between Reskill Training and Upskill Training is statistically noteworthy ($r = 0.462$, $p < 0.001$). This infers that people who benefit from higher Upskill Training also frequently acquire higher Reskill Training levels.

Additionally, a statistically significant positive association has been observed between employee performance and upskill training ($r = 0.496$, $p < 0.001$), and between employee performance and resume training ($r = 0.675$, $p < 0.001$), as well. Based on these results, it appears that people with additional training—whether it be reskilled or upskilled—perform better at work.

The findings indicate that employee performance is positively connected with both upskill and reskill training, and that such associations are moderately effective. The significance of training programs in improving employee performance inside the organization is shown by these findings.

The research employed a hierarchical regression analysis to investigate the associations among control variables, independent variables (reskill and upskill training), and the dependent variable (performance of employees). Age, experience, and gender served as the control variables. Four phases were included in the study, and table 2 was used to illustrate the findings.

Table 2 Hierarchical Regression Analysis

Predictors	Step 1	Step 2
Control variables		
Gender	-.147*	-
Age	-.075	-
Experience	-.028	-
Independent variables		
Upskill Training	.203*	.160
Reskill Training	.458***	.390***
<i>R</i> ²	.565***	.555***
<i>AdjR</i> ²	.534***	.524***

Table 2 shows that Gender, Age, Experience was added as a control variable in the first phase, but it wasn't statistically significant. However, there was no discernible improvement in the predictive power of the model as a whole.

The second phase involved the introduction of the independent variables, namely Reskill Training and Upskill Training. Upskill Training's standardized ($\beta=.160$), meaning there was a positive and statistically significant correlation between it and the employee performance. There is a substantial positive correlation between the two training approaches, as seen by the $\beta=.390$ for Reskill Training. With an R-squared of .555 for Step 2, the model predicted 55.5% of the variation in the employee performance. The adjusted R-squared value was .524, meaning that after improving for the number of predictors, the model predicted 52.4% of the variation in the employee performance. Finally, it was determined that both reskilling and upskilling were significant predictors of employee performance, resulting in around 55.5% of the variance.

DISCUSSION

The performance of employees and upskill/reskill training were the subjects of this study. The study also looked at how control variables affected the link between employee performance and upskill/reskill training. As predicted, there was a positive correlation between employee performance and upskill/reskill training. Consistent with previous research, the findings indicate that reskill and upskill training have a moderately favourable correlation with employee performance and are associated with a fairly beneficial effect. These data highlight how important training programmes are for raising employee performance within the organisation. The results thus provide strong support for hypothesis H1 and moderate backing with hypothesis H2.

LIMITATIONS:

People need to reskill, upskill, and add new talents more quickly than in the past in order to preserve their employment. And practically every industry bears this situation. People will need to find a method to adapt when some aspect of the business or the industry shifts, somewhere, in some way. Numerous limitations exist in the current investigation. For one thing, it is difficult to generalize the findings of this study because it was carried out among employees at automobile industries in Chennai. Secondly, the cross-sectional nature of the study precluded us from drawing any conclusions on the reasons behind the relationships between the variables. To validate the causal relationships between the variables, an experimental investigation or a longitudinal design are needed.

V.CONCLUSION AND SCOPE FOR FURTHER STUDY

Upskilling and reskilling are crucial for both people and organisations in the fast-paced, constantly-changing employment market of today. Organisations may enhance employee retention, productivity, and overall competitiveness by giving workers the chance to pick up new skills and hone their current ones. The suggestions for upskilling and reskilling transfer of employees include conducting skills assessments, providing online and in-house training, cross-functional training, mentorship programs, job shadowing, and regular performance feedback Through the implementation of these initiatives, organizations can assure that their workforce possesses the necessary skills for current and future success. This research highlights the positive impact of upskill and reskilling training on employee performance. It is crucial for organizations to invest in employee development, with a focus on tailoring training programs to individual characteristics such as age and experience. While gender does not appear to significantly influence the relationship, it is essential to ensure equal access to training opportunities for all employees. Furthermore, the study recommends, Future research on Investigating the long-term effects of upskill and reskilling training on employee performance as well Exploring industry-specific variations in the relationship. It also suggests to Identifying factors that influence employees' engagement in training programs.

REFERENCES

1. Venkatesh, A. N., & Gupta, E.(2021) A study on the effectiveness of the employee development program in an organization. ENTREPRENEURSHIP INNOVATION & START-UPS.
2. Petter, S., & Giddens, L. (2021). Reskilling the Workforce with Technology-Oriented Training.
3. Wahab, S. N., Rajendran, S. D., & Yeap, S. P. (2021). Upskilling and reskilling requirement in logistics and supply chain industry for the fourth industrial revolution. LogForum, 17(3), 399-410.
4. Pouliakas, K. (20220). Understanding Technological Change and Skill Needs: Technology and Skills Foresight. Cedefop Practical Guide 3. Cedefop-European Centre for the Development of Vocational Training.
5. Chakma, S., & Chaijinda, N. (2020). Importance of reskilling and upskilling the workforce. Interdisciplinary Sripatum Chonburi Journal (ISCJ), 6(2), 23-31.
6. Prabhakar, S., & Kurien, R. The Future of Work and Reskilling the Indian Workforce.
7. Hervie, D. M., & Winful, E. C. (2018). Enhancing teachers' performance through training and development in Ghana education service (a case study of ebenezer senior high school). Journal of Human Resource Management, 6(1), 1-8
8. Sharma, R. (2018). A study on training need analysis of employees. Amity Journal of Training and Development, 3(1), 22-35.
9. Vyas, B., & Mistry, C. K. (2015). A study on Effectiveness of Training and Development in Cement Industry. System, 1, 1-0.
10. Vijayabanu, C., & Amudha, R. (2012). A study on efficacy of employee training: Review of literature. Business: Theory and Practice, 13(3), 275-282.
11. Topiwala Mrunali & Dr. Anuradha Pathak (2021) A study on the effectiveness of training and development on employee's performance at JK Paper Ltd.
12. Muis, A. M. R. A., Asis, A. H. B., Marinsah, S. A., Hajimin, M. N. H. H., Kamaruding, M., & Yazid, M. T. M. (2021). Review on Training and Development in Human Management. International Journal of Academic Research in Business and Social Sciences, 11(5), 704-716.

13. Wahab, Siti & Rajendran, Shalini & Yeap, Swee Pin. (2021). Upskilling and reskilling requirement in logistics and supply chain industry for the fourth industrial revolution. Log forum. 17. 399-410. 10.17270/J.LOG.2021.606.
14. Cedefop (2020). Empowering adults through upskilling and reskilling pathways. Volume 2: Cedefop analytical framework for developing coordinated and coherent approaches to upskilling pathways for low-skilled adults. Luxembourg: Publications Office of the European Union. Cedefop reference series; No 113. <http://data.europa.eu/doi/10.2801/61322>
15. Prof. Brijmohan Vyas, Chandrika 2015 K Mistry A study on Effectiveness of Training and Development in Cement Industry
16. 16. Chidambaram, Vijayabanu & Ramachandran, Amudha. (2012). A Study on Efficacy of Employee Training: Review of Literature. Verslas: teorija ir praktika. 13. 275-282. 10.3846/btp.2012.29
17. Hair, J., Anderson, R., Tatham, R., & Black, W. (1994). *Multivariate data analysis* (4th ed.). Upper Saddle River, NJ: Prentice Hall.
18. Hair, J.F, Black, W.C., Babin, B.J., Anderson, R.E., & Tatham, R.L. (2009). *Multivariate Data Analysis* (Sixth Edition), Pearson Education, New Jersey.