

Alliance for Action on Widening Access to Talent





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Preface

Foreword by Co-Leads of the Alliance for Action (AfA)



AfA Co-Leads, Dr. Bicky Bhangu (left) and Ms. Aileen Tan (right), address the subgroup members during the workshops (7 February & 18 September 2024)

In today's rapidly evolving business landscape, organisations face unprecedented competition, challenges and opportunities as they strive to drive growth with a productive and agile workforce. Organisations large and small, local and foreign, are all grappling with enhancing the strength and impact of human capital management. This underscores the need for innovative talent management strategies and collaborative efforts across the ecosystem to share knowledge, resources and best practices.

The Alliance for Action (AfA) on Widening Access to Talent brings together industry, business and Human Resource (HR) leaders to collectively redefine how we attract, retain and engage talent. Industry members recognise the pressing need to move away from traditional hiring practices in response to the evolving needs of employers and workers. They recommend a shift from relying primarily on qualifications or past work experiences to placing greater emphasis on assessing, hiring and deploying workers based on skills. This shift will enable employers to access a larger talent pool, including workers from adjacent job roles and sectors, and a highly skilled and agile workforce to meet their evolving manpower needs.



The AfA explored practicable solutions to enhance talent retention and career mobility across three diverse sectors - Information and Communications Technology (ICT), Manufacturing and Retail. The insights, strategies and recommendations uncovered through this AfA revealed that they may be adaptable and beneficial across a wide range of industries. This broader applicability allows more organisations to address their talent management challenges while seizing opportunities for growth.

We extend our sincere gratitude to the member companies and resource partners of the AfA for their unwavering commitment and support. Your active participation and invaluable contributions have been instrumental in developing the recommendations that went into this report. We look forward to further support from the Ministry of Manpower (MOM), Singapore National Employers Federation (SNEF), Institute for Human Resource Professionals (IHRP), National Trades Union Congress (NTUC), SGTech, Singapore Manufacturing Federation (SMF) and Singapore Retailers Association (SRA), amongst other industry partners, to implement and scale these recommendations across the business and HR community.

Through the AfA, we have demonstrated the power of industry-led and ground-up initiatives in tackling shared challenges. We encourage all stakeholders to study these findings and consider implementing the recommendations where applicable and practicable. Together, we can build a future-ready workforce that will spur growth and power our economy.

Dr. Bicky Bhangu President, Rolls-Royce Southeast Asia, Pacific, and South Korea Council Member, Singapore National Employers Federation (SNEF)

Ms. Aileen Tan Group Chief People and Sustainability Officer, Singtel IHRP Master Professional



AfA Members

Information and Communications Technology Subgroup







Executive Summary





Executive Summary

As a small country without natural resources and an ageing population, employers in Singapore must take proactive and transformative steps to overcome our manpower constraints and remain competitive globally. To address both business and workforce needs, 20 business and HR leaders¹ came together to form an Alliance for Action (AfA) to co-create innovative solutions aimed at widening employers' access to talent. Our efforts focused on two key areas:

- a. **Skills-first hiring practices** hiring from adjacent talent pools allows employers to better tap on valuable, transferable skills and experience.
- b. **Skills-first workforce development** practices with a focus on driving internal workforce mobility and talent retention.

With support from the Ministry of Manpower (MOM) and the Singapore National Employers Federation (SNEF), this AfA brought together industry members from the Information and Communications Technology (ICT), Manufacturing and Retail sectors, tripartite partners including the National Trades Union Congress (NTUC), and Trade Associations and Chambers (TACs), comprising SGTech, Singapore Manufacturing Federation (SMF) and Singapore Retailers Association (SRA), as well as key stakeholders such as the Institute for Human Resource Professionals (IHRP). This sectoral approach allowed deep discussions and workshops on human capital issues unique to each industry, leading to the development of tailored solutions and pilots for each sector.

Over the past nine months, we engaged in a series of design thinking workshops – defining the problems, ideating, prototyping and testing solutions. Through this process, we identified four focus areas to guide employers in widening access to talent. These areas are supported by case studies of best practices and pilots conducted by AfA member companies highlighting both successes and lessons learnt. The insights gained can be applied across industries to benefit the broader economy and the workforce.

¹See <u>Appendix B</u> for the list of AfA members and partners

FOUR FOCUS AREAS

WHAT WE EXPLORED

WHAT WE FOUND

A. Leverage transferable expertise from adjacent talent pools through skillsfirst hiring practices



Use AI and national skills assessment test to guide hirers to assess transferable skills and potential, and not be limited by employment history and academic gualifications

• Employers benefit from a bigger pool of candidates, increased confidence of candidates' skills-fit, shorter time to hire

• AI can scale skills-first hiring but needs underlying nationwide skills taxonomy and skills information to better define transferable skills

B. Improve workforce agility and retention through skills-first workforce development to promote internal mobility

Build an internal talent marketplace to enable the matching of skills and internal opportunities

- Employers benefit from lower hiring cost, improved retention with higher employee satisfaction, and a more agile workforce
- Flexible to implement can be project-based, short-term stints or long-term positions
- Cost effective to develop even for medium-sized enterprises but less so for smaller enterprises who lack economies of scale

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C. Increase job accessibility for workforce segments with diverse needs through job redesign



Build Retail-specific marketplace and partner relevant bodies (e.g. Centre for Seniors) to tap on economically inactive demographic segments for hardto-fill jobs

- Scope for employers to break down job roles further and tailor work arrangements to increase job accessibility
- Need for a deliberate process to attract and bridge the needs of various demographic segments

D. Uplift HR capabilities to enable skills-first practices and support SMEs to access HR services



Empower HR with authority to take on a strategic role and act as a catalyst to secure leadership buy-in and mobilise line units

- Successful skills-first organisations had (i) leadership alignment with HR taking accountability, (ii) enabling HR systems, processes and policies and (iii) strong HR professional knowledge and competencies
- SMEs with small or no dedicated HR may require more help



We have put forward eight recommendations across these four focus areas, which can be further developed and scaled by SNEF, NTUC, IHRP and the respective TACs to help their member companies widen access to talent.

4 FOCUS AREAS	8 RECOMMENDATIONS
FOCUS AREA A Leverage transferable expertise from adjacent talent pools through skills- first hiring practices	 #1: Encourage adoption of a national skills taxonomy and to develop a database of verified skills of the workforce to enable skills-first hiring #2: Develop sector or job-specific standardised assessment tests for skills-heavy jobs to help employers assess transferable skills of candidates from different backgrounds
FOCUS AREA B Improve workforce agility and retention through skills-first workforce development to promote internal mobility	 #3: Develop playbooks and identify off-the-shelf HR tech solutions to guide and simplify implementation of internal marketplace solutions #4: Build a 'talent co-development' model where employers collaborate to aggregate talent development opportunities #5: Enable employers to provide career guidance and planning to their workers for career and skills development
FOCUS AREA C Increase job accessibility for workforce segments with diverse needs through job redesign	#6: Develop structured programmes as a means to attract students, seniors and stay-at-home mothers to take up hard-to-fill jobs
FOCUS AREA D Uplift HR capabilities to enable skills-first practices and support SMEs to access HR services	 #7: Increase access of SMEs to HR advisory and consultancy services to improve employers' skills-first hiring and workforce development capabilities #8: Stronger industry push for HR to level up through IHRP certification, which provides employers with access to external support and resources from the certified HR community

This AfA represents a collaborative and industry-driven effort. Our recommendations align with Career Health SG and support the development of a future-ready workforce. Now is the time for action. We call on all employers and industry partners to commit to the recommendations in this report. Together, our efforts will build an agile and resilient workforce that will drive business growth and success.

Reflections on the AfA from members



"The AfA is a great platform to network and exchange ideas and best practices. An excellent project that shares sincerely."

— Angela Wong, Director of Talent Attraction for Southeast Asia. SAP

"Great learning experience understanding best practices and challenges amongst HR professionals."

—Tan Hark Kah, Country Head of People Operations, Grab

"Possibilities can be realities if we are willing to make it work."

— Colin Lim, General Manager, Human Resources Management, OMRON Asia Pacific Pte Ltd





"It was a really interesting experience. I truly appreciated exchanging ideas with other HR professionals facing similar issues as we do. Great sharing and brainstorming!"

— Milena Osika, Talent Acquisition Leader, Decathlon Singapore

Section I – Opportunities & Challenges





Chapter 1 – Singapore's Workforce Landscape

I. Manpower challenges faced by employers

Employers today are facing challenges on multiple fronts in the global business environment:

- Rising geopolitical tensions restrict trade, disrupt supply chain or limit talent mobility. We have already seen how some countries resorted to restricting exports and imposing tariffs on imports when faced with domestic challenges. The COVID-19 pandemic also demonstrated how talent mobility can be disrupted. Employers need to strengthen their workforces' resilience to be ready to weather such disruptions.
- In the face of rapid technological disruptions, businesses have to leverage technology or risk becoming obsolete. Digital revolution has not only disrupted the way businesses work but also immensely improved productivity, from the way we communicate to operational and sales activities. Many are experimenting with GenAI which holds greater promise for automation and augmentation, reducing the need for labour in some areas. More importantly, it makes labour more efficient and effective. To manage our cost base, employers must keep up with these larger trends to stay competitive in the global economy.

In Singapore, employers are facing manpower challenges due to a tight local labour market exacerbated by a changing workforce demographic — an ageing population, falling birth rates and the rising aspirations of a more educated workforce. The median age of the workforce has increased from 42 in 2013 to 44 in 2023². In the same period, the percentage of the population with a degree has increased from 31% to 42%³. Furthermore, there are limits to the continued expansion of the foreign workforce given our resource constraints and societal needs to balance the make up of Singapore⁴.

² Manpower Research and Statistics Department, Ministry of Manpower, 'Labour Force in Singapore 2023', Jan 2024

³ Manpower Research and Statistics Department, Ministry of Manpower, 'Labour Force in Singapore 2023', Jan 2024 ⁴ Prime Minister Lawrence Wong's interview with The Economist, 'The 4G era begins. An interview with Lawrence Wong, Singapore's next PM',

May 2024 <u>https://www.economist.com/asia/2024/05/08/an-interview-with-lawrence-wong-singapores-next-pm</u>



To overcome these challenges and stand out amongst the global and local competition, employers must continue to innovate and raise productivity. We must build an agile and resilient workforce ecosystem in Singapore that can withstand future headwinds.

However, what is holding employers back from transforming? It was found that 60% of businesses are hindered by skills gaps in the labour market, while only 39% reported a positive outlook on talent availability over the next five years⁵. Employers must take action now and revamp their talent strategies to cater to both businesses' and workers' needs.

II. Invest in your employees' career health as an opportunity area for employers

Taking a skills-first approach to hiring and developing the workforce presents an opportunity for employers to widen access to talent and unlock employees' full potential. With a skilled and future-ready workforce that adapts quickly to changes, employers will be able to quickly pivot to new opportunities in a complex and uncertain environment. A McKinsey study in 2023⁶ found that performance-driven employers who also support the career health of their workers are better positioned to attract and retain talent, especially from adjacent talent pools. These employers are also more likely to retain high performers and experience less earnings volatility. We saw this during the pandemic, where such employers were able to maintain profitability and grow revenues faster than employers who were only focused on performance. Hence, investing in the development of the current workforce through a skills-first approach is not just an opportunity – it is a strategic advantage that can drive growth and innovation.

The impetus for employers to invest in your workforce's skills aligns with Career Health SG recently introduced by the Government. Since 2015, employers have reaped the benefits of a skilled workforce because of the Government's SkillsFuture movement which encourages skills mastery and lifelong learning among Singaporeans. As of 2023, at least half a million individuals have benefitted from training (about one in five of the local workforce). Another 23,000 companies also took part in SkillsFuture Singapore (SSG)-supported programmes.

⁵ World Economic Forum, 'Putting Skills First Opportunities for Building Efficient and Equitable Labour Markets', Insight Report, Jan 2024

⁶ McKinsey Global Institute,' Performance Through People, Transforming Human Capital into Competitive Advantage', Feb 2023



Building on these efforts, Career Health SG will help employees in developing agility and resilience in their careers. This aligns with employers' skills-first imperative.

