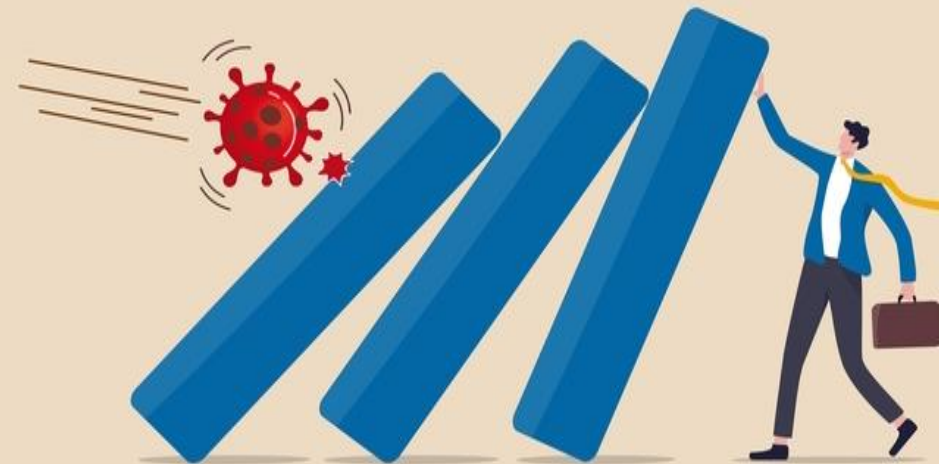


# Upskilling & Reskilling in the New Normal

2020



Supported by:



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# About the survey research

This is the first survey run in Albania with focus on COVID-19 impact in workforce. Conducted during December 2020, this study from **Dynamics Partners**, supported by **RISI Albania** explores the current workforce needs in upskilling and reskilling\* and sets out a roadmap for the future.

**Participants of this survey** are on the frontlines of business decision-making regarding human capital with highly valid data to create a clearer picture of both the current situation and the outlook for jobs and skills.

**Industries:** the report provides in-depth information about 6 industry groups with the highest employability potential for young people in Albania namely: Business Process Outsourcing (BPO); Banking/Financial Services; Software Development/IT Solutions; Marketing/Digital/Web; Retail/Trade/ Real Estate, Hospitality/Tourism and other.

It also outlines a series of practical recommendations on how business leaders can make the right strategic plans regarding human capital.

## \*Definitions

**Upskilling** - the process of learning or teaching additional / more advanced skills.

**Reskilling** - the process of learning or teaching new skills in order to do a different job.

This research report aims to shed light on:

- ❑ Organizations awareness on their employee's skills gap
- ❑ New roles that are emerging
- ❑ Importance of an effective employee development program
- ❑ Measures taken to support employees' work-life balance

**The initiators** for this survey are Dynamics Partners Team and AIMS Albania Team.



**Disclaimer:** This material has been prepared by AIMS International Albania and Dynamics Partners, with the support of RisiAlbania. The views and conclusions contained here do not necessarily reflect those of the Swiss Government or the Swiss Agency for Development and Cooperation SDC.

# Research Methodology

The research report is based on the results of the “Workforce Upskilling & Reskilling Needs in the New Normal” survey, a unique source of information that gathers the insights from various industries in Albania on the changing nature of skills, jobs, and work. A qualitative and quantitative methodology has been applied:

## □ Survey Design

**Methodology**-quantitative survey

**Questions**- 47 closed questions-general and industry related

**Companies** -SMEs and Large Companies in Albania

**Industries** - Carefully selected companies from different industries, from those negatively affected by pandemic to those flourishing in crisis. Industries include: Business Process Outsourcing (BPO), Financial Services, ICT, Marketing, Retail, Trade, Hospitality and other.

**Target group**- We aimed to invite participants who have some or full influence on budget decisions at organizations. Our survey aggregates the views of, chief executives, general managers, human resources executives, and experts, line and project managers.

**Sample** -1160 respondents were invited to take the survey. Successful surveyed 174 participants.

**Language** -English and Albanian

BPO sector includes services other than Software & ICT, except companies with multiple service lines.

## □ Survey Distribution

**Distribution**- Online self-fulfilled questionnaire, sent by email

**Fieldwork dates**- 3-17 December.

**List of companies**- This information is acquired from Dynamics Partners’ database, AIMS International clients and collaborators, job boards, LinkedIn, etc.

## □ Phone Interviews

**Methodology** -qualitative

**Questions** -open questions

**Method used** - phone interview

**Target group** - Only those companies who have hired externally during the pandemic. The aim of this information is to identify job positions filled through graduate/junior external hiring during the pandemic.

**Fieldwork dates** - Follow up calls have been during 10-18 December.

## □ Data Analysis

Percentages, Averages, Crosstabulations

# Key Findings

- **The rapid pace of business and technological changes during pandemic, have put upskilling/ reskilling programs in the center of all industries in Albania.**

To sustain their business, mobilizing internal talent was identified as most effective solution, with 44 % of participants claiming that planned upskilling their workforce, and third of them (32 %) reskilling. Nearly 42 % of them are increasing their Learning & Development budget for the following year to develop key workforce skills for the future as per business priorities.

- **Upskilling and Reskilling measures differ per industry group**, with Banking/Financial at the highest rate of (59%) and the reskilling highest rate (48%) in Hospitality/Tourism and Retail/Trade

- **The most important skills needed to develop**, during pandemic for managers and seniors are adaptability/ resilience and communication/ collaboration. For graduate level, the most important skills are customer focus and team spirit.

- **Trends indicate that remote working is here to stay.** More than half of the companies (51 %) are embracing a hybrid working style and 16.5 % are operating full remote. The challenge ahead for L&D is to precisely identify workforce skills needed and design effective upskilling programs.

- **Unsurprisingly, most businesses in Albania have invested in digital transformation.** Some had started prior pandemics (Banking, BPO, ICT) but for some others the pandemic has just accelerated. The investment in digital transformation is also reflected in workforce upskilling (54%) of Software & ICT sector to cope with the demand increase. However, 40% of respondents claim that managers lack digital skills and needed to develop during the pandemic.

