



Revitalize Your Healthcare Workforce: Discover 5 Key Benefits of Upskilling and Reskilling

Whitepaper

Overview

“Upskilling has the potential to transform whole economies and its impacts can create positive ripple effects throughout the global economy.”

— PwC’s Upskilling for Shared Prosperity, 2021

This is especially true in the healthcare sector. Long hours, staffing shortages and a fast-changing healthcare environment have created significant recruiting and retention challenges for hospitals, outpatient clinics, pharmaceutical companies and other healthcare organizations. In some ways, healthcare has long been at the leading edge of the acceleration of change in the knowledge economy.

The need to hire employees with completely new and different skills used to happen perhaps just once a century, and later perhaps just once a generation. But now the turnover in skills employers need can happen in just a few years — or less.

Today, according to the World Economic Forum, one-half of all employees will need to be reskilled by 2025, and 40% of them over the next six months.

On top of that, the World Health Organization estimates the global shortage of healthcare workers will reach 10 million by 2030 because of burnout, increasing demands placed on talent.

And that estimate may be on the low: It’s based on pre-COVID-19 data, before 180,000 healthcare workers died as a result of COVID, and countless others were seriously impacted by injury, trauma and burnout.

Add to those trends the fact that technology is evolving at a breakneck pace, and it’s clear that healthcare organizations are going to need to evolve, too, to keep up with the changing landscape of work and patient care.

Simply put, the healthcare industry is in crisis. According to McKinsey, 87% of all senior executives say they are not prepared to address skills gaps. Some business leaders, however, have ideas.

At the height of the pandemic, amid worldwide lockdowns that kept everyone at home, British entrepreneur Richard Branson redeployed some of Virgin Atlantic grounded workforce to support hospitals and healthcare settings — keeping them employed and filling crucial staffing gaps in a completely different industry.

“Train them well enough they can leave you; treat them well enough they don’t want to.”

Richard Branson

There’s another lesson to be learned from the way Branson approaches his workforce. What does treating them well look like? It’s not trendy novel-ties like foosball tables in the breakroom.

And it's not all about higher pay or more expensive benefits. Employees want to feel valued. Frontline workers in particular desire to feel respected at work.

Branson's train well/treat well approach aligns with research about employees. Workers want training, and they'll repay it with loyalty.

- » 68 percent of workers say they would stay with their employer throughout their career if the employer made an effort to upskill them.
- » 65 percent of workers said they would stay throughout their career if their employer made an effort to reskill them.
- » 49 percent of employees want to develop their skills but don't know where to begin.

Reciprocity is psychology 101: When someone does something for our benefit, we're hard-wired to reciprocate. When you demonstrate your commitment to employees, they're more likely to be committed to you.

Why Now?

94% of business leaders report that they expect employees to pick up new skills on the job – a sharp uptick from 65% in 2018. — World Economic Forum Future of Jobs report

When you offer upskilling and reskilling opportunities, you know with certainty that your workforce is picking up the right skills on the job. According to a [World Economic Forum insight report](#), “Business and consumer services, along with manufacturing, stand to gain the most from upskilling.”

The report also says that sectors with large numbers of low-wage workers — including health care services — would benefit from more upskilling.

And it goes both ways. According to Pearson's own data, 92% of workers expect employers to increase learning and development opportunities. Corporate leaders also have their eyes on talent — and on the technology that's disrupting their industries.

Upskilling and reskilling healthcare workers is an effective way to address each of these concerns.

McKinsey's 2023 CEO Survey Found that Chief Executives Top Worries Included:



58% Rise of disruptive digital tech



56% Risk of prolonged high inflation and economic downturn



34% War for talent

Disruptive digital tech:

Upskilling and reskilling your workforce keeps your talent current on the changing skills they need in the workplace. The pace of technological change is accelerating, and many companies are unprepared to keep up. That's why it's vital to put systems in place to support your organization in keeping up.

Economic downturn and prolonged high inflation:

When budgets are tight and stress is high, it's faster and less expensive to upskill and reskill workers than to lay off existing employees and recruit new people with the skills you need. Recruiting, hiring, onboarding and training new staff is costly, inefficient and short-sighted.

War for talent:

Few industries will experience the war for talent that healthcare organizations face and retaining the best talent is only going to get tougher. Becker's Hospital Review notes that workers are staying in positions that offer flexible schedules, meaningful work, consideration for work-life balance and opportunities for professional development — like upskilling and reskilling.

Changing Future of Work

A [Deloitte Insights report](#) identifies seven new realities shaping the future of work.

- » Exponential Organizations
- » Lifelong Reinvention
- » The Unleashed Workforce
- » Technology, Talent & Transformation
- » The Ethics of Work & Society
- » The Nimble Enterprise
- » Regulated Innovation

Equipping people with the skills to continually adapt to the changing workplace, instead of stepping away for education and re-training, results in healthier societies and a healthier economy.

"85% of business executives say that organizations should create more agile ways of organizing work to swiftly adapt to market changes."

Deloitte Insights: The Skills Based Organization

The WEF predicts that 85 million jobs will be displaced by 2025, while an additional 97 million new jobs will emerge.