However, many employers face challenges in making the shift to a skills-first mindset. A study by Deloitte⁷ has shown that only 20% of employers feel ready to implement skills-first practices that define workers based on skills rather than job titles or degree qualifications. In Singapore, 53% of employers have said they would like to receive support in attracting, hiring, developing and retaining talent⁸. Therefore, in this report, the AfA will explore how employers can widen their access to talent by leveraging the insights and experiences of its members.

⁷ Deloitte, 'New Fundamentals for a Boundaryless World', 2023 Global Human Capital Trends Report, 2023 ⁸ Source: Singapore Business Federation (SBF), 'National Business Survey 2023/2024', Jan 2024

Chapter 2 – The AfA Approach

I. Objectives of the AfA

MOM and SNEF initiated this AfA under Career Health SG, bringing businesses and HR leaders together to develop strategies that enable employers to attract and retain a wider talent pool. Together, we identified common talent attraction and retention challenges, particularly in growth or emerging areas. As a result, the AfA co-created industry-led solutions and pilots that have the potential to scale in two key areas:

- a. **Skills-first hiring practices** hiring from adjacent talent pools allows employers to better tap on valuable, transferable skills and experience.
- b. **Skills-first workforce development** practices with a focus on driving internal workforce mobility and talent retention.



II. An industry-led collaboration to ideate through design thinking

The AfA model provided an action-oriented platform for industry partners to innovate and come up with practicable solutions to address their business challenges. This AfA comprised 20 members from three different industries: Information and Communications Technology (ICT), Manufacturing and Retail. Over nine months, we applied the design thinking methodology to come up with new recruitment, mobility, and retention solutions to help employers widen their access to talent.



Through a series of workshops and subgroup discussions, we explored a variety of ideas — from large scale, nationally administered assessment tools to job redesign specifically suited for frontline retail jobs. While each idea had its merits, we converged on the key ideas to pilot based on feasibility and impact, resulting in learning points and recommendations applicable to businesses outside the AfA sectors.

III. AfA composition: A sectoral focus with both business leaders and HR's



perspectives

It was essential for the AfA to include both business and HR leaders, reflecting the importance of integrating both perspectives. Business leaders brought the strategic and forward perspective of industry trends, business strategies and goals, while HR leaders provided the expertise on workforce trends and human capital management strategies and practices. This collaboration ensured that workforce strategies were not treated as separate from broader strategic business goals. This alignment created opportunities for transformative ideas to optimise resources and improve productivity and employee satisfaction, leading to better business outcomes.

The ICT, Manufacturing and Retail sectors were chosen for their diverse characteristics in terms of workforce profile, labour market situation and key skills required (see Table 1 on the next page). The three sectors are also supported by existing national initiatives⁹ which are already mobilising industry players towards important shifts needed. This provides a base for the AfA

9 See <u>Appendix C</u> for the existing initiatives for the ICT, Manufacturing and Retail sectors



Table 1: Overview of sector and workforce profile across the three AfA sectors in Singapore

С СТ	Manufacturing	Retail			
Sector Overview					
Diverse range of sub-sectors, including telecommunications, digital media, and information technology	Diverse range of sub-sectors, including precision engineering, energy and chemicals, marine and offshore, aerospace, electronics	Diverse range of sub-sectors, including supermarkets and convenience stores, fashion and sporting goods, furniture and household goods, department stores			
c	ontribution to Singapore's GDP ¹⁰)			
~6%	~19%	~1.5%			
	Workforce Size ¹¹				
~230,000 (~10% of Singapore's labour force)	~400,000 (~17% of Singapore's labour force)	~120,000 (~5% of Singapore's labour force)			
	Workforce Profile				
Highly skilled, with significant demand for IT and engineering domain skills, in functions relating to AI, cybersecurity, data analytics	Diverse in nature, including production workers, engineers, R&D specialists, with significant demand for skilled workers in advanced manufacturing technologies	Labour-intensive, with 80% of workers in rank and file jobs, with growing demand for talents with digital skills to support e-commerce expansion			
Projected revenue growth rate through 2030 ¹²					
13-15%	4-5%	2.5-3%			

¹⁰ Singapore Department of Statistics (SingStat), 'Singapore Economy', May 2024
 ¹¹ Manpower Research and Statistics Department, Ministry of Manpower, 'Labour Market Report 1Q2024, Jun 2024
 ¹² This refers to the Compound Annual Growth Rate (CAGR) - the average annual growth rate of the sector, assuming growth happens at a consistent rate; Singapore Department of Statistics (SingStat), 'Singapore Economy', May 2024



Chapter 3 – The Design Challenge

I. Challenges and priorities of the three sectors

While macro trends like technology and sustainability affect all sectors, their impact differs across industries. Therefore, each sector varies in their approach to address their challenges with talent attraction and retention.

The table below outlines the broader business and workforce trends as well as manpower challenges faced by the three sectors.

С ІСТ	Manufacturing	Retail				
Business trends						
 Leveraging AI – expected to be widely used in areas e.g. chatbots, customer service, fraud detection, recommendation systems Cloud and mobility – practice of using network of remote servers hosted on the internet to store, manage and process data instead of using a local server Agile IT ecosystems – adopting DevOps/Site Reliability Engineering (SRE) models to increase team collaborations and productivity 	 Adoption of Industry 4.0 technologies – new trend of automation and data exchange in manufacturing technologies, to create a connected ecosystem by integrating computing, networking and physical processes Global supply chain resilience – disruptions caused by COVID-19 highlighted the importance of enhancing supply chain resilience Sustainability and green manufacturing – e.g. waste/ carbon reduction, energy- efficient technology 	 Sustainability awareness among consumers New retail models including e-commerce and online marketplaces Automation & data analytics e.g. self check-out systems, Al- powered customer service bots 				
	Number of job vacancies (2023) ¹³					
~6,300 Varies with sector growth and technological shifts	~8,500 Varies with global economic conditions and technological shifts	~7,100 Varies with economic cycles and cyclical demand				

¹³ Singapore Department of Statistics (Singstat); Job Vacancies by Industry and Occupational Group (SSIC 2020); May 2024

С СТ	Manufacturing	्राम्स स्राह्म Retail			
Time taken to fill vacancies ¹⁴					
Average of 3-6 months Typically longer compared to Manufacturing and Retail due to demand for specialised skills and competitive hiring environment	Average of 2-4 months Varies with requirements for specific skills and training periods	Average of 1-3 months Typically shorter compared to ICT and Manufacturing due to less specialised roles; varies with the level of the position and location			
	Key manpower challenges				
Growing workforce size driven by technological advancements but continues to grapple with talent shortage, exacerbated by fast evolving new technologies resulting in skills gaps especially in areas such as AI, cybersecurity, data analytics	Skills leakage and difficulties in attracting new talent	Productivity is growing, but at a slower pace compared to other sectors, with typically high turnover – to manage cyclical peaks and troughs of business demand and manpower needs as sector transforms through Jobs-Skills Integrator for Retail Industry (JSIT-R) ¹⁵			
	Key manpower trends				
	i. Value added (VA) per worker ¹⁶				
~S\$195,000; Steady growth over past 5 years, with accelerated growth during pandemic period, driven by increase in digitalisation and rise in demand for tech services	~\$240,000; Moderate growth with volatility during pandemic years with disruptions to global supply chains and rebounds post- pandemic period led by high-value industries like biomedical manufacturing	~ S\$51,000; Slower pace of growth compared to ICT and Manufacturing, with temporary declines during pandemic restrictions; gradual growth post pandemic, with shift to e-commerce and automation			
This refers to the proportion of position	ion of vacancies for newly created s that are newly created because of busines at the firms are hiring for due to restructuri	s expansion of its existing functions (e.g.			
72.8%; Increasing trend and highest proportion	44.8%; With sector's shift towards advance	55.6%; Increasing trend, as retailers adopt new			

asing trend and highest propo among all other sectors, particularly in emerging roles and fields e.g. AI, cyber security, blockchain, cloud computing

manufacturing technologies, data-driven and sustainable manufacturing practices e.g. robotics, 3D printing

sing tienu, as retaite business models to cater to changing consumer patterns (e.g. e-commerce) and redesign jobs

¹⁴ Information was aggregated across industry manpower trend outlook and surveys
¹⁵ JSITs are intermediaries who will work with industry, training and employment facilitation partners to optimise training provision and job matching services for companies and individuals. They will help to aggregate manpower and skills demand, activate supply of training, and help match skilled workers to jobs. Visit <u>www.skillsfuture.gov.sg/jsit</u> for more information ¹⁶ Singapore Department of Statistics (Singstat), 'Labour, Employment, Wages and Productivity' ¹⁷ Manpower Research and Statistics Department, Ministry of Manpower, 'Job Vacancies 2023', Mar 2024

We examined our priorities as part of the AfA to explore skills-first approaches to widen access to talent and scoped our respective challenge statements.

SECTORS	PRIORITIES	CHALLENGE STATEMENT
<image/> <image/>	To be able to effectively assess candidates' existing skills that could be transferable and allow them to take up jobs in emerging fields like AI, cloud computing, data analytics, and cybersecurity where there is a shortage of talent.	How might we radically change mindsets and emphasise skills-first hiring and development to increase employers' access to the talent pool and opportunities for both the talent and organisations?
<image/> <image/> <text></text>	To minimise the talent drain, retain technical expertise within the sector and expand our hiring pool by identifying candidates with transferable skills from other sectors.	How might we change our hiring practices to be skills- first so that we can better identify skills adjacencies from both existing employees and potential candidates, thereby expanding our potential talent pool?
<image/> <image/> <text></text>	To help retailers deal with high turnover and manage cyclical peaks and troughs in manpower demands amidst evolving retail models and trends.	How might we enhance the attractiveness of Retail's work and diversify the pool of potential candidates to attract, develop, and retain talent effectively?



II. Four Focus Areas

Despite the unique characteristics of each sector, the challenges in accessing talent were similar. This led us to develop a unified challenge statement that could address the overarching issues while allowing for sector-specific solutions:



By framing the challenge in this way, we set the stage for developing comprehensive, forwardthinking solutions that could transform talent management practices across sectors of Singapore's economy.

The AfA's recommendations and solutions can be distilled into four focus areas:



A. Leverage transferable expertise from adjacent talent pools through skills-first hiring practices



B. Improve workforce agility and retention through skills-first workforce development to promote internal mobility



C. Increase job accessibility for workforce segments with diverse needs through job redesign



D. Uplift HR capabilities to enable skills-first hiring and workforce development and support SMEs to access HR services



As each sector explored opportunities across the four themes, we found common considerations that needed to be addressed:

- Lack of common understanding of the concept of skills-first hiring and workforce development: There was no shared definition of what constituted skills-first hiring and workforce development, which led to ambiguity regarding the extent to which these practices were considered "skills-first." Furthermore, there was also no clear understanding of how sectors could scale skills-first hiring practices or assess relevant transferable skills of individuals who were changing careers.
- Changing workforce profiles and aspirations: The workforce is undergoing significant changes, with employees increasingly seeking purpose, flexibility, and clear career progression in their roles. The diverse needs of the various workforce segments create pressure to reimagine traditional work structures and career pathways. Employers must adapt to accommodate the needs of a diverse range of workforce profiles. This includes long-serving or mature workers who may face obstacles in reskilling or changing job roles, or employees who are seeking growth and opportunities within their organisation.
- Acute skills shortage creates the impetus to invest in our workforce: In a tight labour market, employers face fierce competition for talent. Across the economy, employers are vying for a limited pool of skilled professionals with both domain-specific and transferable skills such as project management and communications. This competition is particularly intense for roles that require advance digital skills such as cyber security and AI. At the same time, the availability of external job opportunities and evolving expectations of a mobile workforce are creating a strong impetus for all employers to invest in their workers for better retention.
- Limitations of small and medium-sized enterprises: Many enterprises, particularly small and medium-sized enterprises (SMEs), face limitations in providing diverse career paths due to their size and organisational structure. These constraints can impede efforts to widen access to talent and promote internal mobility.



