

Empowering the Workforce in the Context of a Skills-First Approach

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Executive Summary

This OECD report examines the growing shift toward skills-first approaches in labour markets across member countries, driven by technological change, demographic shifts, and sustainability transitions. The authors argue that traditional credential-based hiring models are being reassessed, with employers and policymakers increasingly exploring skills-based alternatives to expand and diversify talent pools. Key evidence includes LinkedIn platform data showing that skills signalling activity nearly doubled between 2018 and 2023 (from 1.5% to 3.2% likelihood of adding skills), and that the average number of skills signalled rose from 10 to over 12 in the same period. A World Economic Forum survey is cited showing fewer than 20% of employers had removed degree requirements, while 47% aimed to reach more diverse candidates and 62% expressed interest in reskilling. The report identifies persistent inequities in access to skills signalling tools, noting that individuals with master's degrees signal over 14 skills on average compared to approximately 11 for those below upper secondary education. The authors conclude that realising the potential of skills-first approaches requires standardised validation frameworks, public sector leadership, improved labour market intelligence, and coordinated action across governments, employers, and training providers.

Key Insights

1. Skills signalling activity on professional networking platforms nearly doubled between 2018 and 2023, with the likelihood of adding skills rising from 1.5% to 3.2% and average skills signalled increasing from 10 to over 12.
2. Access to skills signalling is unequal: individuals with a master's degree or higher signalled over 14 skills on average in 2023, compared to approximately 11 among those with less than upper secondary education, suggesting skills-first approaches may replicate existing educational stratification.
3. Poorly designed skills assessments and algorithm-driven recruitment tools carry risks of perpetuating or amplifying bias, and a shift away from credential-based job classifications may weaken workers' ability to negotiate fair wages and employment conditions.

Practical Takeaways

- Organisations that rely on algorithm-driven recruitment or skills assessments face documented equity risks, and the effectiveness of skills-first hiring varies significantly by company size, with SMEs facing greater obstacles than large employers or public institutions.
- Gender-differentiated patterns in skills signalling — women more likely to signal digital skills, men more likely to signal green job skills — indicate that demographic positioning and stereotype mitigation

are active factors in how individuals construct online professional profiles.

Critical Analysis

Strengths: The report draws on large-scale platform data (LinkedIn) across multiple OECD countries over time, providing comparative longitudinal evidence rarely available in this field. The inclusion of demographic breakdowns (gender, education level) adds nuance. The acknowledgment of risks — bias in assessments, weakened worker protections, equity gaps — demonstrates analytical balance unusual in policy-promotional reports. **Limitations:** The reliance on LinkedIn data introduces a significant platform bias; LinkedIn users are not representative of all workers, particularly those in lower-skill, informal, or non-digitally engaged labour market segments. The article text is the executive summary only, which limits assessment of the underlying methodology. The WEF survey cited for employer attitudes lacks methodological detail in this excerpt (sample size, country coverage, selection criteria unknown). **Biases:** As an OECD publication, the report operates within a pro-market, pro-skills liberalisation policy orientation. Concerns about worker protections are raised but treated as implementation risks rather than structural critiques of the skills-first model. The framing consistently positions credential-free hiring as progress, without equally weighting evidence that credential requirements serve protective and standardisation functions.

Organizational Practice

Employers across OECD countries are using LinkedIn-style professional networking platforms to search for candidates by skills criteria; 14% of LinkedIn recruiter searches filtered by skills only and 1% filtered by both skills and degrees. Large companies and public sector institutions have led efforts to eliminate degree requirements for certain roles. Employers are deploying skills tests, microcredentials, and digital certifications in candidate assessment. SMEs face capacity constraints in adopting skills-first hiring. Some employers are extending skills-based practices beyond hiring to include reskilling and upskilling throughout the employee lifecycle.

Strategic Implications

The data on accelerating skills signalling activity points toward growing institutionalisation of competency-based talent identification as a complement or alternative to credential screening. The persistent education-level stratification in signalling behaviour suggests skills-first approaches may not automatically reduce existing labour market inequalities without deliberate structural intervention. The gap between employer expressed interest in skills-first practices (62% interested in reskilling) and actual removal of degree requirements (fewer than 20%) indicates that adoption remains aspirational rather than operational for most organisations. The risk of weakened worker protections tied to formal job classifications represents an emerging tension between flexibility-oriented HR practices and regulatory labour market structures, with implications for compensation benchmarking and performance management systems linked to role definitions.

Validation Status: passed