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REVIEW ARTICLE

REIMAGINING TALENT: HR STRATEGIES FOR RESKILLING AND UPSKILLING IN NASHIK'S SERVICE SECTOR AMIDST INDUSTRY 4.0

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Abstract: This study investigates the strategic implementation of reskilling and upskilling programs within the service sector of Nashik city as a crucial response to the pervasive workforce transformation driven by Industry 4.0. Nashik, a rapidly evolving Tier-2 city and a growing hub for IT, finance, and logistics, presents a unique micro-environment where the demands for modern skills are accelerating. Through a primary survey of 50 Human Resource (HR) professionals and 100 employees from renowned local service sector companies and various large-scale hospitals and financial institutions, this research explores the existing skills landscape, the prominence of the AI skills gap, and the success of current HR interventions. Key findings reveal a significant challenge in balancing the tech-savvy expectations of the new generation with the pronounced technological hesitancy among older employees. The data underscores a high awareness of the need for Active Learning and Analytical Thinking but also identifies a critical disconnect, with 85% of HRs citing a lack of dedicated time for training and 60% of older employees expressing fear of job redundancy due to AI integration. The study concludes that for Nashik's service sector to sustain its growth and competitiveness, HR must adopt a tailored, empathetic, and data-driven approach that strategically uses upskilling and reskilling to convert internal talent into a resilient, future-ready workforce.

Keywords: *Industry 4.0, Service Sector, Nashik City, Workforce Transformation, Reskilling, Upskilling, AI Skills, Employee Hesitancy, Strategic HR*

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INTRODUCTION

The rapidly accelerating pace of technological change, primarily driven by Industry 4.0 and digital transformation, has rendered traditional workforce planning obsolete. The magnitude of this shift is unprecedented; the World Economic Forum (2020) projects that automation will displace 85 million jobs globally while simultaneously creating 97 million new roles by 2025, necessitating that 50% of all employees will require significant reskilling.

This global challenge is acutely felt in key sectors, such as manufacturing, where the Deloitte and The Manufacturing Institute (2024) forecast a talent shortage that could leave up to 1.9 million jobs unfilled between 2024 and 2033. Against this backdrop, organizations can no longer rely solely on external hiring to close critical skill gaps. This paper argues that an integrated "build vs. buy" philosophy, centered on a strategic Reskilling and Upskilling framework, is the most financially sound and sustainable approach to achieving talent mobility and preparing the workforce for the future.

The local context of Nashik city is paramount to this discussion. Nashik is rapidly emerging as a key economic node in Maharashtra, moving beyond its traditional identity to become a significant regional centre for IT-enabled services and logistics. Home to campuses of major service providers like WNS, Tech Mahindra, and numerous regional headquarters of national banks and large hospital groups, the city's economic vitality is increasingly dependent on the

digital readiness of its workforce. This rapid growth, however, exposes a critical vulnerability: the skills-job mismatch driven by Industry 4.0. The ability of these service organizations to remain competitive hinges entirely on their HR strategies for developing the human capital needed to collaborate with, manage, and leverage these new intelligent technologies.

The proliferation of these digital tools necessitates a complete overhaul of employee capabilities. Basic skills are quickly becoming automated, shifting the demand towards complex, uniquely human competencies. This has created a dual challenge for HR leaders: first, equipping the entire workforce with essential AI and digital fluency skills and second, managing the generational divide where young employees are digitally native and eager for new tech roles, while seasoned employees often express hesitancy and resistance to adopting new technologies due to fear of change or job displacement. This paper attempts to analyse how HR professionals in Nashik are navigating this imperative through the strategic deployment of reskilling and upskilling initiatives.

OBJECTIVES OF THE STUDY

- The objectives of this primary research paper are specifically focused on the local context of Nashik's service sector.
- To determine the perceived AI and digital skills gap in Nashik's service sector workforce, with a focus on core competencies like Analytical Thinking, Data Management, and Active Learning.
- To analyse the differences in technology adoption and training attitudes between older and younger employees within the service sector and its subsequent impact on HR strategies.
- To evaluate the effectiveness of current HR reskilling and upskilling strategies employed by service sector organizations in Nashik to address the growing workforce transformation challenges.

REVIEW OF LITERATURE

The accelerating pace of Industry 4.0 is fundamentally reshaping the labour market, shifting demand away from routine tasks highly susceptible to automation by AI towards cognitive skills such like Complex Problem-Solving, Creativity, and Critical Thinking. This transformation is massive in scale: the World Economic Forum (2020) projects that 50% of all employees globally will require reskilling by 2025, with core skills for advanced service roles evolving by over 40% in just five years.