The following chapters will delve into each of the four focus areas, outlining the identified problem statements, opportunities and solutions that we had tested¹⁸. We will also provide actionable insights and recommendations for other employers, industry partners and the Government to consider taking further. Collectively, we can foster a more resilient and adaptable workforce capable of meeting the evolving demands of Singapore's dynamic economy.

¹⁸ See <u>Appendix D</u> for the AfA's de-prioritised ideas

Section II – Four Focus Areas & Eight Recommendations





Chapter 4 – Focus Area A: Leverage transferable expertise from adjacent talent pools through skills-first hiring practices

I. Problem Statement

Employers are facing difficulties in hiring, particularly for specific skill sets. In 2023, nearly half (47.3%) of all job vacancies were for newly created positions, while almost half (47.6%) of PMET jobs remained unfilled for at least six months due to a shortage of specialised skills¹⁹. This highlights the skills shortage in the workforce, as employers try to keep pace with evolving technological advancements and business needs.



Figure 4.1: Proportion of newly created job vacancies was 47.3% in 2023

Skills-first hiring can alleviate this problem by considering candidates who may not have fulfilled the formal academic requirements but possess the necessary skills and aptitude for the job. This can reduce the time taken to fill vacancies (25% to 35% faster) and even improve retention rates (as much as 63% in some technical roles) as the competencies and career aspirations of hired candidates will be more aligned with the roles.

¹⁹ Manpower Research and Statistics Department. Ministry of Manpower, 'Job Vacancies 2023', Mar 2024



Yet, many employers continue to rely on traditional hiring criteria such as self-reported employment history and academic qualifications on CVs (see Figure 4.2). The underlying barriers include:

- **Mindset of seeking "perfect-fit" candidates rather than "potential-fit"**. Shifting to a skills-first approach was perceived to be more time-consuming and resource intensive.
- Difficulty in defining and assessing transferable skills across occupations and sectors. First, employers are unsure of the transferable skills to prioritise in specific job roles, complicated by rapid changes in business needs and emerging roles, particularly in the ICT sector. Second, employers have found it difficult to objectively assess transferable skills, especially when such skills are not well-documented and verified in jobseekers' resumes.



Figure 4.2: Employers still rely on traditional hiring tools to evaluate candidates' skills²⁰

²⁰ IHRP and SkillsFuture Singapore, 'The Key to Productivity and Growth: Building a Skills-First Workplace', SkillsFuture Job-Skills Insights, Mar 2024

²¹ Manpower Research and Statistics Department, Ministry of Manpower, 'Job Vacancies 2023', Mar 2024



II. Opportunity Area

There has been increasing willingness for skills-first hiring in Singapore, particularly in the ICT and Finance sectors, with significant potential for even broader adoption amongst employers. The proportion of employers who no longer consider academic qualifications as the primary factor in hiring decisions increased from 67.1% in 2017 to 74.9% in 2023²¹.



Figure 4.3: Proportion of employers who no longer consider academic qualifications as the primary factor in hiring decisions increased from 67.1% in 2017 to 74.9% in 2023

This is on back of several existing government-led efforts. For example, the Skills Framework developed by SSG serves as a blueprint for employers to identify key competencies and skills required for various job roles. In the ICT sector, the TechSkills Accelerator (TeSA) initiative, launched by Infocomm Media Development Authority (IMDA), partnered companies in its Company-Led Training (CLT)²² Programme to develop training programmes focused on building a talent pipeline in emerging fields like AI and cloud computing.

²² The CLT programme enables organisations to provide structured, on-the-job training for ICT roles. It targets fresh graduates and mid-career professionals by equipping them with the skills needed for digital roles through company-driven initiatives.



Building on the success of the TeSA initiative with larger enterprises such as DBS Bank and Grab, we have focused our efforts on identifying ways to:

- Extend skills-first hiring to more sectors: TeSA's success in proliferating skills-first hiring practices in the ICT sector can serve as a model for other sectors. By developing sector-specific skills framework, fostering public-private partnerships, and promoting use of technology to shift behaviours in hiring, more sectors could also adopt skills-first hiring.
- Adopt a common skills taxonomy to help industry members assess candidates' skills across adjacent job roles and identify candidates with transferable skills. For ICT, while TeSA had seen success in reskilling individuals for technical roles, there is scope to extend skills-first hiring practices to adjacent non-technical roles, such as project management, digital marketing or user experience design.

III. AfA Pilots

This section outlines the experiences of the AfA members in the ICT and Manufacturing sectors on our ideas to enable skills-first hiring practices.

Main Solution 1: AI-Powered Assessment Tool

Background

In response to two key recruitment challenges in the Manufacturing sector: (1) hiring for specific skill sets and (2) talent drain, the Manufacturing subgroup recognised the need for tools to support employers to hire candidates with relevant transferable skills and identify skill gaps that could be addressed through training.

Solution

To achieve this, we developed an AI-Powered Assessment Tool prototype. Taking reference from employers' requirements and available AI solutions as well as other tech hiring tools, we collaborated with Voltade, a Singapore-based AI solutions company, to develop the tool with the following features:



- Incorporate objective skills-based metrics into hiring process: Candidates are short-listed based on standardised skill metrics instead of educational qualifications and job experience.
- Tool can be scaled to cater for new job functions and skills needs: By changing the interview rubrics (i.e. a standard set of criteria that assesses candidates fairly and consistently) and the screening questions, employers can tailor the tool for different job roles and even cater for company-specific requirements (e.g. to be able to assess for expertise in a niche area)
- Provides an avenue for candidates to showcase their technical expertise, independent of the quality of their CVs: A technical assessment would prevent filtering out candidates with strong technical expertise but less proficient at writing effective CVs. It also frees up recruiters' bandwidth as they no longer have to conduct preliminary phone interviews.



Figure 4.4: Candidate evaluation and suitability matrix





Clinic sessions with Voltade and Manufacturing subgroup members, facilitated by Chemistry Team, to discuss, align, and refine the idea based on feedback collected from user testing sessions.

Manufacturing member's prototyping process:

We designed and tested the prototype based on a specific job role, a 'machine safety consultant' – a primarily customer-fronting, non-technical role that requires certain domain knowledge in engineering and subject expertise in machine safety. We tested the prototypes for two key abilities:

What we tested	Outcomes
Can it accurately evaluate and score candidates?	Encouraging outcomes; trial candidates who were not trained in engineering related functions scored ~1-2 out of 5 points, while trial candidates who were in a role with engineering-related functions had a relatively higher score of 3-4 out of 5 points.
Can it distil candidates with suitable transferable skills from adjacent roles?	Yes; Most candidates from adjacent technical backend roles were assessed to be 60 - 70% fit for the role and had obtained a score of 3 out of 5.



Summary of challenges faced in the prototyping process

Challenges	How they were addressed
Define scope and use case for the AI-powered tool	 Worked closely with Voltade to define the platform's purpose, be clear of our use cases, and understand the platform's limitations This aligned our expectations with what was feasible and that the envisioned features could be implemented
Train the AI to align with recruiters' assessment criteria	• Converted hiring managers' criteria for candidate selection into interview rubrics and integrated it into the model
Ensure tool is able to objectively score candidates even with varying forms and style of responses (e.g bullet point responses vs responses that were provided in full sentences)	 Tested prototype with a substantial pool of trial candidates Put the AI-Powered Assessment Tool through multiple iterations to improve and refine model's ability to accurately assess candidates based on interview rubrics

	Machine Safe	ty Consultant	9:19	Question 3/4	Next Que
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structions:		remaining after this one.			
Welcomet Please take note of the following instructions: 1) After you are satisfied with your answer to the questions prompted by the interviewer, click "Next Question" to proceed to the next question. 2) When you are done, click the "End Interview" button to finish the interview. * There will be 4 sections in this interview.	8	Usually I will spill up into different stages to perform the risk assessment for the machinery. The first step was a joint viait with the machine avere to understand the machine's operation, how the operator accesses the machine, how the technician maritanis the machines, and how the motor, provantice devices and robot in the machine hontion. The objective of the step is to identify the danger zones for this machinery. And step is to generate a report to explain the danger zones. An example like safety door looks to prevent operatorate/accimicians from accessing when the machine is in operation, safety light curtains to temporarily stop the robot when the operator has to put the product into danger zone, etc.			8 1
Each section will take 10 minutes.	*	implementations with the m	proach. Cauld you provide more details on how yo nachine owner? Also, how do you ensure that the s ed over time? Flease remember, you can click "Nex to move on.	afety measures are effectively	
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Figure 4.5: Landing page (language selection and instructions). Image courtesy of Manufacturing subgroup and Voltade



"The AfA helped to broaden perspectives on the possibilities of AI-powered tools, bringing efficiency and objectivity to recruitment practices, while gaining valuable cross-sector relationships."

- Priscilla Yap, People Partner, Rolls Royce (Manufacturing subgroup member)

Key Learnings:

Overall, we assessed that the AI-Powered Assessment Tool would streamline the evaluation process by shortlisting candidates in a consistent and objective manner, thereby reducing the time spent on reviewing resumes and conducting phone interviews.

Some key considerations for others considering such a tool:

- The AI model can help reduce unconscious bias as it can evaluate candidates objectively based on data rather than subjective human perceptions. However, it is crucial that the interview rubrics and scoring metrics used to train AI models are free from bias to avoid perpetuating existing biases.
- The AI model could be enhanced to assess qualitative aspects of candidates, beyond their technical skill sets. For example, the tool could be enhanced to facilitate verbal or video interviews apart from text-based interviews, such that the tool could also assess confidence and credibility, based on the candidate's behavioural cues (e.g. frequency of pauses in responses, consistency in eye contact).



• SMEs may perceive the cost to be high, which could deter adoption. The current prototype developed for the pilot would cost approximately \$20,000²³ to develop from scratch. Employers could collaborate with HR tech providers to explore options to make such tools more cost-effective and affordable. For example, sectors or groups of employers could collectively procure a core version of the tool, enabling individual employers to customise interview rubrics and scoring metrics according to their specific needs. Another possible option is for the AI-powered assessment tool to be integrated with existing government portals such as MyCareersFuture to better support employers' end-to-end recruitment needs.

There is potential for the AI-Powered Assessment Tool to be extended to jobseekers in several ways:



Job Role Recommendations: Suggest relevant job roles beyond the position the candidate is interviewing for



Career Pathway Insights: Provide insights on potential career pathways based on the candidate's skill set, broadening opportunities beyond their domain roles or experiences



Closure of Skills Gap: Recommend relevant courses and available grants for candidates who may fall short of the role requirements, helping to close skills gaps



Resume Builder Function: Consider developing a resume builder feature within the tool

²³ According to Voltade, the cost of \$20,000 to develop an AI-Powered Assessment Tool from scratch similar to the prototype is derived from the estimation of 40 Man Days (MD) required, at \$500 per MD.


Image courtesy of OMRON Asia Pacific Pte Ltd

CASE STUDY 1: HOW OMRON ENHANCED ITS HIRING PRACTICES AND TALENT MANAGEMENT

OMRON is a global leader in automation, operating across a diverse range of sectors, including industrial automation, device and module solutions, social systems, and healthcare. With a presence in over 130 countries, OMRON is committed to delivering innovative products and services that enhance efficiency and improve quality of life.

Challenge:

OMRON faced several challenges in its hiring processes. These included hurdles in prescreening of job applicants due to lack of specialised recruiters and unconscious biases of hiring managers, limited talent pools for niche roles, time-intensive filtering, risk of overlooking qualified candidates, and the need for thorough background verification.

Solution:

To address these issues, OMRON initially implemented several solutions:

- Engaged headhunters and built an in-house Talent Acquisition team
- Subscribed to talent sourcing solutions (e.g. LinkedIn solutions)
- Developed an in-house database of pre-screened talents

While these initiatives improved hiring competencies and expanded the talent pool, they proved unsustainable due to the high costs associated with successful placements and talent sourcing subscriptions. Although the filtering process was enhanced, it remained expensive, and there was still room to reduce hiring managers' involvement.

