



Reskilling the Nigerian Labour Force for Effective Productivity: Prosilience as the New Normal

Muhammed A. Akanji & Ruqayyah A. Baderinwa
Lagos Business School, Lagos, Nigeria

Abstract

Accelerating trends in remote work, e-commerce and automation mean that more Nigerian employees will need to change jobs and learn new skills. The fundamental question is whether the employees are ready to shift gears and the employers ready to guide the shift? This article aimed to explore how Nigerian employers (both in the public and private sectors) can strategize talent development, and identify the most effective options to ensure a competitive workforce.

1. Introduction

"During the pandemic, we learn to cope and with the post-pandemic on the horizon, our effort should be geared towards how we would thrive."

- *McKinsey Report, 2020*

Companies emerging from the pandemic are coming to the stark reality of the need to re-tool and re-skill their workforce to ensure optimal productivity and harness the pandemic-induced economic potentials of the new norm. Even before the current crisis, changing technologies and new norms of working were disrupting the extant job models and the skills employees need to do them (Agrawal, De Smet, Lacroix & Reich, 2020). According to the McKinsey Report (2020), it was estimated that about 375 million workers- or about 14 percent of the global workforce would have to switch occupations or acquire new skills to remain relevant by 2030 because of the meteoric rise of artificial intelligence (AI) and automation.

To flourish during and after the pandemic, companies and their workers need new skills to burgeon in the era of the next normal. These new skill sets include refined social and emotional intelligence, advanced cognitive abilities and digital acumen (See exhibit 1). The emergence of the pandemic has made the question of reskilling and up-skilling more expedient. Workers across industries must explore how they can adapt and fit into the rapidly changing job environment. Organisations must also learn how to match these workers to the newly emerging roles and activities. The government at large must also provide the enabling environment for new ideas to thrive.

We submit that the new work dynamic is not only about remote working- or just the role of automation and AI- but more importantly, about how businesses and elected leaders can re-skill, up-skill and re-tool the labour force to deliver new business models post-pandemic. In today's climate, preparing for never-ending changes has been the fact of everyday life. As a result, individuals and businesses needed to reinvent themselves to weather the storm by continuing to develop, adapt and thrive. Indeed, the events of the past year forced accelerated digitization processes. However, much still needs to be done! Teams must be built not only for resilience but also to be able to cope with the divergent facets of uncertainties- Prosilience.

Against this background, we seek to explore how Nigerian employers (both in public and private sectors) can strategize talent development and identify the most effective options to ensure a competitive workforce. To achieve this, we discuss the myriad of issues in sections. In addition to this introductory section, Section 2 examines what the future of work would be in the next normal. In Section 3, we focus on the economic case for reskilling and up-skilling and finally, we give our conclusions and policy recommendations in the last section.

2. Future of Work in the next Normal: Current trends necessitating enhanced skills

*"You must manage human capital as wisely as you manage financial capital."
(Charan, Barton & Carey, 2018)*

Change is a constant! This maxim was crystal clear even in the prelapsarian days right before the emergence of the pandemic (Bryan & Bill, 2020). But we did not know how fast that change would come. Remote working was gaining traction even before the crisis, but the pandemic shows that telecommuting is here for good (Agrawal et al, 2020). The changes will keep coming - artificial intelligence, automation and augmented reality. All of these will be new realities!

What the future of work might hold is a concern that resonates broadly across the rank and file and one that has fuelled extensive discussions amongst stakeholders (AfDB, 2018). The debates have included what the future might look like, how it can be productively shaped for the benefit of societies and its implications for individuals, their livelihoods, especially younger generations aiming to enter the labour force (Balleister & Elsheiki, 2018).

The emerging contours of the new world of work post-pandemic are becoming a reality for millions of workers and companies globally. Across the globe, leaders and employers reported that capacity building has increased dramatically since the start of the pandemic and nearly 80 percent concurred that improved capability building is important to their organisation's long-term growth (Capozzi, Deitch, Pachtod & Park, 2020). The inherent opportunities for economic prosperity and individual flourishing in this new world of work are huge yet depend crucially on the ability of concerned stakeholders to initiate reforms in the education and training system; labour market policies; employment contracts; and approaches to developing job skills and competence.

