



ARTICLE 3

How Reskilling Can Support the Transition to Net Zero

Reskilling for net zero can benefit from innovative, collaborative schemes to prepare the workforce for the future.

KEY TAKEAWAYS

Joint ventures between the private and public sectors could help to address the challenge of reskilling workers whose jobs are made obsolete during the transition to clean energy. But transferring from one industry to another is seen as more challenging.

Navigating the workforce transition — a multi-agency challenge

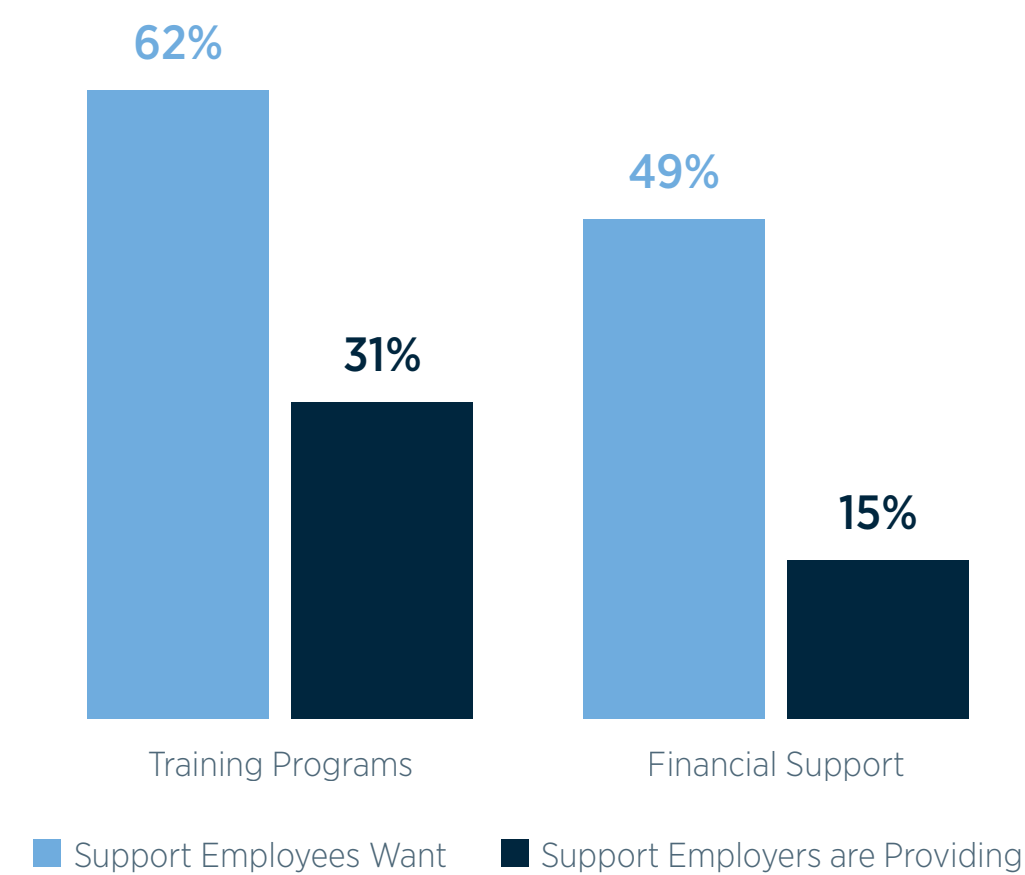
The argument that new jobs created within the renewable energy sphere will offset those that are lost assumes that governments and the private sector will take a strategic approach to the net zero transition. It also assumes there will be investment to support a phased, joined-up plan of transformation.

“We have two different groups of companies within the energy sector,” says Gallagher’s Ryan Mansom. “One is the renewable companies and the second is the traditional energy-producing companies, that are transitioning into the phase of our renewables or a greener space. They’re the ones who are reshaping their workforce.”