Impact & Key Learnings:

Recognising the need for a more cost-effective and efficient solution, OMRON, together with the other manufacturing members saw potential in the AI-powered assessment tool as it aligns perfectly with their needs by offering:

- Automated pre-screening and skills verification
- Integration with existing talent databases
- Reduction of unconscious biases
- Efficient background verification

OMRON is keen to adopt this solution and hopes to overcome the limitations of their previous initiatives while achieving sustainable, cost-effective methods for talent acquisition. This highlights the importance of leveraging innovative technologies to stay competitive in the talent market while managing costs and improving efficiency.

Main Solution 2: National Skills Assessment Framework

Background:

Although many accredited and recognised skills framework are currently available in the market, their adoption and accessibility are not equal across the different sectors.

Solution:

The ICT subgroup recommended implementing a National Skills Assessment Test (NSAT) - a comprehensive skills-based national framework to assess potential across various roles and skills. This framework would establish a national skills benchmark, complete with a 'skills badge' system, and facilitate more effective communication about skill requirements within the industry.



Figure 4.7: User journey maps of the National Skills Assessment Test. Image courtesy of ICT subgroup

The key features of the NSAT include:

- Endorsed and recognised national benchmark
- Clear articulation of required competencies and proficiencies
- Ability to assess and report on technical skills
- Identification of skill gaps with a clear pathway to skills development
- Accessible and easy to use by both employer and jobseeker



With these features, the NSAT offers a common taxonomy of skills for both jobseekers and employers, benefitting the hiring process in the following ways:

For Jobseekers			For Employers
	Assess and recognise skills sets acquired through non-academic pathways, e.g. a self- taught programmer	\leftrightarrow	Provide an easy-to-use assessment tool for hiring managers to identify hidden potential and to enable skills-first hiring
	Help jobseekers understand the required proficiencies for a technical role	\leftrightarrow	Equip hiring manager with a standardised understanding of skills level
	Inspire confidence for jobseekers without pre- requisite educational qualifications or exact experience to apply for the role	\leftrightarrow	Expansion of potential talent pool for available roles
	Help jobseekers identify their skill gaps and provide support for skills development, offering a clear path to employability	\leftrightarrow	Increased confidence in hiring for potential with clarity of candidate's development path

Ultimately, this integrated approach would create a more efficient and inclusive job market, benefitting both employers and job seekers by focusing on practical skills and potential over traditional qualifications. It also has the potential to transform hiring practices, accelerating hiring processes and reducing unconscious bias.



Figure 4.8: Results from the ICT subgroup's survey with 27 HR professionals from 20 different companies. Image courtesy of ICT subgroup



Workshop session with ICT subgroup members, facilitated by Chemistry Team, to discuss, align, and refine the idea based on feedback collected from user testing sessions.

Through the AfA, the ICT subgroup tested the NSAT concept with HR professionals both within and outside the ICT sector. We uncovered the following insights around the acceptance level and implementation considerations for the NSAT:

1. NSAT as a step to enable skills-first hiring:

While respondents shared their concerns about the NSAT, they acknowledged its potential as a powerful, unbiased assessment tool for the hiring process. For successful implementation, the NSAT needs to be widely recognised by the industry and refined further.

2. Adoption of the NSAT needs to be accompanied by a willingness to nurture talent:

A key aspect of the NSAT is to encourage employers to hire for potential rather than seeking the "perfect fit". Thus, employers must be prepared to provide training and development opportunities for successful hires identified through the NSAT process. Employers were most receptive to hiring based on potential using the NSAT when hiring for junior or technical roles. These roles tend to be less complex and easier to assess for the right fit.



3. The NSAT needs to be complemented with cultural fit assessments:

A candidate is typically evaluated on both technical expertise and cultural fit. While the NSAT assesses technical skills based on industry standards, hiring managers will need additional forms of assessment methods to evaluate soft skills and cultural fit according to their organisation's needs.

4. Showcase success stories to demonstrate use cases for employers and jobseekers:

To give the NSAT credibility and inspire confidence for both employers and jobseekers, it is essential to share success stories that demonstrate the effectiveness of the NSAT tool, including data points on the tenures of successful hires.



Image courtesy of Cisco

CASE STUDY 2: CISCO'S SKILLS-FIRST HIRING

Cisco is the worldwide leader in networking and security, offering an industry-leading portfolio of technology innovations that help businesses reimagine their applications, power hybrid work, secure their enterprise, transform their infrastructure, and meet their sustainability goals.

Challenge:

Cisco faced challenges in achieving agility, quality, and diversity in their hiring process while optimising for time to hire. Traditional hiring methods, which emphasised academic background and lengthy technical assessments, were insufficient in ensuring candidates possessed the practical skills necessary for success in their roles and did not allow for hiring with the desired speed.

Solution:

To tackle these challenges, Cisco implemented a skills-first hiring initiative for technical roles ranging from entry to mid-career levels across Asia Pacific. This approach focuses on evaluating candidates' technical competencies and abilities directly related to job performance. The process includes a skills-based assessment tool for initial screening and a first round of technical interviews conducted without CVs (blind hiring). This resulted in a wider pool of candidates being reviewed during the initial selection and screening process.

Impact & Key Learnings:

The implementation of Cisco's skills-based assessment reduced the average hiring lead time by 20%, improved the quality of candidate slates, and saw a 30% reduction in its interview-to-offer ratio from August 2023 to July 2024. The blind hiring process also successfully increased the diversity hiring rate from 21% to 40%, highlighting that such efforts can play a role in minimising the risk of unconscious bias.

Adopting a skills-first approach in the hiring process also helped Cisco widen their access to talent. For example, Cisco successfully hired a candidate who had worked as a program specialist/manager for 8 years and held a bachelor's degree in mechanical engineering, and was ultimately onboarded as a Data Scientist Technical Leader.



Image courtesy of SGTech

CASE STUDY 3: SGTECH'S FACILITATION OF MID-CAREER SWITCHES

SGTech is the leading trade association for Singapore's tech industry. Representing over 1,000 member companies, it is the largest community in Singapore where companies converge to advocate for change that enables tech innovation and accelerates tech adoption to spur greater sustainability in the sector.

Challenge:

Recognising the growing demand for AI expertise and the need to support mid-career transitions in the sector, SGTech partnered with AI Singapore (AISG) to launch the Large Language Model Application Developer Programme (LADP) bundled with the Workforce Singapore (WSG) Career Conversion Programme (CCP), an innovative upskilling initiative designed to equip the local workforce with knowledge and skills in Generative AI.

Solution:

One of the companies that SGTech worked with to trial the programme was Websparks, a digital transformation company with 130 employees across Southeast Asia. Websparks faced challenges in addressing the evolving AI landscape and needed to enhance the skills of their workforce to stay ahead of their competition. Through the LADP, participants underwent detailed skills assessments, received intensive training in AI concepts and practical applications, and benefited from mentorship provided by industry experts. In partnership with SGTech and AISG, Websparks has reskilled seven application developers and intends to expand these efforts to ensure that at least 50% of their local technical staff are equipped with deep AI skills within the next three years.

Impact & Key Learnings:

Websparks successfully enhanced their employees' proficiency in AI application development, facilitated smooth transitions for mid-career professionals into AI roles, and strengthened their talent pipeline and capability to deliver AI-driven solutions.

This initiative highlighted the importance of skills-first hiring practices in tapping into diverse talent pools and emphasised the crucial role of continuous learning in the rapidly evolving AI field. By facilitating targeted upskilling programmes and promoting skills-first hiring practices, SGTech has helped companies like Websparks to successfully transition mid-career professionals into high-demand roles, ultimately fostering innovation and maintaining competitiveness in Singapore's dynamic tech industry.



IV. Insights

We have demonstrated how skills-first hiring had benefitted our own organisations, and established receptivity amongst both ICT and non-ICT companies regarding the use-cases of NSAT. We also developed and tested an AI-Powered Assessment Tool to enhance employers' abilities to adopt skills-first hiring practices.

However, to increase the adoption of skills-first hiring in Singapore, we assessed that there remains a need for **a nationwide skills taxonomy** and **skills information to better identify transferable skills**. The challenge is to (i) improve job matching by aligning employers, hiring personnel and employees' understanding of the relevant skills needed for the job scope, and (ii) integrating the underlying skills taxonomy and information into the hiring process with technology.

Another key insight is the need to **develop sector or job-specific standardised assessment tests** to enable employers to assess and validate transferable skills. These tests could provide employers with objective methods to evaluate skills potential and help individuals make informed training decisions by providing insights into their skill gaps for specific job roles they aspire to.

There is also a need for coordinated effort to reduce information asymmetry in the labour market. Standardised and verified jobs and skills data should be available to both employers and individuals, as well as other labour market actors such as job portals. With a common data infrastructure, various sectors and employers could be empowered to further develop their own skills-assessment metrics that meet the needs of their organisation.



V. Recommendations

Recommendation #1: Encourage adoption of a national skills taxonomy and to develop a database of verified skills of the workforce to enable skills-first hiring

SSG's existing Skills Framework provides employers with a foundation for identifying transferable skills from other jobs and sectors. This could be **complemented with a central database of verified skills data of our workforce** to enable employers to reference the same skills taxonomy when hiring.

Outlined below are a few key features that we think could be incorporated into such a central database:

- A trusted digital repository of verified skills data based on standardised skills taxonomies: It should comprise of individual skills, training, employment and educational information extracted from Government sources.
- Accessible to individuals: Supports individuals to take stock of their skills, and upskill or reskill to close their skill gaps in pursuit of their desired job roles.
- Accessible to employers: Support the adoption of skills-first hiring and workforce development practices within organisations.

The common skills taxonomy and database can thus enable a more efficient job matching based on skills and accelerate the recruitment process.

Recommendation #2: Develop sector or job-specific standardised assessment tests for skills-heavy jobs to help employers assess transferable skills of candidates from different backgrounds

While a national standardised skills taxonomy supports skills identification, employers may still need greater assurance of the jobseeker's skills and their relevance to their businesses. This is especially crucial for technical jobs where skills currency is critical.

Having a tool to assess whether jobseekers met the baseline skills requirement would allow employers to determine if the candidate could benefit from upskilling or reskilling programmes. This would help employers objectively evaluate and accept 'less-than-perfect' candidates and enable candidates to address their skill gaps and better meet the demands of the role.

Overall, both recommendations can support more employers in adopting skills-first hiring practices to widen their access to a larger talent pool and alleviate their recruitment challenges.

Chapter 5 – Focus Area B: Improve workforce agility and retention through skills-first workforce development to promote internal mobility

I. Problem Statement

Losing talent can be expensive, with replacement costs estimated to be between $\leq 65,000$ (~S $\leq 93,615$) and $\leq 84,000$ (~S $\leq 120,980$) per employee²⁴, in addition to the loss of valuable firmspecific knowledge. Meanwhile, workers are increasingly focused on building career resilience by expanding their skills and exploring new roles, both internally and externally. A LinkedIn poll of over 1,000 professionals found that 86% are considering a job change in 2024, a 15% increase from 2023.

A key consideration is the availability of learning and development opportunities in a job: 32% of Singaporeans surveyed resigned from their jobs due to limited career progression²⁵ while globally, opportunities to learn new skills came up as an important factor in one's decision to stay²⁶.

Employers miss the opportunity to grow their internal talent pool when they prioritise hiring 'perfect' external talents over encouraging existing employees to apply (see Figure 5.1 on the next page). This issue often stems from **underlying barriers such as the lack of systems or a culture that supports internal mobility**²⁷. Many organisations struggle to establish an effective system for identifying transferable skills of existing employees and matching them to possible opportunities (e.g. new roles, short-term projects, learning and development opportunities). This makes it difficult to facilitate internal mobility and plan for future skills needs.

²⁴ Organisation for Economic Co-operation and Development (OECD)'s 'Retaining Talent at All Ages', Ageing and Employment Policies report 2023

²⁵ Randstad Singapore, 'Rethinking Ambition', Workmonitor, 2024

²⁶ Jonathan Rothwell, 'The American Upskilling Study shows workers want skills training', Amazon article, Sep 2021, <u>https://</u>

www.aboutamazon.com/news/workplace/the-american-upskilling-study-shows-workers-want-skills-training

²⁷ John Winsor and Jin H. Park, 'Build an Internal Talent Marketplace to Empower Workers, Reduce Turnover', Society for Human Resource Management (SHRM) article, Jan 2024, <u>https://www.shrm.org/in/executive-network/insights/internal-talent-marketplace-empower-workers-</u> reduce-turnover



Another barrier is the lack of an empowering environment to encourage exploring different career paths within the organisation. This could include structured roadmaps for employees to expand their skillsets or programmes that encourage employees to explore alternative roles within the organisation.