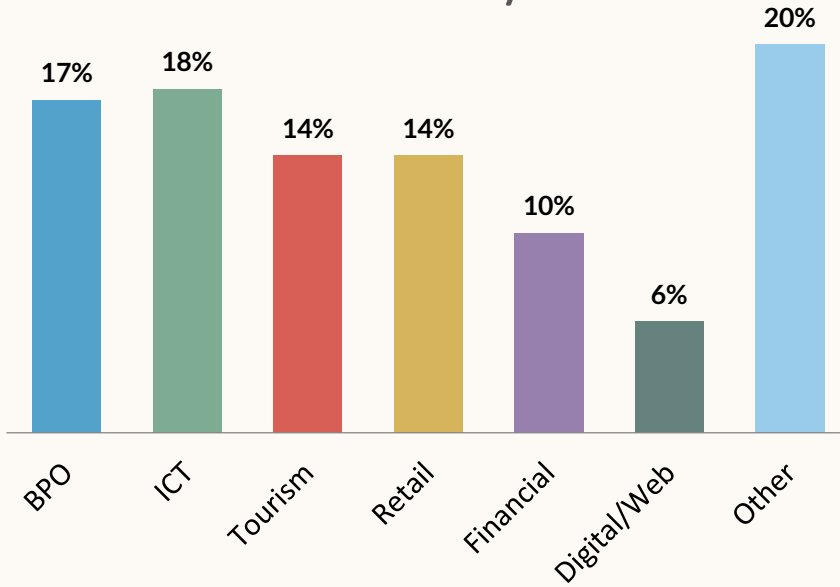
- **More than a third of businesses surveyed had no impact by Covid-19.** This is clearly reflected in workforce, where 43% claimed no changes in their workforce and is also sector related

- **Hospitality/tourism has been the most negatively affected industry by Covid-19.** Reducing workforce temporarily (72%), organizational restructuring (56%) and reskilling staff to do different jobs (48%), were the most effective measures taken to support their employee and business during pandemic. However, quarter of executives are still in uncertainty about human capital measures to sustain the future of business.

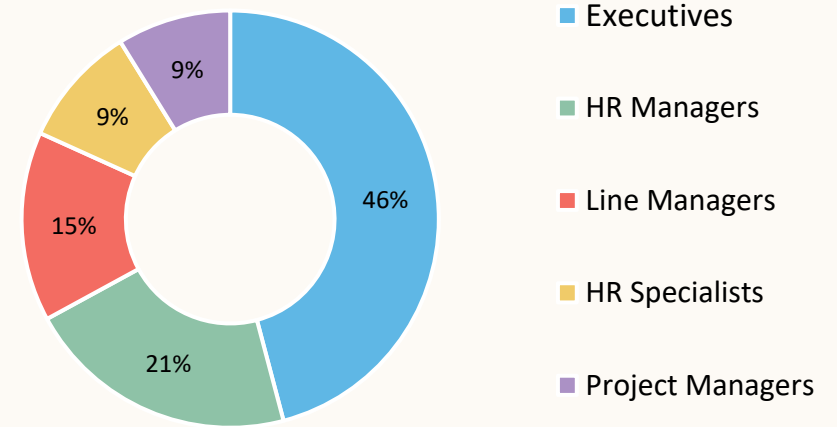
- **BPO sector had the highest rate of external hiring during the pandemic.** Job positions, remote (50%) were mainly for graduates/juniors. This is very important pinpoint for students to identify available jobs in the market, when recruiting is in freezing mode. Also, BPO represents a huge employment opportunity due to the highest rate of export of services (73%) and new emerging competitive services.

# Companies and Respondent profiles

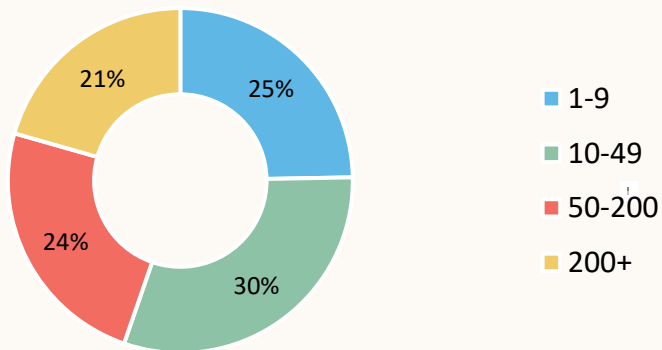
## Industry



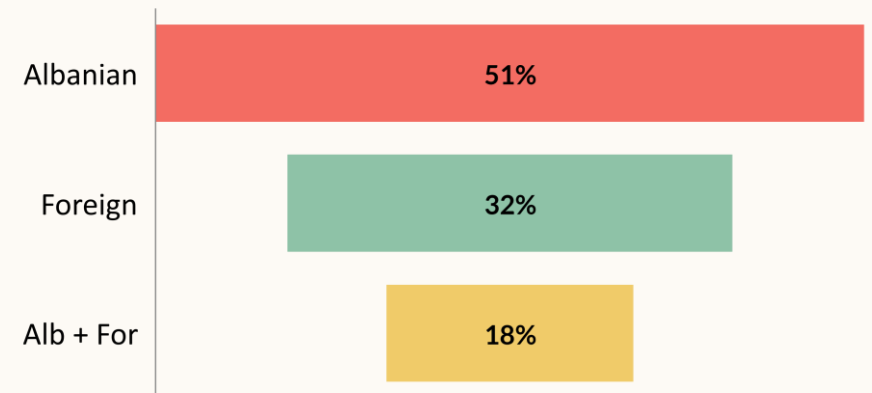
## Function



## Company Size



## Company Ownership



# COVID-19 impact in Albania

The pandemic has impacted business in Albania. It has affected the way they operate, their products, their customers, revenues, and employees.