This challenge is compounded by a human-centric one: high turnover, often driven by a lack of development and poor managerial support, can nullify training investments. Gallup (2024) highlights this management influence, showing that managers account for 70% of the variance in team engagement. Consequently, a strategic learning framework is not just a tactical training exercise; it is a vital tool for talent retention, as confirmed by LinkedIn Learning (2023), which found that 94% of employees would stay longer with a company that invested in their career growth, and employees who move internally typically stay twice as long.

The strategic move to reskill existing employees is justified by a powerful compelling business case, proving that "build is cheaper than buy." Data suggests that internally reskilling an employee for a new role can be 70% to 92% cheaper than a comparable external hire, mitigating the substantial financial risk associated with high turnover. Beyond cost savings, this approach directly fosters a culture of loyalty and internal mobility.

However, realizing this ROI requires overcoming key implementation barriers. Experienced employees often exhibit technological hesitancy, which is frequently rooted in a fear of job redundancy or the absence of clear career pathways. Conversely, younger, tech-savvy generations may lack deep industry knowledge. Successful HR interventions must therefore adopt a comprehensive change management approach that offers personalized learning journeys, builds trust across generational divides, and requires active leadership championship to overcome the most cited practical barrier: "time away from job responsibilities."

RESEARCH METHODOLOGY

This study employed a descriptive and

exploratory research design to analyse the current state of HR reskilling and upskilling strategies within Nashik's service sector. The methodology was primarily based on collecting primary data through a structured survey.

The sampling frame consisted of Human Resource professionals and non-managerial employees working in the established service sector industries in Nashik, specifically focusing on IT enabled services, BPO, and BFSI companies known to operate in the city. The sample size for the study was set at 150 respondents, comprising a targeted sample of 50 HR managers/executives and 100 non-managerial employees. A non-probability convenience and judgmental sampling method was used to select the participants who were readily accessible and actively involved in, or impacted by, reskilling and upskilling programs.

The types of data collected were primarily quantitative through closed-ended questions, focusing on the frequency of training, perceived skill importance, and challenges to implementation, supplemented by a few open-ended questions to gather qualitative insights on employee sentiment. Data analysis involved descriptive statistics, including frequencies and percentages, to quantify the prevalence of skill gaps, the degree of employee hesitancy, and the level of organizational investment in talent development.

RESULTS AND DISCUSSION

The survey results from Nashik's service sector highlight a clear and urgent need for strategic HR intervention. A striking 85% of HR respondents confirmed that AI and Data Analytical Skills are the most difficult to source externally, validating the strategic imperative for internal reskilling. Furthermore, 78% of the HRs stated that their primary training focus has shifted from *role-specific technical skills* to core human competencies such as Analytical Thinking, Active Learning, and Creativity, aligning with global trends that prioritize uniquely human skills in the age of automation.

A significant finding emerged from the employee data concerning technological adoption. When employees were segmented by age (below 30 vs. above 45), 60% of the older employee segment (above 45) reported feeling either "anxious" or "fearful" about the integration of new technologies like AI, citing a lack of confidence and fear of job redundancy as their main concerns. In contrast, 88% of the younger employees (below 30) expressed "enthusiasm" and a strong desire for more training in AI and Big Data, viewing it as a clear path to career advancement. This generational disparity creates a major hurdle for HR, requiring them to deploy empathetic change management and personalized support for older employees while simultaneously providing advanced, challenging training for the younger, more tech-savvy cohort.

The analysis of current HR strategies revealed a major implementation barrier: time. An overwhelming 85% of HR managers cited "lack of time away from job responsibilities" as the number one obstacle to effective training. This indicates a systemic issue where the need for continuous learning clashes with immediate, client-driven operational pressures typical of the service sector.

This finding suggests that HR strategies are often well-intentioned but fail at the execution level because learning is not truly integrated into the daily workflow. To overcome this, organizations in Nashik must shift from isolated, long-duration training events to integrated micro-learning models and actively empower managers to dedicate work hours to development, thereby reinforcing the message that learning is an integral part of the job, not a distraction from it.

CONCLUSION

This study confirms that the service sector in Nashik city is at a critical juncture where the promise of Industry 4.0 is being checked by a profound AI skills gap and significant employee resistance rooted in generational attitudes. Reskilling and upskilling are unequivocally the most strategic and cost-effective interventions available to HR to manage this transformation.

The data demonstrates that the challenge is less about *what* to teach (the need for AI, analytical, and human skills is clear) and more about *how* to implement it effectively. Success requires a shift in organizational

culture: one that leverages technology to provide personalized learning journeys for the younger, tech-driven workforce while using empathetic leadership and clear career pathing to mitigate the fear and hesitancy prevalent among older, experienced employees.

By treating internal talent development not as a cost but as the primary driver of competitive advantage and long-term resilience, Nashik's service sector can ensure its continued growth and relevance in the new digital economy.

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