The jobs we do today are much different than the jobs we did 50 years — or even 10 — years ago. Elevator and switchboard operators are relics of the past. Video store clerks are no more. We still have cashiers, but self-checkout is becoming more common, and technology is slowly replacing many unskilled and low-skilled roles.

Traditionally, people in jobs that became obsolete simply lost their jobs. Meanwhile, as new jobs were created new people were hired to fill them. Now, technology and the healthcare industry are changing so fast that traditional higher education programs can no longer keep up. The way healthcare organizations hire and train for new skills must also change.

Building on Traditional Education

Historically, employers viewed colleges and universities as the gatekeepers for the most valuable workers. But now, many of those organizations will — or, perhaps, can — prioritize the immediate job skills required for career readiness. But by the time someone graduates from higher learning, chances are some of their skills and knowledge are already obsolete.

“The U.S. education system is not held accountable for ensuring that students are properly equipped with the skills and capabilities to prepare for a career where they can obtain financial stability.”

— *Harvard Business Review, The U.S. Education System Isn't Giving Students What Employers Need*

It's more useful now to identify the critical job skills needed for a role and look for people that have some of those skills already — regardless of formal credentials and regardless of whether they work for you. Employers can step in where the education system has fallen short by offering learning and development programs that enable healthcare workers to learn what they need, when they need it. The WEF notes that in the next few years, economic growth could slow due to the lag between upskilling initiatives and increased labor productivity across the workforce. But the benefits are clear: as new upskilling initiatives roll out, economic growth will gain the momentum to catch up.

This is especially critical in healthcare. In the U.S. and across much of the industrialized world, aging baby boomers will impose new strains on the healthcare system. At the same time, advances in medicine will prolong life expectancy and enable clinicians to effectively treat an ever-growing array of conditions.

Healthcare is already a huge industry, representing nearly one-fifth of the gross domestic product. Providers, payors, pharmaceutical and medical device companies and other healthcare sector organizations will be challenged to treat more people, more effectively, but to do so more efficiently. And upskilling and reskilling is one of the most effective ways to increase organizational productivity.

Top 5 Benefits of Upskilling and Reskilling in Healthcare

01 Higher quality patient care and better outcomes

High-quality care and favorable patient outcomes are the primary concerns for every healthcare organization. Improving patient satisfaction, reducing adverse events and lowering malpractice risk can improve a provider's bottom line.

A failure to provide high-quality care can result in lower reimbursements and higher expenses, damage to an institution's reputation, and significant human costs. People enter healthcare to help others and make a difference. But stress, burnout and low morale **can harm patient outcomes**. Reskilling current employees can fill in the gaps and reduce the pressures on a limited talent pool.

02 Increased productivity

Reducing errors in healthcare saves lives and money. And streamlined processes can lead to significant cost savings. Higher productivity also means higher operating margins. Inadequate training, unclear goals, lack of communication, outdated equipment and poor management are all contributing factors to decreased productivity. Attrition due to burnout, low job satisfaction and overwork are also factors. When experienced team members leave, so does institutional knowledge, which can lead to lower productivity.

Recruiting, onboarding and training new employees takes time and resources. It can take months to fill vacant roles, during which time productivity takes a hit — or other staff members are forced to do extra work, raising the risk of burnout. Even once they're onboard, it takes time for new hires to become fully functional team members:

They need to learn their job, adopt your internal culture and understand the organization.

Plus, current employees' output may be reduced as they spend time supporting new hires until they get fully up to speed. Upskilling and reskilling current employees takes less time than hiring new ones and prevents many of the pitfalls associated with bringing on new people, making organizations more productive.

03 Increased retention

To retain top talent, your organization must demonstrate that you value them and are committed to their growth. An engaged, fulfilled workforce is more loyal and longer tenured. That can reduce the cost of recruiting and onboarding because your organization will have few vacancies to fill at any time.

For healthcare organizations, this issue is especially critical. The United States is at risk of losing 23% of its deskless healthcare workers, with an additional 16% planning to leave in 1-2 years, according to the Boston Consulting Group.

What's more alarming is that younger workers are more likely to leave. As an aging workforce transitions into retirement, the talent pool will be increasingly made up of people who are ready to leave. And their reasons are not only about pay.

Nearly half of employee surveys cite career advancement opportunities as the top reason that deskless healthcare workers are ready to move on.

Develop talent within your organization by offering the learning and development opportunities. You'll ensure they have the skills to meet your business goals and they'll feel valued, making them much more likely to stay. On the job training and development opportunities can increase employee retention 34%.

04 Decreased costs

It sounds counterintuitive to say that investing in learning and development to help current employees grow their careers can actually reduce your training and development costs, but it's true. By some estimates, you might **save 70-92%** by upskilling and reskilling current employees instead of hiring new workers.

That's because there's a big difference between the costs of training and developing new staff and the costs of upskilling and reskilling current staff. Don't believe it? Consider Employee A and Employee B.

Employee A vs. Employee B

On paper, **Employee A** is a great candidate, someone who checks the education and experience boxes for a new hire.