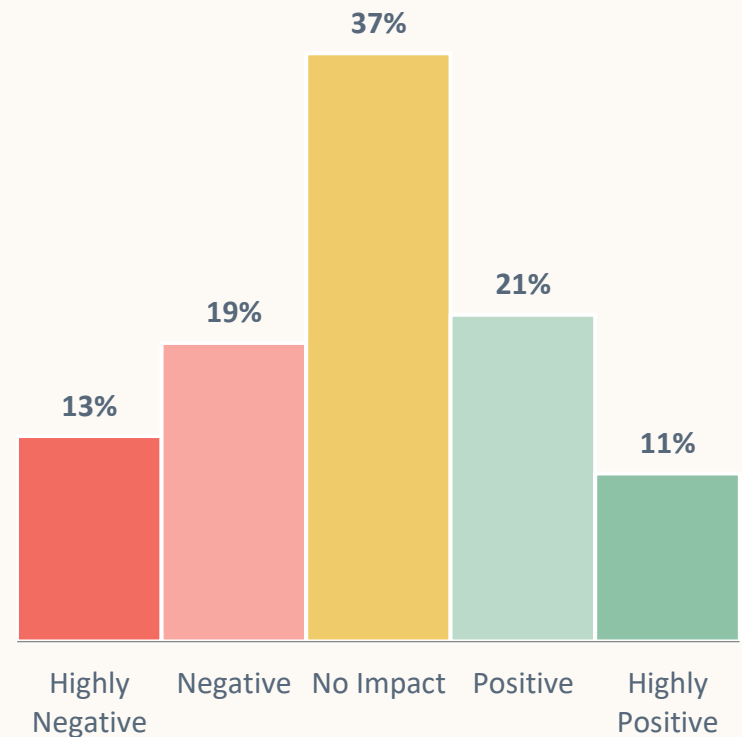
When asked about the impact on business activity and productivity in a scale of 5 our research data reveals that:

More than a third report no impact

32 % claimed positive impact

32 % claimed negative impact

How was COVID impact to your business?



# COVID19 impact - by Industry

According to the survey data analysis on COVID - 19 impact based on the industry, the results are as following:

## Negative Impact

**33%** | Banking/ Financial Services

**13%** | Business Process Outsourcing

**72%** | Hospitality/Tourism

**32%** | Retail/ Trade/ Real Estate

**30%** | Marketing/ Digital / Web

**19%** | Software / IT Solutions

## No Impact

**50%** | Banking/ Financial Services

**27%** | Business Process Outsourcing

**8%** | Hospitality/Tourism

**40%** | Retail/ Trade/ Real Estate

**50%** | Marketing/ Digital/ Web

**58%** | Software / IT Solutions

## Positive Impact

**17%** | Banking/ Financial Services

**60%** | Business Process Outsourcing

**20%** | Hospitality/Tourism

**28%** | Retail/ Trade/ Real Estate

**20%** | Marketing/ Digital/ Web

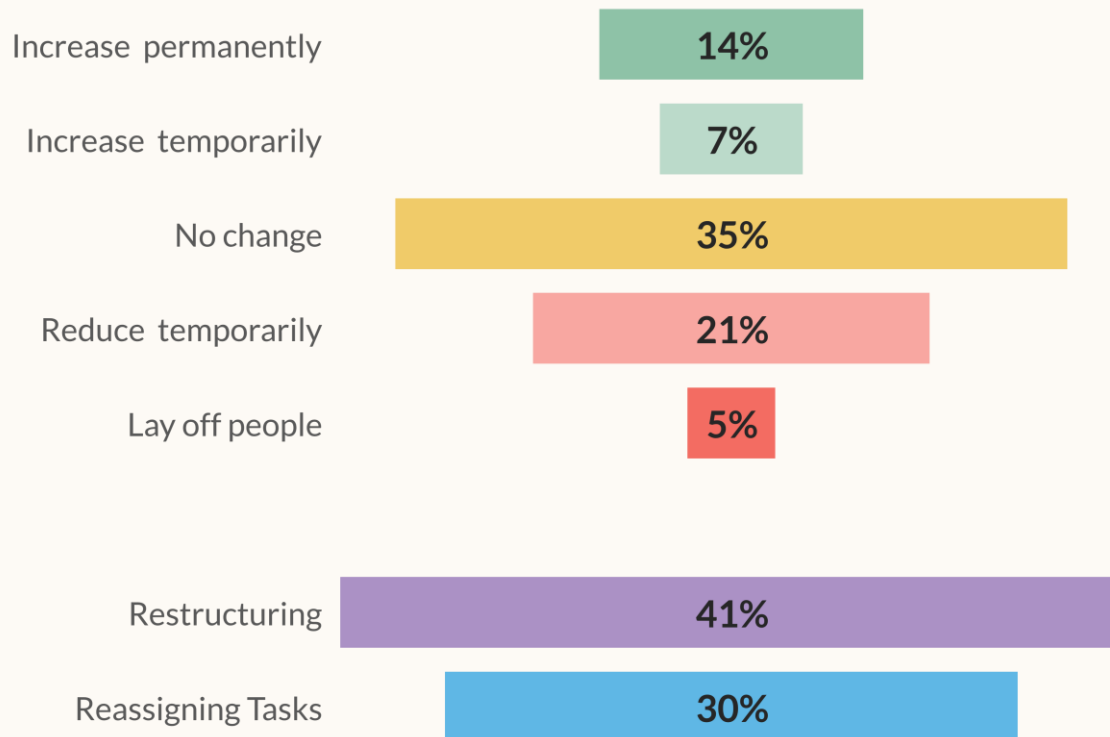
**23%** | Software / IT Solutions



# Measures taken during Covid-19

The Pandemic forced business leaders to take workforce measures to adapt to the New Normal. The bar chart represents the share of survey respondents who indicated that:

How did your workforce change?



**35%**

had no change in workforce

Despite the fact of not having workforce changes, these companies went through internal transformation by restructuring the organization and temporary reassign workers to do different tasks.