Figure 5.1: Results of the different approaches taken by employers across MNCs and SMEs to address harder-to-fill job vacancies²⁸

II. Opportunity Area

Developing an **internal talent marketplace** was the key opportunity identified to address the challenges in enhancing internal mobility and employee retention. An internal talent marketplace is a digital platform managed by HR and talent management teams **to match employees to opportunities within their organisation based on their skills, interests, and preferences**²⁹.

 ²⁸ Ministry of Manpower (MOM), Study commissioned by MOM, 2024, sample size: N = 1,002 responses, 83% from SMEs and 17% from LLEs/MNCs
 ²⁹ Anne Le Blanc, 'Talent Marketplaces: the complete guide', Mercer article, n.d., <u>https://www.mercer.com/en-au/insights/talent-and-transformation/skill-based-talent-management/guide-to-talent-marketplaces/</u>



III. AfA Pilots

This section outlines the experiences from the AfA members in the ICT sector on how developing an internal talent marketplace has benefited our organisations.

Main Solution: Internal Marketplace by Temus

Background:

To address talent visibility and internal mobility challenges, many large organisations implemented their own versions of an internal marketplace with proven success.

While there were existing systems in the market for organisations to implement their own talent marketplaces, these solutions were often costly and inaccessible for small and medium-sized enterprises (SMEs). Thus, through this AfA, **the ICT subgroup decided to design and pilot a version of an internal talent marketplace with Temus**, a medium-sized enterprise with around 400 employees. **The goal was to potentially support other SMEs in their efforts to retain talent and promote internal mobility**.

Organisations that had successful internal talent marketplaces in operation were studied, from which a few key design principles were identified:

- Ease of transfer for internal movement
- Empowerment of employees to seek internal growth opportunities
- Compensation to be adjusted accordingly to the new role
- Focus on building internal talent capability
- Equal treatment of both internal and external talent



Image courtesy of Temus



As a technology services business, Temus decided to build its own talent marketplace platform. In addition to implementing the appropriate system to facilitate job matching, it was essential to establish **policies to encourage mobility**. While Temus' technical team built the platform for the marketplace, its People team had to come together to establish parameters and guidelines on how the marketplace would function.

Challenges	How they were addressed		
Identifying suitable internal talents for the available roles	 Developed a skills identification feature in the platform where employees could input their skills sets validated by their current managers Platform will generate a chart to help bridge the gap of the current employee's skills and their career goal 		
	Skill Development		
	I want to be in Low Code V as a(n) Ideal Seni V		
	Coaching and Developing People 6 Backlog Management Selling and Negotiation 4 Business & Process Analysis		
	Stakeholder Management and Engagement Communicating and Influencing		
	Critical Thinking and Creative Problem Solving Requirements & Scope Management		
	Transdisciplinary Thinking and Sense-making Team Management My current level		
	Figure 5.2: User Interface of Temus' Internal Marketplace tool to help employees identify gaps in their skills		
Slow adoption	 Once the marketplace reached a certain level of utility and quality, it naturally began to draw the attention of employees By maintaining consistent quality in the marketplace and introducing enhancements, such as recommending courses and certifications on its platform, Temus eventually saw an 80% take up rate after one month of implementation 		

"The AfA committee (ICT) has been a great learning experience with professionals from across industries. It has definitely provided valuable insights."

- Damian Tan, Head of Talent Acquisition, Temus (ICT subgroup member)

Key Learnings:

The key lessons in setting up an internal talent marketplace are:

- Choose relevant opportunities to avail in the marketplace: Talent marketplaces vary widely and can take different forms; it could be designed for full-time roles, short-term assignments, or specific projects. It is not a one-size-fits-all solution, so companies must tailor the marketplace to their specific needs and objectives.
- Alignment and internal buy-in for talent marketplace: It is important to seek buy-in from leadership and key stakeholders such as line managers in the setting up of the marketplace to ensure that culture and mindset are in place, with the right support to drive the marketplace to fruition.
- **Importance of supportive HR policies:** The talent marketplace is not a one-dimensional plug-and-play solution. Designing and implementing appropriate policies are important to enable the effectiveness of the marketplace.
- User experience of the talent marketplace: In Temus' experience, it found that a userfriendly interface was crucial to help employees understand the opportunities that were available to them and how they could develop themselves in the most effective way.





Image courtesy of SAP

CASE STUDY 4: SAP'S FELLOWSHIP PROGRAMME – LEVERAGING INTERNAL MOBILITY VIA TEMPORARY ATTACHMENTS FOR INCREASED SKILL DEVELOPMENT AND KNOWLEDGE TRANSFER

SAP is the world's largest provider of enterprise application and business AI software, serving 99 of the 100 largest companies globally with a workforce of over 100,000 employees.

Challenge:

SAP encountered various obstacles related to internal mobility, including the need to reduce hiring costs, improve employee satisfaction and retention, create a more agile workforce, and strengthen their focus on talent development and skills gap identification.

Solution:

In response to these challenges, SAP implemented a talent marketplace in the form of a Fellowship programme to help employees broaden their horizons and gain new insights into different areas of work. Key features of this programme include:

Key features of this programme include:

- Temporary cross-functional development opportunities lasting 1-6 months, with a minimum of 50% time investment in the fellowship role
- Opportunities are posted directly on SAP's in-house Talent Marketplace platform
- No contractual changes or budget transfers as fellows remain on their home team's budget thus it is a business-managed process without HR involvement
- Fellows return to their original team upon completion of the fellowship

Impact:

Through the implementation of the Fellowship programme, SAP saw great success in skill development where 87% of fellows acquired or enhanced skills relevant to their development goals. There were also significant knowledge transfers as 82% of fellows enriched their team with fresh insights when returning, according to their managers.

Key learnings:

SAP's Fellowship programme provides a key learning point: **Opportunities on internal marketplaces need not only be limited to permanent positions.** By offering temporary positions through their internal talent marketplace, SAP met organisational needs for a more agile workforce and reduced hiring costs while also addressing employees' needs for transparent pathways for talent development, thereby boosting employee satisfaction and the organisation's retention rate.



Image courtesy of Salesforce

CASE STUDY 5: SALESFORCE'S TALENT COMMUNITY PLATFORM

Salesforce is a leader in AI Customer Relationship Management (CRM) software. Their solutions across business functions are deeply integrated with trusted AI and unified data, so companies can unlock the value of AI to deliver stronger customer relationships, increase employee experience and improve productivity.

Challenge:

Salesforce thinks about careers as a mosaic, a collection of experiences that result in something incredible. A critical part of this is a solution that empowers both employees and managers with relevant information for internal recruitment and career advancement.

Solution:

Salesforce introduced the Talent Community platform, a comprehensive solution designed to revolutionise internal mobility and external recruitment. The platform offers:

- Automated job notifications aligned with employees' interests and skills
- Personalised career recommendations from the recruiting team
- Access to relevant career resources for professional development
- Integration with Salesforce Trailhead (an ecosystem for career resources) for skill acquisition and credential earning

The Talent Community serves as a dynamic marketplace for internal opportunities, enabling employees to navigate their career paths within the company effectively. Through integrating with Salesforce's online learning platform (called "Trailhead"), employees can learn in-demand skills and earn globally recognised credentials, enhancing their expertise for current and future roles.

Impact & Key Learnings:

The Talent Community platform has significantly improved Salesforce's internal mobility and employee development:

- Enhanced retention of top talent
- Kept the workforce at the cutting edge of innovations in CRM, AI, Data and Trust
- Created a more dynamic, opportunity-rich work environment

Key learning includes:

- The importance of leveraging technology for internal challenges
- The benefits of a transparent, employee-centric approach to internal mobility and external recruitment

By fostering a culture of continuous learning and advancement, Salesforce has demonstrated how companies can use their expertise to address internal challenges. The Talent Community platform exemplifies Salesforce's commitment to employee growth, creating a more engaged and skilled workforce while reinforcing its position as an industry leader.





ICT subgroup members at the 2nd monthly meeting, facilitated by Chemistry Team, to discuss and align on the opportunities and ideas based on their challenges identified.

IV. Insights

Developing internal talent and enhancing mobility within organisations are key to effective talent acquisition. These strategies improve employee retention and facilitate learning and development across the organisation. MNCs like SAP and Salesforce, along with medium-sized enterprises like Temus, have demonstrated the flexibility of internal talent marketplaces, where roles can be project-based, short-term assignments, or long-term positions. This flexibility enables employers to customise the internal talent marketplace to meet specific business needs while offering a cost-effective way to optimise talent utilisation. It also strengthens the employer's value proposition by offering both lateral and vertical growth opportunities that could align with employees' career aspirations.

The initial set-up of an internal talent marketplace can appear overwhelming, particularly for resource-strapped small and medium-sized enterprises. **Providing clearer guidance and directions for simplified implementation will be key in helping employers overcome the initial barriers and unlock the potential of internal marketplaces**. In addition, it was essential to establish **policies to encourage mobility**.



However, the impact of internal talent marketplaces varies depending on the size and resources of the organisation:

- For medium-sized enterprises (up to around 400 employees): Such companies, like Temus, can benefit significantly from an internal talent marketplace. They have a large enough workforce to create meaningful internal mobility opportunities, improving talent retention and reducing recruitment costs.
- For smaller enterprises (fewer than 50 employees): Lack of economies of scale presents a challenge—A smaller workforce means a limited pool of internal candidates and narrower offerings of job roles, which diminishes the effectiveness of an internal marketplace. The investment required to establish and sustain such a system may outweigh the benefits, making it less practical for smaller companies. Employees in SMEs may also eventually leave due to the limited career pathways available within the organisation's talent marketplace, often seeking opportunities in other sectors. This results in talent leakage for the sector.

Given these challenges, there is a need to consider an alternative model of talent networks that better suits the needs of smaller enterprises and supports talent retention within the sector.

Employers may also **need help engaging employees in meaningful career development conversations**. Such conversations help employers with early identification of at-risk talent, as well as help employers identify and assess skills gaps to ensure that the workforce is equipped to meet business needs. Providing support and communicating with employees due for redeployment is essential to ensure they receive the necessary training and development, making them mobility-ready during their transfers.

V. Recommendations

Recommendation #3: Develop playbooks and identify offthe-shelf HR tech solutions to guide and simplify implementation of internal marketplace solutions

These playbooks could provide templates designed for **medium-sized enterprises** that have the workforce size to benefit from an internal talent marketplace but may lack the extensive resources of large enterprises to build bespoke solutions. The templates will guide mediumsized enterprises in **creating a streamlined version of an internal talent marketplace accompanied by talent mobility policies that suits their needs, making the implementation process manageable and cost-effective.**

The templates could also include guidance on incorporating standardised skills taxonomy within the organisation's talent marketplace, which could be adapted from the national skills taxonomy such as SSG's Skills Framework. Having a standardised skills taxonomy is crucial for effectively matching talent and identifying skills gaps within the organisation, ensuring a consistent approach to leveraging internal talent.

Beyond templates, we suggest providing guides on identifying off-the-shelf solutions to address common adoption barriers, such as lack of awareness of cost-effective options and uncertainty about how to evaluate the various HR tech solutions available. **Recommendation #4:** Build a 'talent co-development' model where employers collaborate to aggregate talent development opportunities _____

To address the lack of economies of scale to build an internal marketplace for smaller enterprises (fewer than 50 employees), we recommend building a 'talent co-development' model where employers come together to aggregate talent development opportunities. The model is similar to how companies support talent flow to value chain partners such as joint venture (JV) partners and suppliers. We could consider piloting this approach in skills-heavy sectors where talent retention is critical, like manufacturing.