He adds, “How can we transition someone from being an engineer on traditional oil and gas production facilities to being an engineer on a hydrogen plant, for example? It’s in all parties’ best interests to make sure they bridge the gap as quickly as possible to support the transition, maintain employment, and reduce their overall risk.”

In our Workforce Attitudes to the Net Zero Transition 2024 survey, 62% of workers said they would need support from employers to successfully adapt to the new environment via training and reskilling. The percentage was particularly high for those working in the oil and gas sector (73%).

SIGNIFICANT DIFFERENTIAL IN THE RESKILLING HELP EMPLOYEES WANT AND WHAT EMPLOYERS ARE PROVIDING





BY 2029, THE VIKING PROJECT AIMS
TO INCREASE TRAINING OUTPUT BY
1,000%.

Reskilling goes beyond training and investment

Reskilling also involves getting the timing right, addressing mobility challenges, avoiding delays, and best serving the interests of all stakeholders.

Workers will be more inclined to support reskilling initiatives — and the wider transition to net zero — if they believe credible alternatives are open to them.

Industry-wide collaborative efforts, backed by labor unions and the government, are needed to futureproof the workforce as part of the transition to net zero. It's increasingly apparent that labor unions and environmentalists share similar goals.

Examples of how reskilling might happen are already emerging. In Humberside, UK, for instance, a pilot carbon capture and storage (CCS) scheme, Viking CCS, is underway to train and upskill workers from the local population as the region moves forward with ambitious decarbonization plans. These efforts could pave the way for others to follow by centering plans on the need to reskill employees from the beginning.

The Viking CCS project involves the construction and operation of a carbon dioxide transportation and storage network in what is currently one of the most emission-intensive industrial clusters in Europe. Funded by investment from across the CCS value chain, Viking CCS has integrated both traditional and renewable energy companies with government and local community interests.

The core of the project is helping employers upskill and retrain a flexible and transferable workforce, aiming to increase training output by 1,000% by 2029 to meet the needs of employers and the local economy.¹⁰ The longer-term hope is that many of the staff involved in the initial phases will go on to find employment once the Viking CCS project itself is operational.

A key part of the Viking CCS strategy is the Humber Skills Plan, a training venture backed by the Engineering Construction Industry Training Board (ECITB), an employer-led skills body, in partnership with industry and government.

While the model is scalable, there are challenges to overcome in terms of how industry is incentivized to invest in the skills of tomorrow, particularly given the risk that workers involved in the construction phase could move away once that part of a project is complete.

“The asset owners have primed that pump with a significant amount of money in recognition that if nobody does it, it won't happen,” says Andy Brown, Chief Operating Officer of the Engineering Construction Industry Training Board (ECITB).

“It is important to think outside the box to meet the aspirations of net zero, to raise awareness about the significance of skills shortages, and to explain that upskilling and social mobility are critical to delivering net zero.”

Collective agreements can help provide stability during such projects, making it harder for workers to leave mid-project. By investing in workers' development, such agreements can help meet the requirements of the next phase of the project, contributing to longer-term retention by building loyalty and identifying which employees may ultimately be willing to work for the asset owner and operate the project when it begins its production phase.

Boosting workforce morale and retention

Preparing the workforce for the changes that lie ahead requires strong leadership and communication as industries transition.

“The ability for leaders to be extremely powerful change managers is going to be critical to the successful implementation of changes in the workforce. Whether companies are closing down operations or trying to reskill, communicating effectively is probably the number one competency that managers and leaders are going to need to have,” says Kathleen Schulz, Global Innovation Leader for Organizational Wellbeing at Gallagher.

“We’re going to see an increased focus on leadership development to deal with really specific competencies that will be needed in this massive change effort. How do we do this with empathy? How do we do it with compassion? Because trust is going to be a major component there.”

Investing in reskilling and offering strong leadership can reduce the risk of leaving people and communities behind, helping to create a prosperous future for all.



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Kathleen SCHULZ
Global Innovation Leader, Gallagher