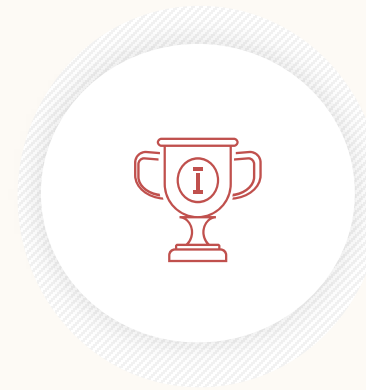
# Most required skills during pandemic

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**The COVID-19 pandemic has been** one of the most challenging crises most business today have ever faced. Being unprepared in front of the crisis, new technology adaptation and managing people remotely companies needed to develop essential skills. Aiming to identify those skills we have categorized in three levels: managers, expert, and graduate level.

**This section of the report** takes stock of the types of skills that are currently in demand in three different levels. This information might be used as guide by L&D professionals as it helps to understand the most valued skill in the market and in their industry.

**Additionally, this report** might also be useful for self-development purpose by individuals. Employees who will master their skills based on what companies need will be the most required talent in market.



**Communication** is one of the most important skills needed for managers, seniors & graduates

# Most required skills during pandemic: Managers/ Seniors

According to the results the top 4 most needed skills to develop at managerial and senior level are:

## *Adaptability/ Resilience*

due to rapid changes this is the most important skill to sustain the businesses.

## *Planning & organizing-*

planning activities and organizing resources by taking account of changing circumstances is essential for business operations

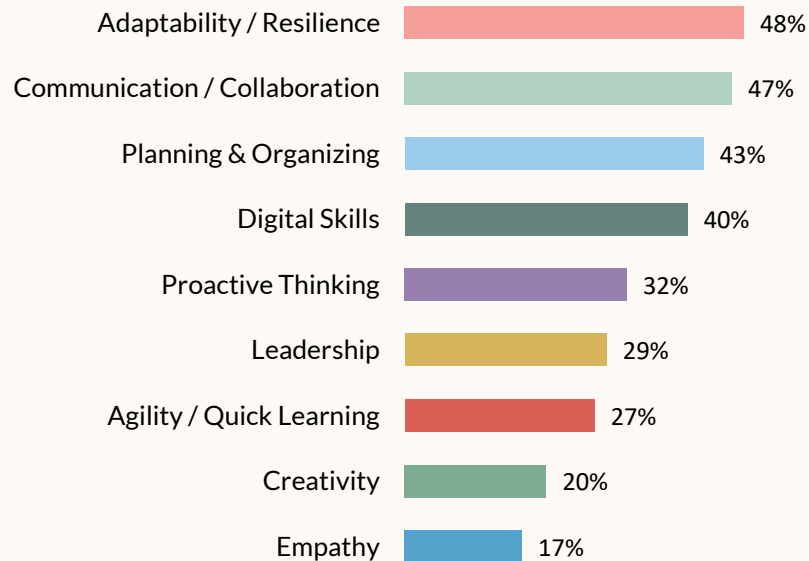
## *Communication/ Collaboration*

working remotely means that this skill is important to improve relations with employees and customers

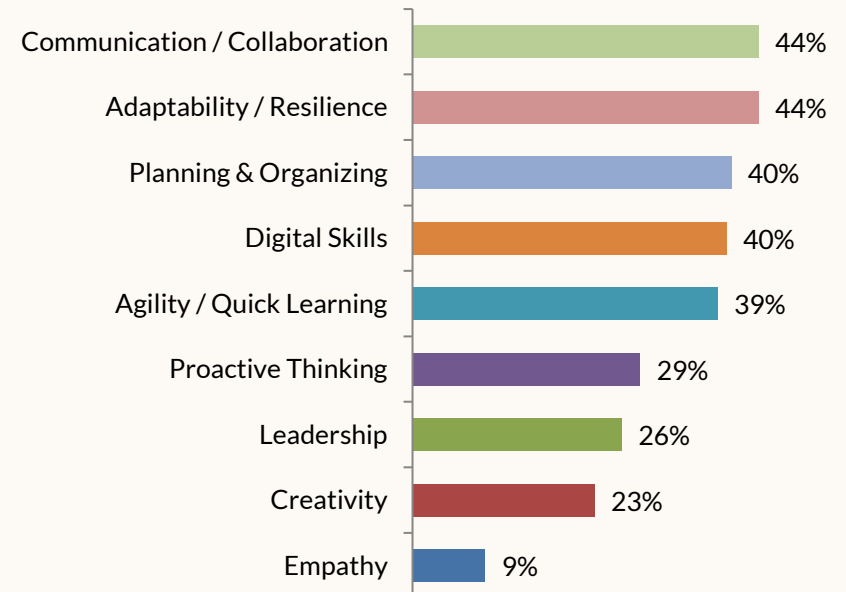
## *Digital Skills*

accelerated digitalization in response to COVID-19, need to develop digital skills