This could ultimately benefit both SMEs, larger enterprises and sector at-large:

For SMEs	 Gain access to a broader pool of candidates who may already be familiar with their industry. Allows SMEs to offer more career pathways to their employees and reduces risks of losing talent to competition. For example, similar to SAP's internal talent marketplace, SME employees can take temporary roles at other firms within the same value chain as part of their career development pathway. Upon returning, they could be offered career progression opportunities within their own company.
For large enterprises and sector at-large	 More SMEs in large enterprises' value chains will helm more skilled and productive workforce through opportunities offered via this model. Enhances individual employee growth but also strengthens collaboration and innovation along the entire value chain.
For sector at-large	• Creates a more resilient and competitive sector and supply chain with better retention of valuable industry knowledge and expertise within the sector.

Recommendation #5: Enable employers to provide career guidance and planning to their workers for career and skills development



Images from SNEF and MOM's Structured Career Planning Guidebook

We recommend providing a guide and training for employers to engage their employees in meaningful career development conversations to complement the internal talent marketplace structures for internal mobility. This can be expanded from the current Structured Career Planning (SCP) guide³⁰ and workshop offered by SNEF primarily aimed at mature and senior employees, to be extended to cover workers under 45 years old. The objective is to enable a formal and deliberate career and skills dialogue process that considers the employer's current and future capability requirements while supporting the employee's work, wealth, and well-being goals. The intended outcome is to enhance employee productivity in the long term, thereby optimising their value to the business.

³⁰ SNEF, 'Structured Career Planning Guidebook', Jul 2022, <u>https://snef.org.sg/clia_resources/</u> <u>Structured%20Career%20Planning%20Guidebook_SNEF-MOM.pdf</u>

Chapter 6 – Focus Area C: Increase job accessibility for workforce segments with diverse needs through job redesign

I. Problem Statement

Industries like Retail experience variations in manpower demands and find it challenging to hire for certain roles e.g. frontline retail roles. This crunch is felt by 9 in 10 retail employees based on an NTUC LearningHub survey³¹.

Demand for manpower remains high despite retail roles evolving with technology. The Retail sector is undergoing a transformation towards new retail models, driven by automation and data, evolving consumer preferences as well as the need to strengthen supply chain resilience. Over time, our job roles will be redesigned to be multi-dimensional, customer and technology-centric. Automation has already transformed some frontline roles (e.g. self-checkout machines reducing the need for cashiers), but we observed that many roles remain indispensable for delivering an immersive retail experience³². An MOM survey also found that 'shop sales assistant' was among the top three non-PMET roles with the highest number of vacancies³³.

On the supply side, **it has been challenging for employers to attract and retain workers in these roles**. With 62.8% of the resident labour force having tertiary qualifications, a career in Retail is not considered a long-term career option for the majority of the workforce. The nature of retail work, characterised by irregular and long hours, prolonged standing, and the frequent need to work on weekends, further contributes to the perceived poor image of a career in Retail³⁴. We also found that retail work was often viewed as short-term, seasonal, and consequently unfulfilling.

Given the mismatch in labour demand and supply for retail jobs, retail employers may have to shift their focus away from the traditional labour segments.

³¹NTUC LearningHub, 'Industry Insights: Retail 2022', Nov 2022

³² NTUC LearningHub, 'Industry Insights: Retail 2022', Nov 2022

³³ Manpower Research and Statistics Department, Ministry of Manpower, 'Job Vacancies report 2023', Mar 2024

³⁴ Source: Tripartite Cluster for Retail Industry, 'Frequently Asked Questions on the Recommendations of the Tripartite Cluster for Retail Industry (TCR) on Introducing Progressive Wage Model for the Retail Sector, 2022'



II. Opportunity Area

We identified **tapping on Economically Inactive Persons** as a key opportunity area to address the Retail labour market crunch. Specifically, we focused on **three main demographic segments: (i) seniors, (ii) stay-at-home mothers (SAHM) and (iii) students**, as potential groups who may possess skills, experience and capacity for retail roles if the jobs could be redesigned to meet their needs. This largely untapped pool of manpower comprises 1.12 million residents outside the workforce. Around 25% are retirees, while another 25% are youths under 24 years old engaged in education or training commitments, and 8% are individuals not working due to caregiving responsibilities³⁵.

A study commissioned by the European Union³⁶ on the 'Activation of the Inactive' has found that a good proportion of Economically Inactive Persons would be willing to work if suitable opportunities were available. A similar trend could be observed in Singapore, with surveys indicating promising opportunities for employers to tap into this potential workforce:

40% of surveyed parents with children in post-secondary education reported that their children work, with half of them stating that their children work part-time during the school week³⁷

61.5% of surveyed residents aged 50 and above and currently working are likely to seek out further career advancement opportunities as an older worker³⁸



To attract the various demographic segments, employers would need to identify the right channel to reach them as well as tailor the jobs or working arrangements to meet their respective needs and interests.

www.straitstimes.com/singapore/40-of-post-secondary-students-work-st-poll-of-500-parents

³⁵ Source: Manpower Research and Statistics Department, Ministry of Manpower, 'Labour Force in Singapore 2023', Jan 2024

³⁶ Source: European Network of Public Employment Services, 'European Network of Public Employment Services Activation of the Inactive: PES initiative to support the activation of inactive groups', Thematic Paper, Mar 2020

³⁷ Source: Theresa Tan, '40% of post-secondary students work: ST poll of 500 parents', The Straits Times, May 2024 <u>https://</u>

³⁸ Source: PAPSG and National Trade Union Congress U Women and Family (NTUC U WAF), 'Survey on Retirement and Re-employment', Sep 2023



- Identify right channel for outreach, e.g. heartland shopping malls for seniors and SAHMs, schools for students or digital portals with offerings customised for respective groups. We recognise that many Economically Inactive Persons are not actively looking for jobs and only do so when they chance upon the opportunities.
- **Tailor jobs or working arrangements**: Scope for employers to consider making retail roles more accessible and appealing to these groups based on their needs or interests. For example, one of our members, Commune, had considered operating on an appointment-based system, giving employees more control over their time.

Building on retailers' past efforts, we explored different approaches to guide employers' outreach efforts and to redesign jobs to attract the untapped talent pools.

III. AfA Pilot Concepts

This section outlines the pilot concepts explored by the Retail subgroup.





Clinic sessions with Retail subgroup members, facilitated by Chemistry Team, to discuss, align, and refine the idea based on feedback collected from user testing sessions.



Background:

We see the potential to develop a Retail-specific platform that could efficiently match the demand and supply of labour as a solution to help alleviate the labour crunch during peak periods. We propose that such a platform creates a direct channel for employers to reach out to Economically Inactive Persons who might have some interest in trying out retail work. The job roles offered on the platform will be broken down into simpler tasks (i.e. micro jobs) with greater flexibility in terms of scope, time, and location so that its accessibility could better appeal to these segments.

We spoke to existing online job portal providers to discuss the potential of collaborating on developing such a platform and polled³⁹ other retailers on their receptivity.



Key Learnings:

- Most retailers are keen to tap into the broader talent pool, including students, SAHMs and seniors.
 - Over 57% of respondents felt that it is essential to recruit Economically Inactive Persons for the success of their business. Majority are open to hiring returning mothers (86%), students (76%) and seniors (57%).

³⁹ Survey sample size: 21



- Scope for retailers to increase part-time positions and further break down job roles.
 - We found that three in four respondents have less than 25% of their staff as parttime workers. 86% of respondents foresaw the need to redesign job roles to attract talent from economically inactive segments. To alleviate labour crunch and tap on the population currently not in workforce, there is scope for retailers to break down job roles further.
- Raise employers' awareness of existing online job portals catering to the different demographic profiles.
 - While 91% of respondents were open to such a marketplace, we found that there was no need to develop a pilot for our concept of a Retail-specific marketplace for microjobs. Such portals already existed but were underutilised and not widely recognised. More could be done to raise awareness and leverage existing platforms targeted at different demographic profiles, e.g. Centre of Seniors (CFS) helps match seniors with redesigned job roles while Mums@Work helps mothers find jobs that offer flexible work arrangements.



Image courtesy of Commune Lifestyle

CASE STUDY 6: COMMUNE'S TRIAL PARTNERSHIP WITH CENTRE FOR SENIORS

Commune Lifestyle Pte Ltd, founded in 2011, is a Singapore-based furniture and furnishings lifestyle brand.

Challenge:

Like many retailers in Singapore, Commune faced significant challenges in attracting and retaining talent, particularly for frontline retail sales positions. The company aimed to find a cost-effective solution to resolve the labour shortage and ensure effective operations without constantly managing a lean team.

Solution:

Commune developed a strategy to supplement its full-time workforce with part-timers from diverse pools, including students, seniors, and stay-at-home parents. They conducted research and engaged with various stakeholders, including the Centre for Seniors (CFS), to understand the specific working requirements of each potential employee category.

As part of this initiative, Commune explored a trial partnership with CFS to integrate senior workers into their workforce. This involved discussions on job redesign, flexible working hours, and tailored training approaches to accommodate the unique needs of senior employees.

Impact & Key Learnings:

The partnership with CFS did not move forward due to challenges in matching the available seniors' needs and preference vis-à-vis the requirements for Commune's role which required bespoke service with high level of engagement, use of complex tech tools and extensive product knowledge.

We gained valuable insights into the considerations in attracting and integrating economically inactive worker groups:

- Flexi-schedule and work arrangements: It could be easier to tap on seniors for frontline roles where operations permit offering shorter shifts and non-peak periods (non-weekends and non-public holidays) for senior workers. It would also work better for frontline roles where the level of engagement with customers is not very high and more time-bound to meet seniors' preferences.
- Increasing job accessibility for the workers: Employers need to recognise and be prepared to redesign jobs to tailor to different workforce segments' needs, given the fast-evolving job roles and workforce expectations. For example, Commune's online training format and extensive product knowledge requirements posed potential difficulties for senior workers. Retailers could consider AI-guided work processes to help seniors. For example, an AI chatbot could be used to facilitate the process of seeking out specific product information to support and improve the efficiency of the workers.
- Importance of tailored solutions: The Retail industry's diversity requires customised approaches to meet the needs of the different segments rather than the traditional one-size-fits-all solution. The industry could collaborate with partners like CFS, which target specific segments, to develop tailored work models. These partners would play a facilitative bridging role to support the employer and employee to enable successful matches.



IV. Insights

From our explored solutions and Commune's trial, we recognised a **need to bridge the gap** between employers' vis-à-vis the target segments' needs and interest.

Industry partners could play that bridging role through structured programmes to help the sector attract a wider pool of talent, especially to fill manpower gaps of hard-to-fill jobs. We would like to highlight the following considerations that could facilitate the design of structured programmes to attract these three segments:

Segment							
Students	Stay-at-home Mothers (SAHMs)	Seniors					
	Needs/interest						
 Seek work as an opportunity to develop transferable skills to prepare for future career Polytechnic/ITE students are typically available to work on weekends but require timing flexibility on the weekdays to accommodate school commitments 	 Seek work as gradual reentry into workforce Flexibility in location and timing Customised training (soft skills, technical skills) 	 Seek work to stay relevant and continue contributing to society Flexibility in location and timing Shorter working shifts (e.g. 3-4 hours) during the day 					

Segment							
Students	Stay-at-home Mothers (SAHMs)	Seniors					
Considerations for Structured Programme Need to implement a robust scheduling system and quick onboarding programme to ensure successful scalability							
 Curate a training programme with clear learning outcomes to allow students to develop relevant skills (especially soft skills) Offer skills accreditation from employers as a stepping stone to long-term career growth 	 Break down job roles to allow for shorter work shifts that could accommodate mothers' schedules (e.g. inventory stocktaking in the morning) Job roles should offer transferable skills development and skills accreditation to help SAHMs ease their transition back into the workforce Locations in heartland malls or shops near schools for convenience Support with skills refresher training courses 	 Break down job roles Simplified task suitable for seniors Support with simplified training so they could fill labour gaps quickly Allow for shorter work shifts Potential to explore appointment-based work opportunities for seniors 					



V. Recommendations

Recommendation #6: Develop structured programmes as a means to attract students, seniors and SAHM to take up hard-to-fill jobs

The structured programmes would facilitate the match-making process, aligning the needs of both retailers' with those of various demographic needs. We fleshed out the concept of the solution by proposing a pilot initiative involving students from Institutes of Higher Learning (IHLs) as a starting point (see box below) and recommend that industry partners work to scale it up.

