

**OCBC Campus**

**CASE STUDY**

# **Skills-First Culture**

# Introduction

1. Traditional societal and corporate structures emphasised formal education and professional qualifications as primary considerations for employment. This emphasis was rooted in the demands for a standardised workforce to power Industries 1.0, 2.0 and 3.0 [1].
2. Industry 4.0, characterised by four foundational disruptive technologies [2], requires a significantly different type of workforce – one which continually adapts to navigate the dynamic world of work.
3. For organisations to thrive in this complex, highly interconnected world, the T-shaped, multi-disciplinary individual competent in transdisciplinary thinking has become increasingly valued. Given the rapidity of change, such multi-disciplinary skills cannot be gained through a single qualification or certification acquired in one's student years, but through a diverse skill portfolio developed over the span of a career.
4. A skill-first approach hence emphasises skills over traditional educational credentials front-loaded at the start of one's life. It also places skills before gender, race, age and other workforce demographics that may be un-related to work performance, in alignment with growing societal consciousness of the need for diversity and inclusion.

## What is a skill-first approach and how is it different from a skills-based approach?

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1. The term skill has long been integrated into corporate practices such as hiring and development and is frequently aligned with business strategies to enhance productivity [3].
2. The terms skill-first and skill-based are often used interchangeably in education and employment. In our view, these two terms are related but distinct.
  - a. Skill-first is an approach where skills are the primary criteria in decision-making processes, particularly in hiring, and learning and development. It prioritises the identification and development of specific skills above other qualifications [4]. Its main goal is to align with the needs of the job market, ensuring that individuals are prepared and qualified based on what they can do, not just what they know or where they studied.
  - b. Skill-based often describes an approach that incorporates skills into broader practices [5]. It does not inherently prioritise skills over other factors but integrates skills as an essential component of an overall structure. Its main goal is to develop a holistic set of competencies in individuals that are applicable in various contexts, not just to job roles.

## Importance of a skills-first approach

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### 1. **Benefits to the Economy: A focussed way to close skill gaps**

Half of all employees will need reskilling by 2025, and closing the global skill gap could add an estimated \$11.5 trillion to global GDP by 2028 [6].

Skill gaps and the inability to attract talent will be key barriers to industry transformation [5].

It also anticipates the challenges and opportunities of super-aged societies [7]. Older workers will fill 150 million more jobs globally by 2030, exceeding a quarter of the workforce in high-income countries [8] and Singapore will be super-aged in 2026 [9]. Organisations can continue to harness the diverse skills of a multi-generational workforce by ensuring skill-first access to emerging opportunities.

### 2. **Benefits to Society: A more inclusive world**

By focusing on skills, rather than on how they have been acquired, this approach can democratise access to economic opportunities, pathways to good jobs and foster a more equitable labour market than traditional approaches have done [10] and to accord respect and dignity not just to those with impressive academic credentials or social networks, but more equitably to all.

### 3. **Benefits to the Individual: Life-long employability**

Skills atrophy at different rates, and so unbundling capability into skills allows a person flexibility in picking up specific skills to remain relevant, and to move across a variety of roles and industries as new opportunities arise, rather than being confined to paths dictated by their initial education [11].

## The role of L&D in facilitating a skills-first approach

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Still in its infancy, a skill-first approach can be more deeply embedded in organisational practices.

46% of workers say their formal qualifications are not relevant to their job, yet only 6% of global businesses believe that removing degree requirements would improve talent availability in their organization [12]. 33% of organisations have internal mobility programmes but only 1 in 5 employees has strong confidence in their ability to make an internal move.

L&D can assess where skills are needed and help people to move to new roles where their skills can grow in sync with business needs [13].

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## Skill-first initiatives

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**Here we share 3 initiatives that are intended to foster a Skill-first culture.**

● Firstly, the democratising effect of a skills-first approach is aligned with OCBC's Learning Blueprint philosophy of removing systemic barriers to opportunity. Recognising that differences exist in individuals helps the development of learner-centric learning experiences, and the extension of varied levels of development support. Ultimately, the aim is to remove systemic barriers to learning.

● A second initiative is the development of MOBI, our skills-first Growth and Mobility Initiative where individuals who possess relevant skills, regardless of their formal education or background, can be matched with suitable opportunities within the organisation. Through MOBI, we actively manage access to social networks and other forms of capital which foster a more equitable workforce [14].

Skill-based job descriptions in MOBI allow us to consider candidates who acquire required skills through alternative credentialing methods, such as online courses, boot camps, badges, or industry certifications.

Skill-based learning programmes and certification pathways available to all employees support the transition between roles.

● A third initiative is our recent exploration of a learning-in-the-flow-of-work modality.

Called Gigs, this is inspired by the Swiss vocational education and training (VET) model [15] where apprenticeships are hosted at a place of work, and is a new way of acquiring skills. It involves immersing oneself in a real or near-real business setting to deepen skills, build a diverse skill portfolio and make meaningful contributions to the business or organization through projects. This method ensures that employees build a portfolio of skills, rather than theoretical knowledge assessed through exams [16].

Just like the Swiss VET model, it is envisioned that gigs will in time cater to all employees and support career growth and mobility.

We are only at the beginning of our Skill-first journey and hope that our efforts will move us in the right direction. We invite ideas, comments and suggestions as we co-create a Skill-first Future together.

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