## Skills to Develop at Managerial Level:

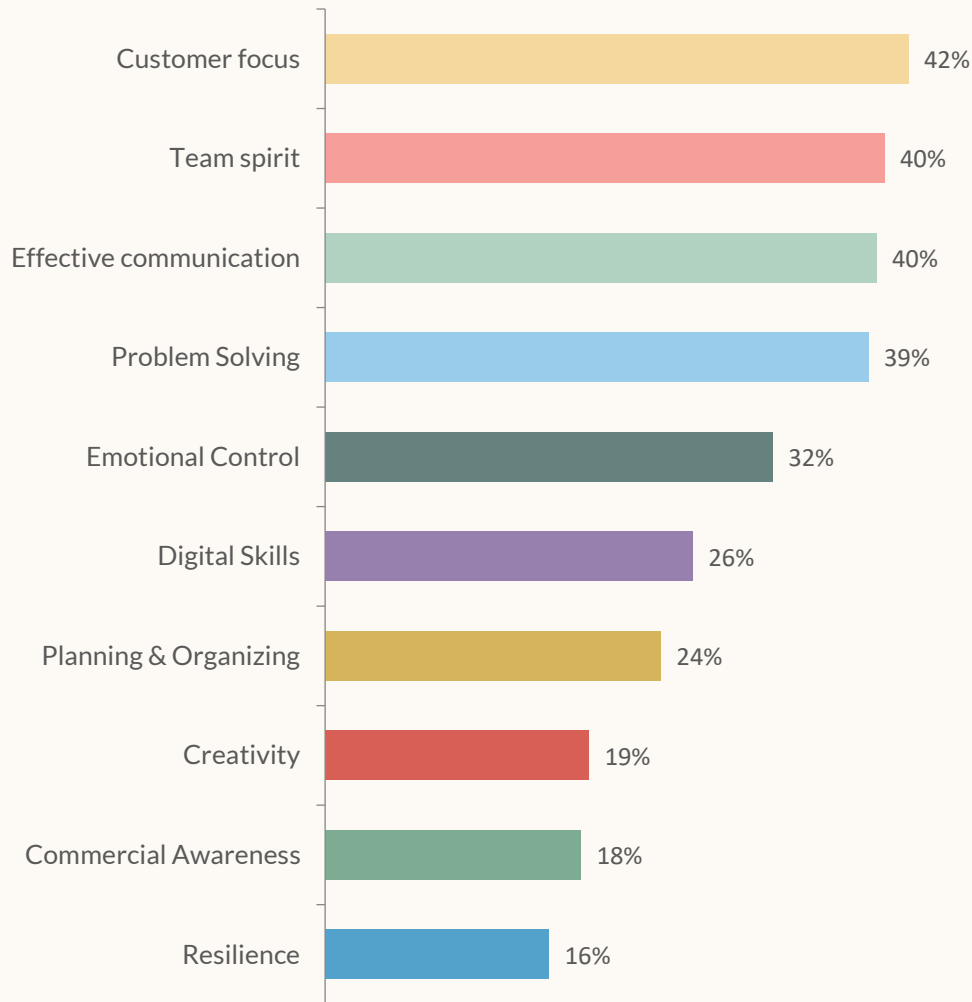


## Skills to Develop at Senior Level:



# Most required skills during pandemic: Graduates

## Skills to Develop at Graduate Level:



The bar graph provides the list of skills graduates/ juniors need to develop during pandemic. The skills are ranked by frequency. Top 4 skills selected by respondents are:

**42%**

Customer Focus



**40%**

Team Spirit



**40%**

Communication



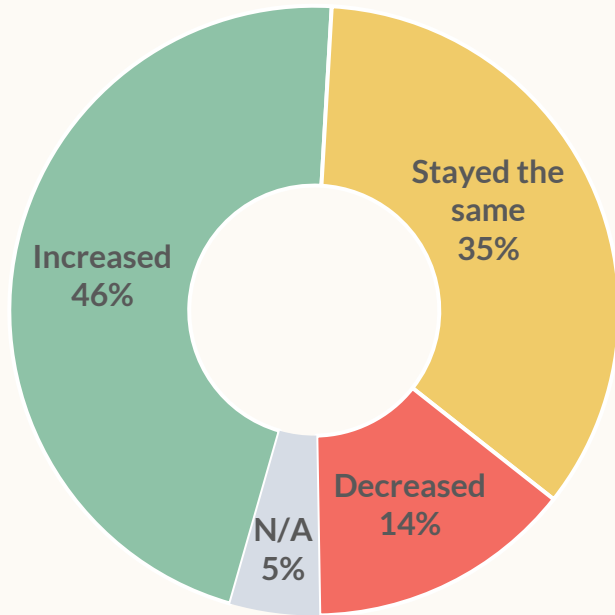
**39%**

Problem Solving



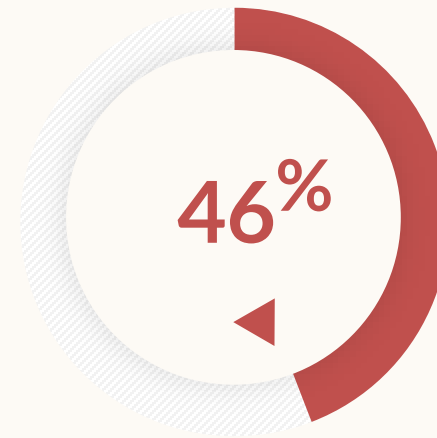
# COVID19 impact in Upskilling/ Reskilling

## Upskilling / Reskilling Programs 2020



Covid-19 had affected the upskilling/ reskilling programs in almost all companies.

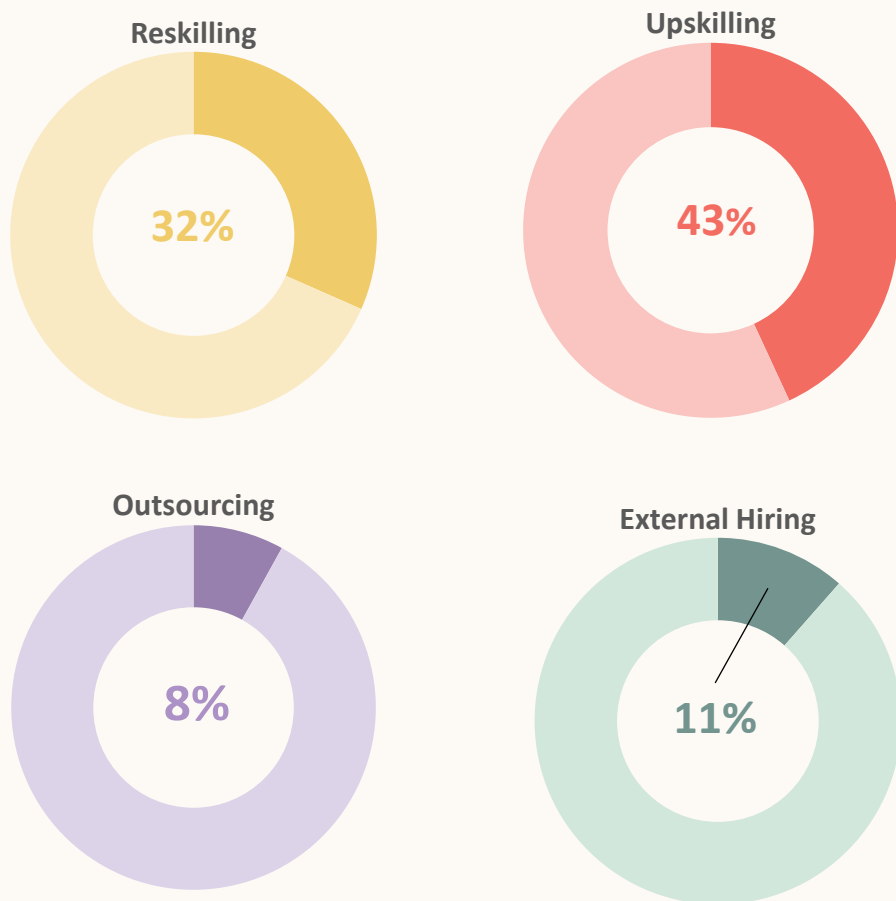
The survey report reveals that:



of the participants have increased their reskilling & upskilling programs.

# Actions taken to sustain business during pandemic

Which was the top action your company used to sustain the business during the pandemic?



When it comes to top actions used by companies to sustain their business during the pandemic, survey data conclude that:

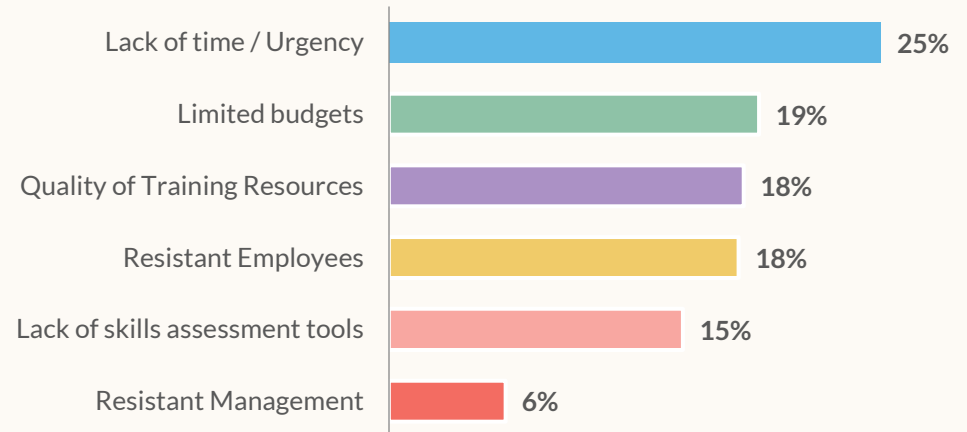
Most companies mobilized internal talent to sustain their business during the pandemic, through upskilling and reskilling.

Among the notable findings, data shows that 11% of surveyed increased their workforce through external hiring. Aiming to identify job positions filled through graduate/junior external hiring during the pandemic we used other source than survey data. Hence, each of these companies have been questioned through phone. In conclusion, mainly BPOs have external recruited graduates/ juniors during the pandemic.

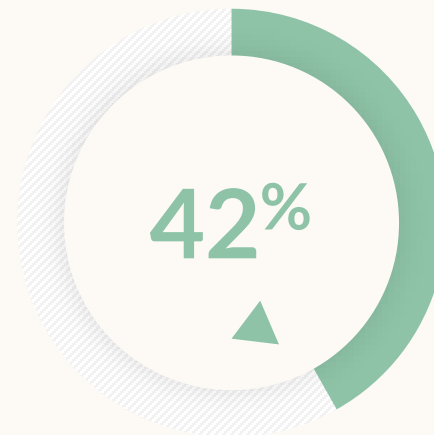
# Upskilling/ Reskilling Challenges

When we asked participants their three biggest challenges in developing upskilling/reskilling initiatives during 2020, lack of time/urgency topped the list, followed by limited budgets and finding the right training resources.

Main obstacles to implement US/RS programs?



Despite the current economic downturn, senior leaders understand the value of human capital investment. Interestingly, decision makers/ executives are willing to develop skills of their workforce.



of decision maker/ executives are increasing their budget regarding L&D programs in 2021.

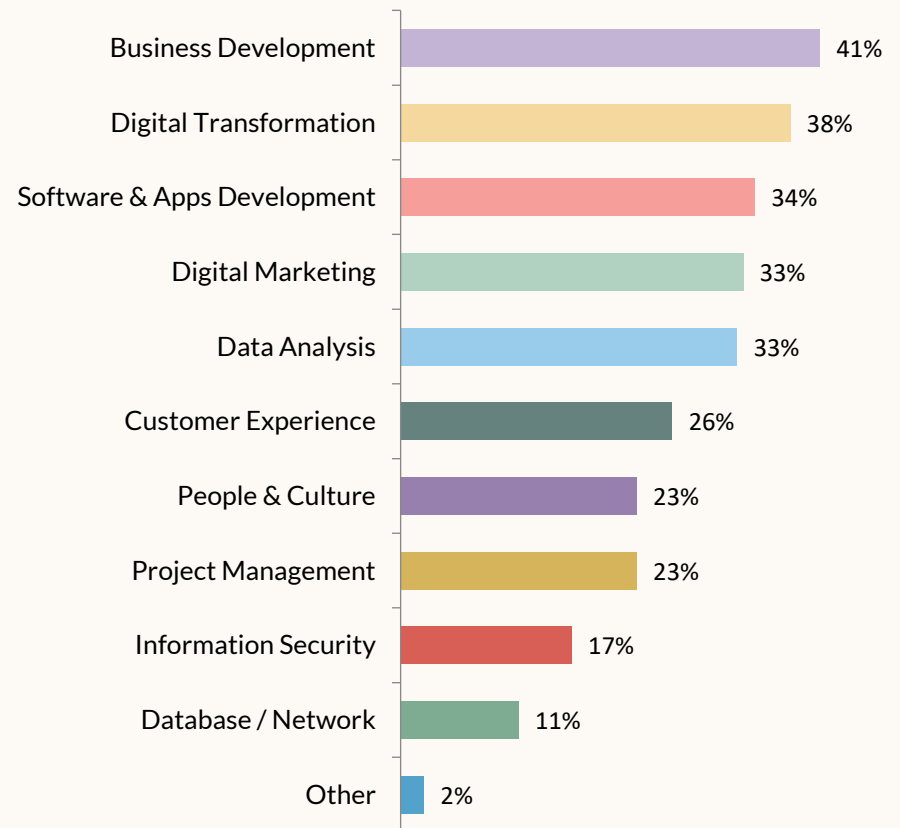
# New job categories emerging in Albania