Suggested traineeship programme design for IHL students:

The Retail subgroup proposed rebranding frontline roles into structured traineeship programmes for students, **aimed at helping them develop essential soft skills**, such as communication and negotiation, **through practical experience in frontline retail roles.** Singapore Retailers Association (SRA) can develop the programme in collaboration with IHLs and incorporate within the students' curriculum as an elective.



Value proposition for retailers: Alleviate the short-term labour crunch with a meaningful duration, ideally around six months, for students to learn and contribute.



Value proposition for students: A career stepping stone to pick up skills that cannot be fully acquired through classroom learning.

We tested receptivity to the concept via a survey sent out to about 87 Polytechnic students and NTUC's youth wing; Young NTUC.

 81.6% of respondents were interested in working in frontline retail roles – most of whom intended to use it as a stepping stone to venture into other career prospects and enjoyed the flexible working hours.

- **89.7% of respondents were interested in such a traineeship programme** if the programme's benefits, such as relevant skills development, were clearly outlined.
- 86% of respondents felt that the potential skills gained from the programme would be important for their future careers – acquired skills with accreditation and how it could be transferable to support students' career growth would be a key factor in attracting their interest.



Overall, positioning the traineeship programme as an opportunity for personal and professional growth could help improve perceptions of the Retail sector, attract talent and consequently improve its labour crunch.

If the pilot is successful, the traineeship could be adapted for other Economically Inactive Persons such as seniors, SAHMs and Persons with Disabilities (PwDs). There is also potential to scale across other sectors.

Chapter 7 – Focus Area D: Uplift HR capabilities to enable skills-first practices and support SMEs to access HR services

I. Problem Statement

A common challenge for many organisations is **achieving widespread adoption of skills-first HR practices**. Earlier chapters showcased practical and innovative ways for implementing skills-first hiring and workforce development practices. For these approaches to succeed, effective HR practices are essential. This requires overcoming organisational barriers to change culture and implementing supportive systems, process and policies.

We observed that senior management looks to their HR team as the enabler to drive this change. However, several organisational barriers exist:



Restrictive HR policies such as internal mobility requirements on existing employees hinders an organisation's ability to practice skills-first approaches. Hence, it is important to review existing HR policies and establish a structure that supports strategic change.



Outdated HR system will hinder business and HR leaders from keeping up with meaningful insights to make necessary workforce interventions. Employers should refresh their systems and consider adopting advanced HR tech solutions to facilitate adoption of skills-first practices. For example, advanced HR tools could produce in-depth analysis on data related to employee retention and skills gaps. An effective HR system would free up the HR team to focus on strategic tasks, allowing for better alignment with business strategies and goals.





"Sticky" processes and mindsets within organisations are a critical barrier to overcome.

- **HR professionals** often focus on routine tasks, limiting their capacity to implement strategic changes in talent management. They may also lack the influence or capability to participate in business strategy reviews.
- Line managers may prefer traditional hiring methods and prioritising immediate needs to fill vacancies quickly over investing in employee training. Such approach overlooks the long-term benefits of skills-first practices, such as improved employee retention, productivity and a more skilled workforce.
- **Employees** may feel disempowered to explore their career paths within the organisation due to the absence of a strong HR system that supports career planning, facilitates role transitions and encourages training opportunities.

II. Opportunity Area

We observed that successful skills-first organisations had **HR as a catalyst in securing leadership buy-in and mobilising line-units** to ensure support and effective last mile implementation with appropriate systems, processes and policies.

- Leaders set the tone of the organisation leading by example will be most effective in getting everyone onboard. Leaders should also hold HR accountable to deliver on skills-first efforts and track progress towards clear business and workforce outcomes.
- Line managers play a crucial role as partners of HR in aligning with HR's vision and supporting the adoption of new practices. Line managers should actively participate in transforming jobs and advocating for skills-first practices.

We also studied successful skills-first organisations to look deeper into how HR played a pivotal role and the changes made to steer their organisation to adopt skills-first practices.



Image courtesy of Singtel

CASE STUDY 7: SINGTEL DRIVES CULTURAL TRANSFORMATION WITH INTERNAL MARKETPLACE AND POLICY CHANGES

The Singtel Group is Singapore's leading connectivity company. Together with Nxera, NCS and Optus, the Singtel Group employs more than 25,000 people across the region.

Background:

Through Singtel's employee engagement platform, 'Your Voice Survey', employees shared their desire for greater autonomy and more opportunities to apply new and emerging skills. While the organisation promoted mobility, the existing policies and infrastructure need to be enhanced to ensure movements and new career discoveries can be seamless.

Realising HR had a big role to play, they developed a solution to achieve the following objectives:

- Drive growth of their people holistically through work experience, social learning and education.
- Create opportunities for in-house talents to grow their portfolio of skills through disciplined job rotations.
- Review and revamp career management practices to facilitate and encourage internal mobility.
Solution:

Singtel created a Talent Marketplace, supported by a revamp of HR policies using the following guiding principles:



A key factor that led to the success of Singtel's talent marketplace was HR's proactive leadership in identifying areas they could control and reshape, mainly the mobility policies. They implemented a series of bold policy changes, including letting staff apply for any internal job after passing probation, aligning the release date of employees to their contractual notice period, and removing a requirement for a minimum performance level when applying for job openings, amongst other policies.

Impact & key learnings:

With the implementation of the talent marketplace, over 20% of Singtel's job listings are now filled internally, up from 10% previously. There is also an increased retention rate in the organisation as internal mobility provides employees with new job opportunities and connections. By reducing talent acquisition and onboarding costs whilst improving productivity, Singtel has achieved significant time and cost savings.

The Talent Marketplace enables Singtel to redeploy employees efficiently, allowing for the quick mobilisation of talent to meet urgent project needs and fill critical roles. This push from HR to transition into a new operating environment has empowered employees to take ownership of their careers, enabling them to build a portfolio of experiences within the organisation. This creates a win-win situation for both employees and employers

Overall, Singtel's HR department played a pivotal role in resolving their challenges by:

- **Spearheading the Talent Marketplace implementation**, which boosted internal mobility and fostered greater connectivity. This HR-driven initiative empowered staff to take ownership of their careers and create a more interconnected workforce that values continuous skill development.
- **Revamping HR policies** to enable employees to pursue roles aligned with their aspirations. This empowered managers to fill roles more efficiently and directly addressed employees' desire for autonomy identified in the 'Your Voice Survey'.
- Leveraging the Talent Marketplace to gain valuable insights into employees' skills, facilitating targeted re/upskilling programmes. This approach democratised growth opportunities across the Singtel group, fulfilling the objective of holistic people development.



Image courtesy of Decathlon Singapore

CASE STUDY 8: DECATHLON REVAMPS EMPLOYEE VALUE PROPOSITION, HIRING SYSTEM AND PROCESSES

Since 2013, Decathlon Singapore has become a leading retailer of sports goods. With 780 employees, high turnover rates in the retail division posed a significant challenge. Recognising this, Decathlon's HR team spearheaded a revamping of their recruitment strategy by enhancing employee retention and implementing innovative hiring practices.

Challenge:

In 2024, Decathlon faced a 30% turnover rate, with full-time and part-time turnover rates at 21% and 31%, respectively. High turnover among student workers—caused by National Service, internships, and academic obligations—necessitated a new approach to attract stable, long-term employees who could contribute effectively to the company.

Solution:

Decathlon's HR team took on a strategic role, acting as a catalyst for organisational transformation by adopting two key strategies:

- 1. Streamlining Recruitment with AI:
 - Integrated MERCU, an AI-powered platform, to automate candidate screening, communication, and interview scheduling.
 - Features included automated WhatsApp communication, AI-based responses, video introductions, and self-scheduling.
 - Impact: 50-60% higher candidate engagement, enhanced candidate selection, and significant efficiency gains.

2. Revamped Employee Value Proposition (EVP) and Targeted Hiring Approach:

- Shifted focus to mid-career professionals and senior workers by leveraging platforms like Indeed.
- Emphasised value-based recruitment, prioritising passion for sports and customer service skills.
- Developed a unique EVP highlighting career development, autonomy, and growth opportunities.
- Enhanced training programmes, providing over 800 sessions annually.
- Impact: Improved applicant demographics, higher quality hires, and better alignment with Decathlon's values.

Impact & Key Learnings:

HR's Strategic Role

Throughout this transformation, HR moved beyond a support function to take on a more strategic role:

- Securing Leadership Buy-in: HR acted as a catalyst, convincing senior leadership of the value in adopting skills-first practices. They articulated how these initiatives aligned with Decathlon's strategic goals, garnering support for innovative hiring approaches.
- Aligning Initiatives with Business Objectives: HR ensured that initiatives such as recruitment processes or employee development programmes, directly supported Decathlon's strategic goals.
- **Data-driven Decision Making**: By continuously refining strategies based on data and feedback, HR demonstrated its commitment to measurable results and continuous improvement.

Through this, Decathlon Singapore has achieved a 4.5/5 interview experience rating and an 80% positive rating on Glassdoor, which is higher than the average Glassdoor rating of 73%, demonstrating its streamlined recruitment process that establishes a new benchmark for efficiency and candidate satisfaction.



III. Insights

The approach adopted by the Singtel Group and Decathlon Singapore both showed positive outcomes. Beyond HR's role to secure leadership buy-in and mobilising line units, we highlighted additional learning points to consider:

- First, there needs to be **strong HR professional knowledge and competencies** to deliver on the desired outcomes from skills-first efforts. This brings confidence within the organisation and positions HR as a champion in driving strategic workforce transformation.
- Second, the successful cases demonstrated earlier were by **large organisations that have the infrastructure and dedicated HR teams** to implement such initiatives effectively. On the other hand, SMEs with small or no dedicated HR teams may face challenges and require additional support, such as consulting services, to facilitate their organisations' transition to adopting skills-first practices.

IV. Recommendations

Recommendation #7: Increase access of SMEs to HR advisory and consultancy services to improve employers' skills-first hiring and workforce development capabilities

Specialised expertise of HR advisory and consultancy services can help SMEs overcome internal organisational barriers to adopt skills-first practices, across systems, processes, policies and culture.

An industry body like IHRP could potentially provide such services and serve as a one-stop guide, leveraging technology to achieve economies of scale and be more cost effective. We also suggested for such services to tap on the expertise from the certified HR community, with ecosystem partners (e.g., TACs, IHLs) as multipliers.

Recommendation #8: Stronger industry push for HR to level up through IHRP certification, which provides employers with access to external support and resources from the certified HR community

Given the central role of HR, it is critical that HR professionals are competent and stay updated on the latest human capital trends. Being a part of a like-minded community such as the IHRP-certified community can be beneficial to navigate and obtain support. IHRP has grown its community of certified professionals to over 8,000 in 2024. We recommend more HR professionals to go for IHRP certification so that they can be part of the community and gain access to support and resources such as the Human Capital Playbooks and HR practitioner toolkits, as well as over 600 learning resources. They can also leverage the community of practice to discuss the latest trends and best practices in human capital, enabling them to bring fresh insights back to their organisations.

Furthermore, certification provides HR professionals with national recognition and benchmarking, positioning them to more effectively support their organisations in adopting strategic hiring and workforce development practices.

Section III — Conclusion



Chapter 8 - Conclusion



AfA members at the final AfA workshop (18 September 2024)

In today's rapidly evolving business landscape, characterised by technological advancements, changing workforce profiles and expectations, it is imperative that employers take decisive actions to adapt their HR practices to stay competitive in attracting and retaining talent.

Drawing from our experiences and learnings in this AfA, this report outlines four areas that employers can adopt to benefit from wider access to talent. To encourage more businesses to invest in their workforce and adopt a skills-first approach, we have also proposed eight recommendations. These recommendations call for collaboration between employers, the Government and industry partners to drive initiatives at the national and sectoral levels.



