KASE CHRONICLE

THE OFFICIAL NEWSLETTER OF STATE SKILL DEVELOPMENT MISSION

MAY 2026

VOL 03 ISSUE 05

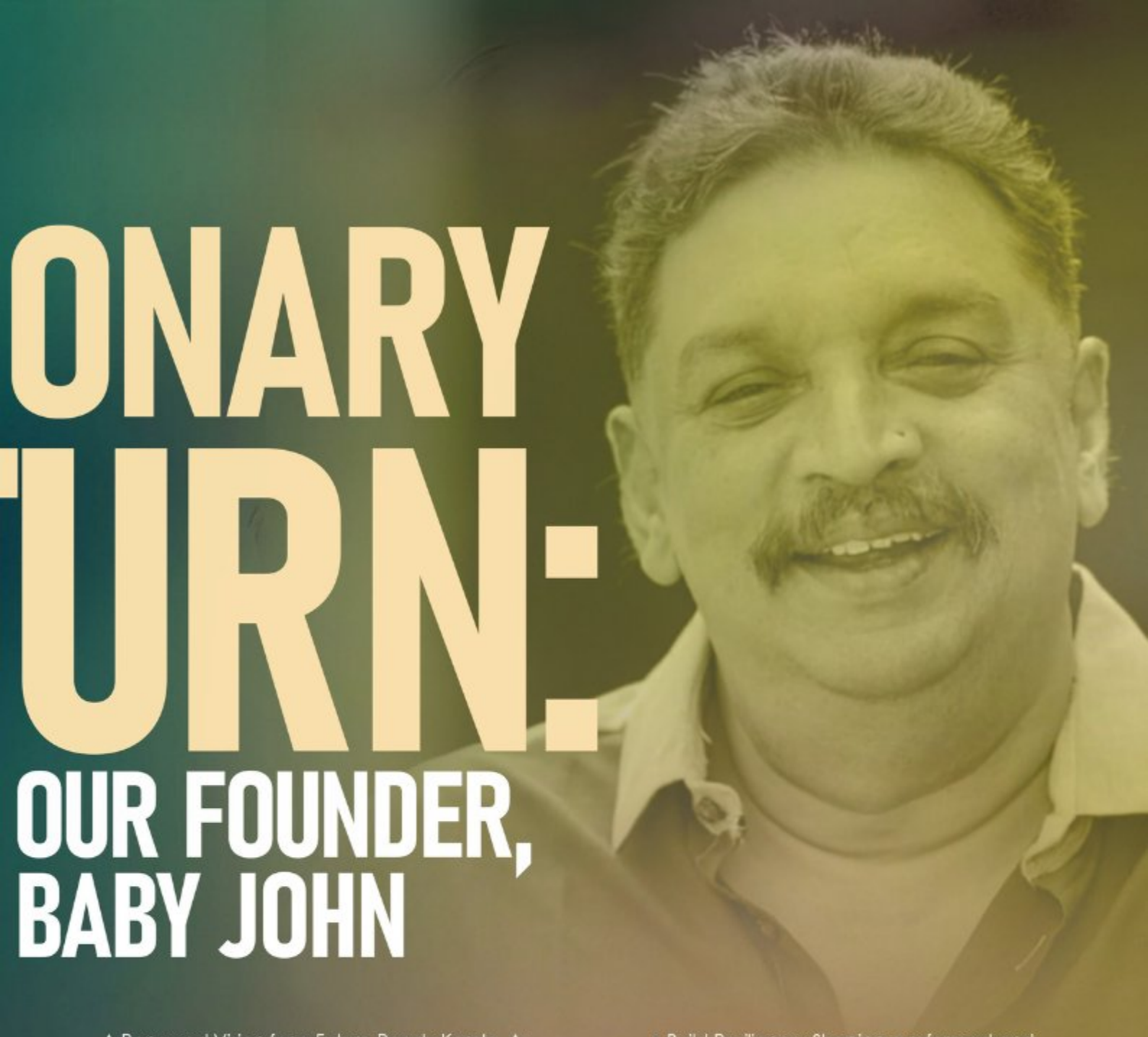
THE SKILLS ECONOMY: NAVIGATING THE WORKFORCE SHIFT FROM CREDENTIALS TO CAPABILITY

A VISI
RET
WELCOMING
SHRI. SHIBU

Kerala Academy for Skills Excellence (KASE) extends a warm and heartfelt welcome to Shri. Shibu Baby John, the Hon'ble Minister for Skill Development, Government of Kerala and Hon'ble Chairman of KASE.

For us, this is a momentous homecoming. Shri. Shibu Baby John was the architect and visionary behind the inception of KASE. He established this organization as the state's apex agency at a time when the nation was only beginning to realize the transformative power of a skilled industrial workforce.

ONARY TURN: OUR FOUNDER, BABY JOHN



A Renewed Vision for a Future-Ready Kerala. As he assumes charge as Chairman, we are confident that his leadership will be the catalyst needed to bridge structural skill gaps across the state.