Employee B is an entry-level employee who's been with your company for about a year. They don't have the required experience or education, but they have proven themselves to be engaged and highly motivated — someone who takes the initiative. They help out even when they don't have to — picking up extra shifts, working harder to make up for colleagues who are away, and doing things that aren't part of their job, but are helpful.

You don't know it, but Employee A is considering offers from numerous companies. The company they really want to work for didn't extend an offer, so they accepted your job — their second choice.



What Investments are You Making in Employee A?

- » You advertised the opening. Managers reviewed applications and identified candidates and conducted multiple interviews before extending an offer to Employee A, who only takes it because their first choice wouldn't hire them.
- » You hire Employee A. Onboarding and training begins. They have a degree, but it's from three years ago. They have experience, but in a different healthcare setting with a different employer. Some of their education is already outdated and their experience isn't much more relevant than your entry level Employee B, who's already been with you for a year and proven themselves over and over.
- » More seasoned staff need to show Employee A the ropes. That makes your more experienced employees less efficient. They're probably responsible for their regular duties on top of training new team members, so maybe they rush through some of their work and make more mistakes.
- » They're also going to take time to correct any mistakes new Employee A has made and teach them how to avoid those in the future.
- » Employee A also needs orientation in your organization — more time watching company policy and training videos, filling out paperwork and taking assessments.

It's three weeks in with employee A; you've incurred costs on the advertising, recruiting, interviewing and onboarding. You've lost productivity because a new employee takes time to become as effective.

Now Employee A comes to you and says another opportunity, something they wanted just a little bit more, has come up. They hope there's no hard feelings since you can't possibly hold it against them for going after their goals.

You think about Employee B, the one who already works for you, the one who has proven themselves as a team player. But something happened to Employee B when you hired employee A.

Employee B no longer felt valued. In fact, they felt slighted. They knew they were perfect for that opening because they've already been an active and engaged employee.

But once they realized you weren't as committed to them and there weren't going to be opportunities for advancement, Employee B is showing up differently. They're not as efficient or effective as they were before you brought on Employee A. They're not going the extra mile.

In fact, they're also headed into your office to offer you two weeks' notice, since they've found another entry level position elsewhere from an organization that's promised to upskill and reskill them through internal career paths based on excellence and performance.

Over a three-week period, when you were already operating at less-than-optimal levels because you had a vacancy to fill, your overall productivity decreased due to the learning curve of a brand new employee, the distracted split focus of the employees training the new hire, and the quiet quitting of an otherwise excellent employee. Now you have two vacancies to fill, not just one.

If you had learning and development programs in place offering upskilling and reskilling opportunities, you could have saved all the costs associated with advertising, hiring and onboarding a new hire. You could have saved the productivity lost to the learning curve and training of the new hire.

Because you could have rewarded the entry level employee B who had already proven to you that they were a hard worker and an asset to your company with a clear career path inside your organization, solidifying their commitment and loyalty to you.

You invested in them, so they're invested in you.

05 Opportunities for growth and innovation

The healthcare industry is expected to grow 16% by 2030, adding 2.6 million jobs.

There will always be clinical roles that require degrees and credentials obtained through traditional classroom education and learning-focused internships. But there are many nonclinical roles that can be learned as well, if not better, through on-the-job training programs.

Combining the two, perhaps in partnership with local educational institutions, can be a high-impact strategy. Recruiting talent while they're still enrolled in two- or four-year degree programs could resolve many of the staffing challenges healthcare organizations face.

Crafting your own learning and development programs ensures they're learning exactly what you need them to learn, at a time they are primed and often eager to do so. In addition to that, you can offer those future employees opportunities to experience your business firsthand. You can also offer current employees specific career pathways that meet your organization's changing needs while offering talented workers opportunities to advance in their careers.

The investment in them will increase retention and engagement. For example, a provider of home health services, LHC Group, invested \$20 million in the College of Nursing and Allied Health Professions at the University of Louisiana at Lafayette, allowing LHC to provide employees with discounted tuition and nurses with career progression opportunities.

How Workforce Solves these Problems

“HR & L&D professionals value training employees through upskilling, reskilling and cross-skilling programmes [sic]... helps to retain talent and valuable internal knowledge (52%); it demonstrates to employees there are multiple career paths within the company (52%) and it is more cost effective (46%).”

The HR Director, Upskilling vs. Hiring? There’s a Clear Winner on Cost

Healthcare CHROs have a wealth of challenges: culture, recruiting and hiring, retention, new technology and the constantly looming skills gap between their current workforce and their future workforce.

Workforce by Credly is designed to solve these problems. The software integrates with your existing human resources information systems, plus the world’s largest third-party verified system of skill-based credentials, to provide a complete, skills-based view of your workforce.

Leaders can see, from the individual to the enterprise level, what skills they have. The platform also allows you to build career pathways by mapping current skills to future skills needs.

A comprehensive classification system of job roles and skill descriptions ensures that career pathways, skills data and role descriptions are

consistent across the organization and consistent with the industry standards.

Discover how Workforce can help your employees and your organization thrive.

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