4 FOCUS AREAS	8 RECOMMENDATIONS
FOCUS AREA A Leverage transferable expertise from adjacent talent pools through skills- first hiring practices	 #1: Encourage adoption of a national skills taxonomy and to develop a database of verified skills of the workforce to enable skills-first hiring #2: Develop sector or job-specific standardised assessment tests for skills-heavy jobs to help employers assess transferable skills of candidates from different backgrounds
FOCUS AREA B Improve workforce agility and retention through skills-first workforce development to promote internal mobility	 #3: Develop playbooks and identify off-the-shelf HR tech solutions to guide and simplify implementation of internal marketplace solutions #4: Build a 'talent co-development' model where employers collaborate to aggregate talent development opportunities #5: Enable employers to provide career guidance and planning to their workers for career and skills development
FOCUS AREA C Increase job accessibility for workforce segments with diverse needs through job redesign	#6: Develop structured programmes as a means to attract students, seniors and stay-at-home mothers to take up hard-to-fill jobs
FOCUS AREA D Uplift HR capabilities to enable skills-first practices and support SMEs to access HR services	 #7: Increase access of SMEs to HR advisory and consultancy services to improve employers' skills-first hiring and workforce development capabilities #8: Stronger industry push for HR to level up through IHRP certification, which provides employers with access to external support and resources from the certified HR community

These recommendations support the objectives of the various efforts rolled out by MOM, WSG and SSG under Career Health SG. Our efforts will create a dynamic talent ecosystem that benefits both employers and employees, supporting the development of a workforce that is resilient, productive and future-ready.



The time for action is now. We urge all employers and ecosystem partners to commit to the recommendations in this report. By adopting skills-first practices, we can build a resilient, productive and engaged workforce that drives growth and success in our respective sectors and the broader Singapore economy.

Let us seize this opportunity to lead the way in shaping the future of work in Singapore and beyond.







Appendix A: Glossary of Terms

Career Health

For workers, Career Health is about taking proactive steps to improve their career outcomes through training, on-the-job learning and intentional career moves. For employers, Career Health is about taking a skills-first approach to hiring and investing in human capital development. By offering meaningful career progression pathways, businesses will be better positioned to attract and retain talent to drive growth.

Career Resilience

The ability to adapt amidst a fast-changing economy so that one can enjoy better employment outcomes, with good wage growth over our lifelong career trajectory.

Design Thinking

A human-centred problem-solving approach that focuses on understanding user needs, challenging assumptions, and redefining problems to identify alternative strategies and solutions through prototyping and testing.

Economically Inactive Persons

Persons aged fifteen and over who are neither employed nor unemployed (i.e. they are neither working nor seeking work). Also known as Persons Outside Labour Force.

Hire for Potential or "Potential Fit"

A recruitment strategy that prioritises a candidate's capacity for growth and learning, in spite of a shortfall of their current skills or experience required for a job role.

Internal Mobility

The movement of employees within an organisation to different projects, roles, departments, or locations, promoting skills development and career growth.

Skills Adjacencies

The identification of skills that are closely related or complementary to an individual's existing skill set, facilitating easier transitions between roles or industries.

Skills Framework

Skills Framework is a common skills language co-created by employers, industry associations, educational Institutions, unions, and sector agencies to support workforce development and industry transformation, and provides key sector information, occupations/job roles, and the required skills.



Skills Taxonomy

A hierarchical classification system that is used to define, categorise, and organise skills according to their corresponding elements e.g. knowledge and abilities.

Skills-first Hiring

Skills-first hiring prioritises demonstrated skills over traditional qualifications, prior work experience and job titles. It involves validating necessary skills through tests, scenario-based assessments, and portfolios, recognising transferable skills, and acknowledging achievements from competitions or training programmes as proof of capability.

Skills-first Workforce Development

Skills-first workforce development practices refer to approaches to enable regular upskilling and reskilling of the workforce that align with the evolving business and job requirements. This could include developing individualised career development plans for employees, and providing employees with training opportunities to develop their capabilities.

Talent Marketplace

An internal platform or system that matches employees with job opportunities, projects, or gigs within an organisation based on their skills and interests.

Transferable Skills

Skills that can be applied across various job functions and industries, enhancing an individual's adaptability and employability.

Workforce Agility

The ability of an organisation and its employees to quickly adapt to changing market conditions, technologies, and business needs.



Appendix B: List of AfA members and partners

Information and Communications Technology Subgroup

Cassie Fleming

APJC Talent Acquisition Director Cisco

Tan Hark Kah

Country Head of People Operations, Singapore Grab

Angela Wong

Director of Talent Attraction for Southeast Asia SAP

Yeo Zhi Han

Director, Chapters and Strategic Programmes SGTech

Manufacturing Subgroup

Ani Setiawan People Partner HP Singapore

Priscilia Yap

People Partner Rolls-Royce

Dennis Mark CEO Singapore Manufacturing Federation

Retail Subgroup

Jane Leo Vice President, HR Business Partnering CapitaLand Investment Limited

Milena Osika Talent Acquisition Leader, Singapore Decathlon Singapore

Stephen Sing Executive Director Singapore Retailers Association

Sarah Chen

Talent Acquisition Leader for Corporate Functions in Asia Pacific Cisco

Stephen Crowe

Senior Director, HRBP, Enterprise Sales PayPal

Joshua Teo Head of Strategic Resourcing Singtel Tho Lye Sam

Head of People Business Partners Grab

Chow Kok Lam Director, Employee Success, ASEAN Salesforce

Damian Tan Head of Talent Acquisition Temus

Colin Lim General Manager, Human Resources Management OMRON Asia Pacific Pte Ltd

Yee Lok Yeen VP Transformation Seatrium **Goh Yen Teng** Talent Acquisition Manager OMRON Asia Pacific Pte Ltd

Shalabh Bakshi VP for Digital Enterprise Services Siemens

Joshua Koh CEO Commune Lifestyle

Pang Fu Wei Group Managing Director Mothercare (Kim Hin International Pte. Ltd) Arjun Mutreja People Leader, Singapore Decathlon Singapore

Lin Ruiwen Executive Director Sheng Siong



Partners

Karina Kuok

Director, Head of Assessments & Insights IHRP

Gary Goh

Deputy Chief Executive Officer, Industry Partnership Group NTUC's e2i (Employment & Employability Institute) **Li Feng Ling** Head, HR and Admin

Ong Mei Ling

IHRP

Deputy Director, Lifestyle NTUC's e2i (Employment & Employability Institute)

Dionne Lo

Assistant Manager, Assessments & Insights IHRP

Teo Jie Min

Principal Specialist, Lifestyle NTUC's e2i (Employment & Employability Institute)

Appendix C: Existing initiatives for the ICT, Manufacturing and Retail sectors



The **ICT sector** has been rapidly transforming in recent years, with technological advancements driving innovation and growth in the industry. The ICT sector is underpinned by the Smart Nation Initiative and supported by existing national initiatives such as the TechSkills Accelerator (TeSA) programme run by the Infocomm Media Development Authority (IMDA), which helps aspiring mid-career workers with help and support to switch to tech roles. Outlined below are some key existing national initiatives to support the sector.

Image courtesy of Cisco

	Objective/focus	Supporting agency	Started	Target segments
Smart Nation Initiative	National strategy to leverage technology and drive digital transformation across sectors, enhance quality of life and business productivity.	Smart Nation and Digital Government Office (SNDGO)	2014	General public, businesses
Tech Skills Accelerator (TeSA)	Address skills gaps in tech industry, and support career entry/development in emerging tech fields.	IMDA	2016	Tech professionals



The **Manufacturing sector** is being reshaped and driven by the acceleration of digitalisation, deep tech innovation and new sustainability goals. The sector is also supported through national initiatives such as the SkillsFuture Series in Advanced Manufacturing, which curates industry-relevant training programmes with a focus on emerging and in-demand skills Outlined below are some key existing national initiatives to support the sector.

Image courtesy of OMRON Asia Pacific Pte Ltd

	Objective/focus	Supporting agency	Started	Target segments
Manufacturing 2030 Vision	Position Singapore as a global leader in high-value, innovative and sustainable manufacturing by 2030.	Economic Development Board (EDB)	2020	Manufacturers, industry stakeholders
Advanced Manufacturing Training and Certification	Equip workforce with skills required for advanced manufacturing roles.	SSG	2018	SMEs, job seekers



The **Retail sector** is navigating a

transformative phase fuelled by societal and digital shifts, leading to the emergence of key retail trends such as the rise in sustainability awareness, new retail models, and applications of automation and data analytics. Outlined below are some key existing national initiatives to support the sector.

Image courtesy of Decathlon Singapore

	Objective/focus	Supporting agency	Started	Target segments
National Retail Innovation Programme	Support retail businesses to undergo digital transformation through adoption of digital solutions to improve retail operations and enhance customer experiences.	Enterprise Singapore (ESG)	2022	Retail businesses, start-ups
Jobs Skills Integrator (JSIT- retail)	Integrate skills development with industry needs and help retailers transform their businesses and workforce amidst technological disruptions.	SNEF	2023	Job seekers, retail businesses



Appendix D: Ideas de-prioritised by the AfA

Several ideas were initially explored, though they were not selected for the AfA's focus. However, we encourage the industry, as well as TACs or government organisations, to consider launching pilots based on these concepts.

The table below outlines the ideas generated but were eventually de-prioritised.

Sector	Suggested ideas	Consideration for de-prioritising idea		
Leverage transferable expertise from adjacent talent pools through skills-first hiring practices				
ICT	Skills-first Hiring Playbook A framework to help guide hiring managers on how to hire for potential. The playbook would include best practices, use cases, templates, and scripts to help hiring managers adopt skills-based hiring.	There were many of similar playbooks in the market, hence members did no want to duplicate efforts.		
Improve workforc internal mobility	e agility and retention through skills-first	t workforce development to promote		
Manufacturing	Career Trial Programme A programme that offers prospective employees the opportunity to experience various roles and determine the best fit for their skills and preferences. This work-study model provides hands-on experience and aims to enhance career exploration and talent acquisition, with metrics in place to measure its success.	The subgroup felt that this idea brought about the inherent complexities of scaling across diverse organisations, particularly concerning statutory benefits and pay structures.		
	Corporate Academy A concept that involves creating a centralised platform for structured upskilling programmes within the organisation. This academy would offer targeted training and development opportunities, fostering continuous learning and professional growth while aligning with the organisation's strategic objectives.	The subgroup had concerns around feasibility and scalability within the AfA's timeframe and required government intervention for scaling.		

Sector	Suggested ideas	Consideration for de-prioritising idea
Increase job ac	cessibility for workforce segments with dive	rse needs through job redesign
Retail	Appointment-based Retail Jobs The appointment-based frontline model for highly consultative one-on- one service reduces the need for constant staff presence, encourages a commission-based sales approach, and offers greater flexibility and work-life balance across the industry.	Model is more appropriated for slower moving consumer good retailers. Shifting from walk-in service to appointment-based interactions presents a significant change management challenge, requiring substantial investment in technology and training. Furthermore, moving to a man-less store front would depend heavily on the customers' profile and service expectations.
	Reduce Retail Hours Reducing retail hours could be a strategic move for the sector to enhance both employee satisfaction and operational efficiency. By collectively working towards shorter hours, we can make retail positions more attractive, address workforce burnout, and foster a healthier work- life balance.	Retailers may be concerned about potential revenue loss from reduced operating hours in a competitive market, diminished international competitiveness as a shopping destination, job losses or reduced income for retail workers, and the challenge of adapting to changing consumer expectations in a society used to extended shopping hours.
	Retail Gig Marketplace A shared platform allowing retailers to engage in trial arrangements with potential full-time employees, features a two-way rating system for validation, eases operational pressures, and enhances accessibility for the less-abled community.	There is no innovative potential here as there are existing gig marketplace platforms such as FastGigs. Members also prefers a dedicated core workforce over gig workers, seeking employees who are trained, aligned with the company's culture, and available for specific shifts or on an ad-hoc basis, as previous experiences with gig workers from marketplaces have proven unsatisfactory.

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