Analyzing trends from the figures shared in survey, participants expect that top 5 emerging job categories in Albania in the next 5 years are:



The emergence of these job categories reflects the continuity of technology adoptions in the future.

Which job categories do you expect to be the top emerging ones in your industry in the next 5 years?





# Business Digital Landscape

If there was ever a time to reflect on Business Digital Landscape, it is now. Even before COVID-19 struck, digital tools and experiences were becoming normal for us. Now, as we are constrained by pandemic, the new digital normal is accelerating.

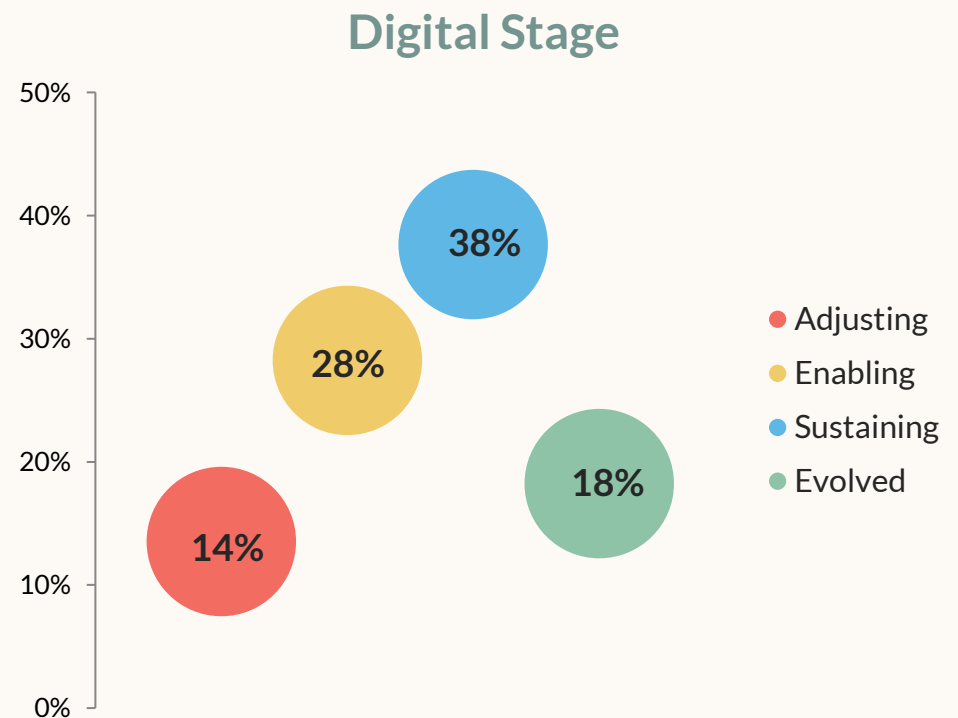
Unsurprisingly, most businesses in Albania have invested in technology and digitalized work processes. When our participants were asked about the stage their company is regard to remote working and digital culture, they pointed out that:

□ **38 %** are in sustaining phase- Tech is ok. Focus on productivity and people engagement

□ **28 %** are enabling-Digitalizing work processes and using tools (videoconferencing, digital tools)

□ **18 %** of them are completely digitally evolved

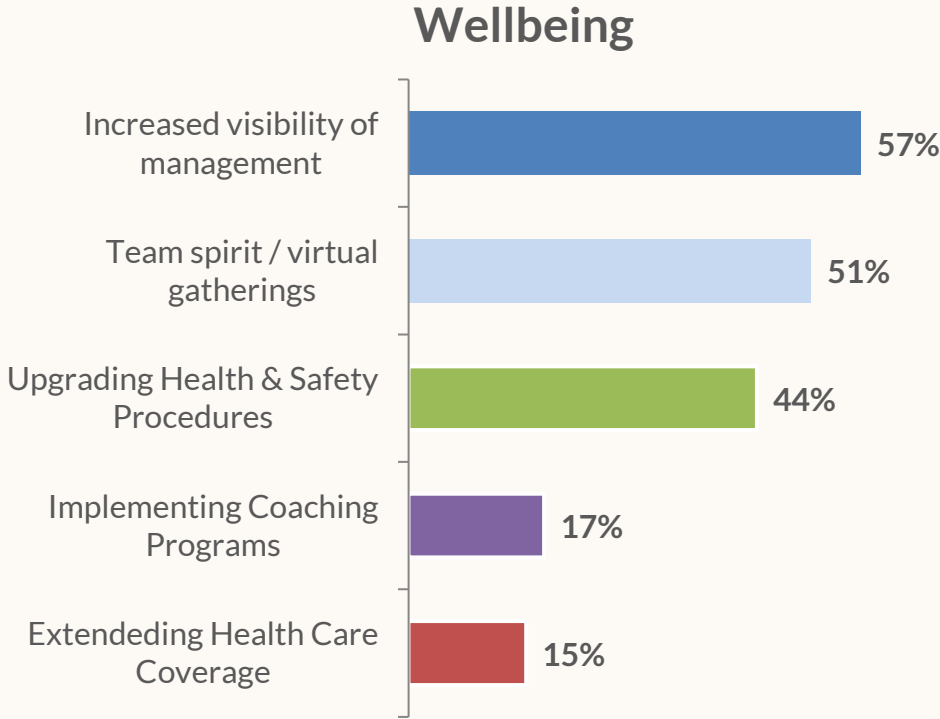
□ However, **14 %** of them are struggling with digital culture-Still at-risk management and basic tech infrastructure. Mainly companies operating in Hospitality /Tourism and Retail industry.