As technological breakthroughs are rapidly shifting the frontiers of work, Nigerian leaders need to key into the ongoing transformation. These transformations, if managed wisely, could lead to a new age of work, good jobs, and improved quality of life for all. Conversely, if managed poorly, can pose the risk of widening skill gaps, greater inequality and broader polarization. As the workforce transformations accelerate, we opine that the window of opportunity for proactive management of this change is widening rapidly, and Nigerian labour leaders must implement new visions to be relevant and useful in the new global market.

Certain factors will play key roles in driving this change. The first is the drivers of change, which include ubiquitous high-speed mobile internet, AI, widespread adoption of big data and cloud technology (WEF, 2018). Next is accelerated technology adoption; the next few years is likely to see the expansion in technological adoption by employers in Nigeria (See exhibit 2). The third is changing geography of production, distribution and exchange and value chain; the WEF 2018 report indicated that by 2022, about 60 percent of employers will have significantly modified their modes of operation by changing the composition of their value chain as well as the geographical base of their operation.

In Nigeria, most organizations will have less need to be in major cities. This brings us to the fourth factor, changing employment types; automation and robotic processes will lead to some reduction in full-time employment by 2022 based on job profiles of employees today (WEF,

2018). Employers must therefore extend their workers' role to one of productivity-enhancing. Similarly, arising from the above trend, a range of established roles that are significantly based on and enhance the use of technology are likely to experience increasing demand, some of which are data analysts and scientists, software and application developers, e-commerce specialists and others.

These trends will also result in Growing skills instability; by 2025, most of the skills required to perform specific jobs will have shifted significantly (WEF 2018; ILO, 2016). The global average skill stability is 40 percent, meaning that 60 percent of jobs would witness a remarkable shift over the next few years (ILO, 2020). The above factors point to the need for proactiveness by Nigerian employers and the labour force. Catalysing future outcomes and a solid future of work for all will require bold leadership and an enterprising spirit from both the business and government as well as an agile mindset of lifelong learning from employees.

3. Economic Case for Reskilling and Upskilling: How the Economy can thrive by Boosting Employees' Skill Sets

Reskilling has gotten a considerable amount of attention in the media - especially in the wake of the pandemic - spurred by talks of automation and augmented reality (Allas, et al, 2020). The thought-provoking question on the minds of many is whether automation and other robotic processes would usurp people at workplaces? Historically, we have seen this at play in many large-scale manufacturing roles but it is now being seen in professions that were erstwhile thought to be unassailable such as legal and medical professions. Now, the question is how can we ensure that we have a group of employees who remain relevant?

We submit that the answer falls into three categories: "Redeploying" or moving the employees elsewhere within the organisation; "Upskilling " or taking the core of what the employees do and improving on them - helping them become advanced and agile; And third is "Reskilling" or training them in something new. This last option is quite apt particularly in the wake of the Covid-19 pandemic as it touches on purpose, social responsibility, employer obligations and employees' rights. Extant literature has shown that companies struggle to train people to do something completely different (Bryan & Bill, 2020). It is critical to think of the nexus of what the person is doing today and what the person could be good at in the future. For instance, the computer can do pretty much what the insurance-claims adjuster does. From the picture of an auto accident, the computer processing can figure out using artificial intelligence the damage to the car and how much it would cost to repair and then feed it back to the insurer what it thinks the insurer should charge on the policy. Hence, such an insurance claim adjuster will need to upscale going into the future. How? He could make a good sales rep.- projecting and pre-empting losses before they occur. So, thinking about the nexus is what makes a big reskilling and upskilling leap successful.