# Employee Wellbeing

Besides the changes Covid-19 brought to business operations it has also brought significant well-being challenges as workers have struggled to adapt to new ways of work over a short period of time.

To address the most effective actions taken by companies concerned about employee well-being, data show that:



**57%** | provided support by increasing visibility of management team

**51%** | created a sense of team, through virtual gathering

**44%** | upgraded health and safety procedures

**It is interesting to show that some of the companies have used coaching programs, although the numbers are not as big (17) %.**

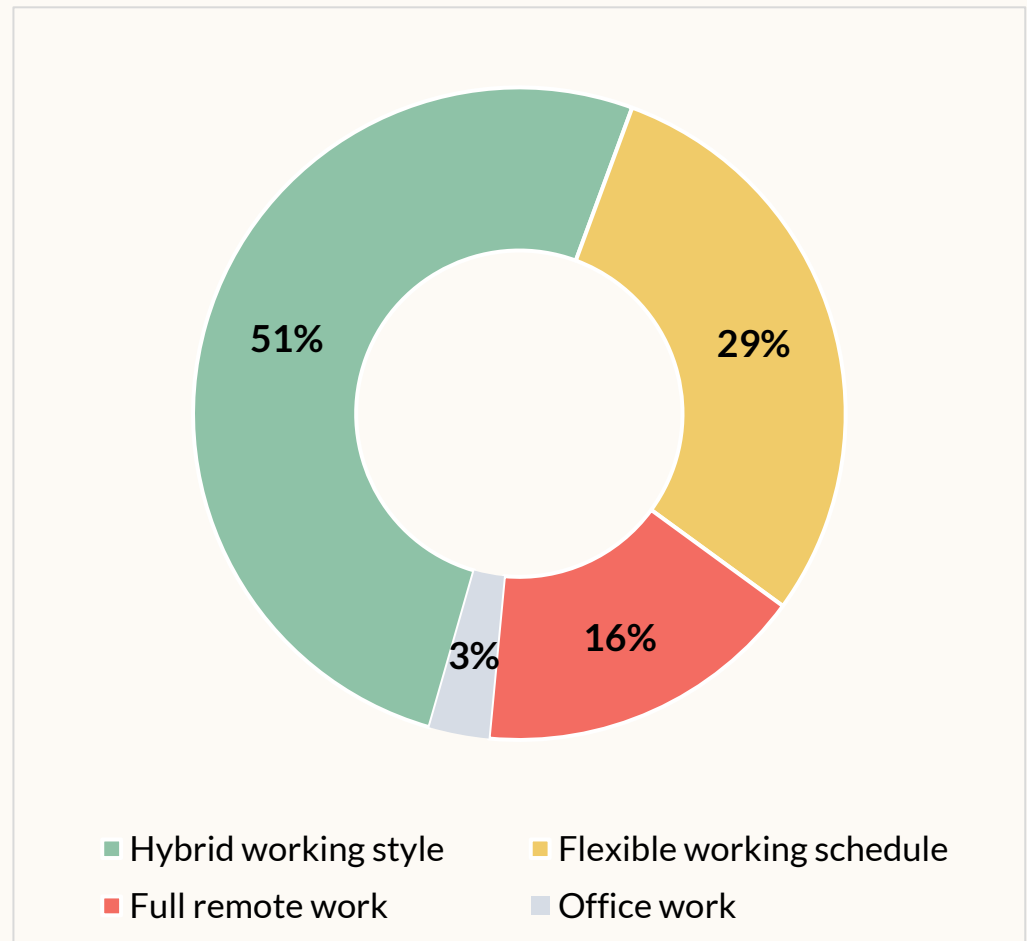
# Work Style

**Our survey results** show that almost half of the companies are adapting a hybrid working style to support the work-life balance of employees.

It is important to understand that the future of work has already arrived for a large majority workforce. 29 % of surveyed apply flexible working schedule and 16 % have moved their workforce to operate remotely.

However, some types of business operations cannot be resumed remotely such as those in the Hospitality or Manufacturing that depend on in-person presence.

Measures taken to support employees Work-Life Balance:



# Conclusions & Recommendations

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▪ **We analyzed what have done differently**, companies that have not been negatively affected by economic crises during pandemic. We found out that this companies have taken these steps :

- Enabled learning new skill through upskilling and reskilling.
- Their L&D budget increased to develop required skills for future, at managerial, expert, and graduate level.
- Have applied digital technology to facilitate work processes and improve productivity.
- Champion workforce wellbeing by providing support to them
- Used technology to enable work life balance and adopted a hybrid working style
- Have nurtured a learning and engagement culture to increase employee motivation towards upskilling/reskilling investment

▪ **L&D professionals need to have in place** the right assessing tools to identify the precise skills will need in the face of digital transformation. This is the starting point of building effective development programs

▪ **The challenge now is to close the gap of most required skills in the industry – and quickly.** Hence, this might be a good time to take a hard look at talent. But it is important to use data, not instinct, to make these assessments and develop effective learning and development programs. If this does not happen in the next 2 years, could significantly impair business ability to recover and grow in the current economic climate.

▪ **By acknowledging the skill gap exists**, leaders are giving themselves a chance to step up and address it, by:

- Upskilling/reskilling their existing staff, while providing support to them
- Investing in the recruitment of a new generation of digitally minded managers
- While digital skills are not so critical for graduates/juniors, customizing their development programs towards most required skills for this generation will generate very soon a high return on their investment.