Research in the UK showed that reskilling yields positive economic returns in about three-quarters of cases (Allas, Foote & Fairbairn, 2020). They submitted that reskilling would uplift labour productivity by 6-12 percent. A larger chunk (about 30-40 million) of the Nigerian working population lacked the full suite of skill-sets required to perform during the pandemic (UNIDO, 2017). Among these workers, a significant number would benefit from reskilling and others would need retraining. One might ask, however, why reskilling long-standing or new

workers rather than hiring or contracting people who have the required skills? We opine that reskilling offers the following powerful benefits over hiring for new skills:

- 1. Controlling remuneration cost:** Employers entering the labour market for new hires are competing with other organisations for scarce new skills. Eight out of ten Nigerian employers are struggling to recruit the skills they require (UNIDO, 2017) and the sought after skills could attract higher premiums on average than the re-skilled workers.
- 2. Avoiding onboarding requirements:** New employees require integration and inculcation into the workplace ranging from regulatory requirements to familiarization with the work procedures and culture. This consumes time and effort and employee's effectiveness can be limited for a long period (Allas et al, 2020): on average, new hires perform at a lower level for their first two years on the job (K@W, 2012). Conversely, reskilling current employees sidesteps this challenge, as they already have significant knowledge and network of the workplace.
- 3. Tapping into a new cesspool of diverse talents:** Reskilling also allows employers to increase workplace diversity for certain roles (Allas, et al, 2020). When companies are fishing for new talent pools, reskilling their employees who are in other roles or taking on promising ones who are ready to be upskilled can bring a lot of cooperative and competitive advantages to an organization.
- 4. Boosting Morale:** We also submit that employees learning new relevant skills can serve as a strong morale booster for them. Skills training and retraining is a number one choice of many prospective employees when choosing what makes a great employer and a significant number of them said they would stay longer in organisations that invested heavily in their career development (LinkedIn Report, 2018). Such consideration could bring a lot of benefits to the employers, including high engagement and productivity in new roles, and contribution to workplace morale.

In sum, all these can help promote a virtuous cycle - when a workplace values its talent, it attracts more talent. Moreover, if employees' skills are becoming obsolete, reskilling can help to reduce the need for retrenchment and avoid dampening workplace morale.

4. Policy Recommendation: Towards Economic Recovery- Prosilience as Priorities For Nigerian Employers

Humans are wired with resilience - the innate ability to bounce back from negative shocks and experiences. While this is an important skill for individuals and the society, we recommend that the Nigerian economy be built for 'prosilience' - not merely being able to cope in tough times, but actively preparing for uncertainties. Employers must include this in their growth strategy and continuously prepare for the next crisis, disruption, and the demands of the future. As such, we recommend that the spotlight of employers and employees' drive must be on projecting outward or thinking ahead of economic shocks and we suggest the following steps in ensuring prosilience of the Nigerian economy:

- 1. Innovative & Relevant Training:** Studies show that in the new world of work, employers and employees will emphasize skills over credentials (Maxwell & Gallagher, 2020). This necessitates new forms of learning to upskill the workforce. For instance, augmented

reality is emerging as a novel and effective way of learning. Similarly, current trends have shown that many people prefer blended modes of learning (Gallagher & Palmer, 2020). As such, it is imperative that this preference is considered when formulating education policies for the future.

2. Use Data to Pre-empt Talent Needs: Employers need to tap into the use of big data and IoT to ensure proactiveness in sourcing talents for emerging roles. Information obtained can be harnessed to help forecast talent needs, thus mitigating skill gaps even before they occur.

3. Ensure access to opportunities: By 2030, a quarter of the world's youth will be Africans (Perlottos, 2019), of which many will be Nigerians. In the new world of work, there will be an increased demand for remote skilled labour – Nigeria can harness its youthful population to meet this demand. However, this will only occur if the youths have these skills - software development, AI, cybersecurity, robotics, data analytics to mention a few. It is imperative that government and educational institutions position the country's teeming youthful population for the projected global opportunities.

4. Public/Private Partnerships: To successfully achieve the goal of upskilling the workforce, the government should partner with organizations that are already pioneering efforts towards achieving this. For example, Jobberman has embarked on a mission to upskill 5 million Nigerians over the next five years and has made great leaps towards achieving this. This will ensure complementary efforts, mitigate wastage, and ensure prudence.

References

- African Development Bank (2018). Future of Work: Regional perspectives. AfDB, ADB, EBRD, IDB (African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank). Washington, DC.
- Agrawal, S., De Smet, A., Lacroix, S., & Reich, A. (2020, May 7). To emerge stronger from the COVID-19 crisis, companies should start reskilling their workforces now. McKinsey and Company. <https://www.mckinsey.com/business-functions/organization/our-insights/to-emerge-stronger-from-the-covid-19-crisis-companies-should-start-reskilling-their-workforces-now>
- Allas, T., Foote E., Fairbairn, W. (2020, November 16). The economic case of reskilling in the UK: How employers can thrive by boosting workers' skills. McKinsey & Company. <https://www.mckinsey.com/business-functions/organization/our-insights/the-economic-case-for-reskilling-in-the-uk-how-employers-can-thrive-by-boosting-workers-skills>
- Bryan, H., & Bill, S. (2020, Oct. 30). Today's skills, tomorrow's jobs: How will your team fare in the future of work? Organization Practice. McKinsey & Company. <https://www.mckinsey.com/business-functions/organization/our-insights/todays-skills-tomorrows-jobs-how-will-your-team-fare-in-the-future-of-work>
- Balliester, T., & Elsheikhi, A. (2018, April 17). The future of work: A literature review. ILO Research Department Working Paper No. 29, International Labour Organization. https://www.ilo.org/global/research/publications/working-papers/WCMS_625866/lang-en/index.htm
- Capozzi, M. M., Dietsch, S., Pacthod, D., & Michael P. (2020). Rethink capabilities to emerge stronger from COVID-19. McKinsey Accelerate. <https://www.mckinsey.com/business-functions/mckinsey-accelerate/our-insights/rethink-capabilities-to-emerge-stronger-from-covid-19>
- Charan, R., Barton, D., & Carey, D. (2018). Talent wins: The new playbook for putting people first. Harvard Business Press.
- Gallagher, S. & Palmer, J. (2020). The pandemic pushed universities online. The change was long overdue. Harvard Business Review. <https://hbr.org/2020/09/the-pandemic-pushed-universities-online-the-change-was-long-overdue>
- Hoopes, L. (2017). Prosilience- Boosting Your Resilience for a turbulent World. Dara Press, England.
- International Labour Organization (2016). World Employment and Social Outlook Report-Trend 2016. https://www.ilo.org/global/research/global-reports/weso/2016/WCMS_443480/lang-en/index.html
- International Labour Organization (2020). World Employment and Social Outlook Report-Trend 2020. <https://www.ilo.org/global/research/global-reports/weso/2020/lang-en/index.html>.
- McKinsey & Company (2020). The Path to Next Normal. Leading with resolve through the coronavirus pandemic. McKinsey Publishing

- K@W, (2012, March 28). Why external hires get paid more, and perform worse, than internal staff. Wharton. <https://knowledge.wharton.upenn.edu/article/why-external-hires-get-paid-more-and-perform-worse-than-internal-staff/>
- LinkedIn, (2018). Workplace Learning and Development Report. LinkedIn. <https://learning.linkedin.com/resources/workplace-learning-report-2018>
- Maxwell, N. and Gallagher, S. (2020). Drivers for Change in Higher Education. Credentials for a New Era of Work and Learning, 189, 9-22. <https://doi.org/10.1002/cc.20394>
- OECD (2016). OECD Employment Outlook 2016. OECD Publishing, Paris
- Perlotto, S. (2019, December 4) Africa's Future: Youth and the data defining their lives. African Union. <https://www.prb.org/resources/africas-future-youth-and-the-data-defining-their-lives/>
- UNIDO (2017). Skills gap assessment in six priority sectors of Nigeria Economy. UNIDO. [https://open.unido.org/api/documents/6055563/download/Skills percent20Gap percent20Assessment percent20in percent20Nigeria percent20- percent20Final percent20Report.pdf](https://open.unido.org/api/documents/6055563/download/Skills%20Gap%20Assessment%20in%20Nigeria%20-%20Final%20Report.pdf)
- World Economic Forum (2018). The Future of Jobs Report 2018. World Economic Forum, Geneva, Switzerland.

Exhibit 1

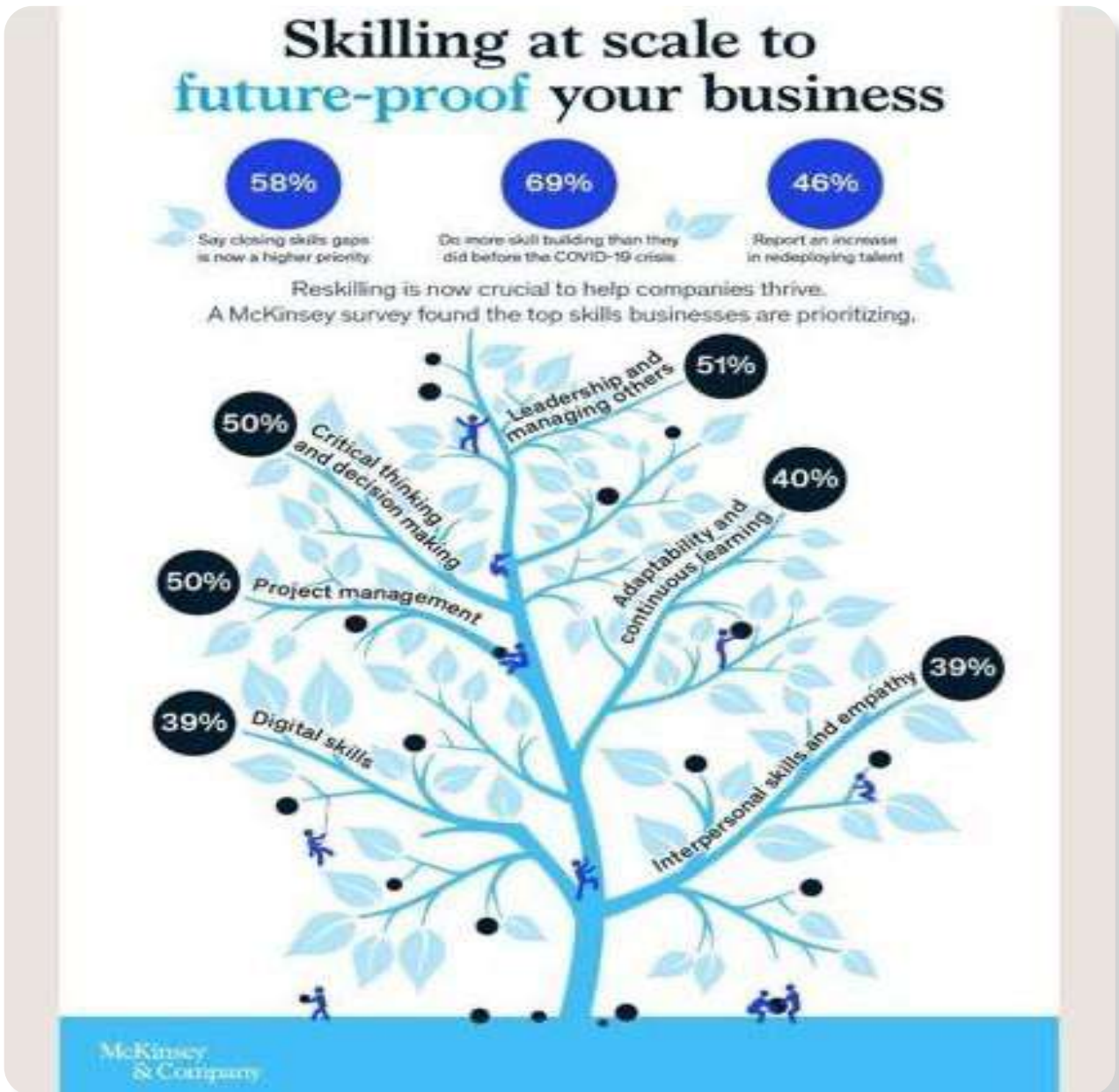


Exhibit 2

INTERNET STATISTICS 2021

TOTAL POPULATION	INTERNET USERS	MOBILE PHONE CONNECTIONS	SOCIAL MEDIA USERS
208.8 Million	104.4 Million	187.9 Million	33.0 Million
Urban Population – 52.3%	50% of Total Population	90% of Total Population	15.8% of Total Population
Rural Population – 47.7%			

Source: Digital, 2021