Under his guidance, KASE is poised to:

- Decentralize Skill Training: Scaling initiatives by treating each district as a distinguished and unique labour market.
- Foster Inclusivity: Reintegrating vital sections of our society—including students, unemployed youth, repatriates, unorganized sector workers, and mid-career professionals—into the formal economy.
- Build Resilience: Shaping a reformed and dynamic labour ecosystem that meets global standards.

Sir, we are deeply obliged for your foundational role in our history and are inspired by the future we will build under your leadership.

Together, we will transform Kerala into a resilient, inclusive, and world-class skill hub.

Welcome back, Sir!

INDIASKILLS 2025-26: KERALA SECURES SILVER IN CYBER SECURITY AND ADVANCES TO WORLDSKILLS 2026

Kerala demonstrated a commendable performance at the IndiaSkills 2025–26 Competition, held at the India Expo Centre and Mart, Greater Noida, from 30th March to 2nd April 2026, with six candidates representing the State across various trades. Their participation reflects the consistent efforts undertaken to strengthen the skill development ecosystem and to equip youth with industry-relevant competencies at the national level.

A notable achievement for the State is the accomplishment of Mr. Harisankar and Mr. Aswin B, who secured the Silver Medal in the Cyber Security trade and have qualified for WorldSkills 2026. This achievement underscores the quality of training and institutional support extended to the candidates and stands as a significant milestone in Kerala's ongoing efforts to position its skilled workforce on the global stage.

EMPOWERING COMMUNITIES: SUCCESSFUL COMPLETION OF THE 10-DAY DIGITAL LITERACY COURSE

The District Skill Development Centre, Kollam successfully concluded its 10 Days Digital Literacy Course, a vital initiative aimed at enhancing basic computer knowledge and digital competencies. The program was carefully designed to equip learners with the essential digital skills required for daily activities, educational pursuits, and future employment opportunities. A total of 20 students actively participated in the training, which was divided into morning and afternoon batches to accommodate the learners.

To ensure a robust learning experience, the comprehensive curriculum covered a wide array of essential topics, including Introduction to Computers, Basic Operations, MS Word, MS Excel, MS PowerPoint, Internet Applications, Email Usage, and various Online Services. The ten-day program was highly interactive and learner-friendly, specifically integrating practical sessions to guarantee hands-on experience for every participant. Trainees demonstrated a keen interest in mastering these modern digital tools and applications throughout the duration of the course.

By the conclusion of the program, participants developed the practical ability to independently execute basic computer operations, draft simple documents, and design presentations. Furthermore, they are now equipped to navigate the internet safely and utilize online services efficiently. The course concluded with highly positive feedback, successfully fulfilling its goal of promoting digital awareness and significantly boosting the participants' confidence in leveraging digital technology for both personal and professional advancement.

SKILLS-BASED HIRING - THE NEW CURRENCY OF EMPLOYABILITY

A Global Shift in Recruitment Practices

Employers worldwide are increasingly moving away from degree-centric hiring and placing greater emphasis on demonstrable skills. According to LinkedIn's Workplace Learning Report 2025, organisations are prioritising candidates who can showcase practical capabilities, adaptability, and continuous learning over those who rely solely on academic qualifications. This shift is driven by rapid technological change and the need for workers who can quickly acquire new competencies.

Employers Are Looking Beyond Degrees

Recent labour market studies indicate that skills-based hiring is becoming mainstream across industries. A report by the World Economic Forum notes that employers increasingly value competencies such as analytical thinking, problem-solving, digital literacy, collaboration, and resilience. These capabilities are often viewed as stronger indicators of workplace success than educational credentials alone.

The Rise of Alternative Credentials

Digital badges, industry certifications, professional portfolios, apprenticeships, and project-based learning are gaining recognition among employers. These alternative credentials allow individuals to demonstrate job-ready skills in specific domains such as data analytics, digital marketing, cybersecurity, project management, and AI applications.

As organisations seek talent with immediately applicable skills, these credentials are becoming valuable pathways into employment, particularly for young professionals and career changers.

Fastest-Growing Skill Areas

Recent workforce reports identify several high-demand skill clusters:

- Artificial Intelligence and Data Literacy
- Digital Communication and Collaboration
- Project and Product Management
- Cybersecurity Awareness
- Critical Thinking and Problem Solving
- Adaptability and Continuous Learning

These skills are increasingly relevant across sectors, regardless of academic background.

The Skill Takeaway

The modern labour market is increasingly rewarding what people can do rather than what credentials they hold. As technology reshapes industries and job roles evolve more rapidly than ever before, employability depends on an individual's ability to learn, adapt, and

demonstrate capability. In the emerging skills economy, continuous upskilling is no longer optional—it is becoming the foundation of long-term career success.

Sources: World Economic Forum – Future of Jobs Report 2025 | OECD Skills Outlook & Coursera Job Skills Reports

SKILL TERM

Proof-of-Work Portfolio

A Proof-of-Work Portfolio is a curated collection of projects, assignments, case studies, certifications, research outputs, or practical accomplishments that demonstrates an individual's skills and capabilities. Unlike traditional résumés that list qualifications, proof-of-work portfolios provide tangible evidence of what a person can do, making them increasingly valuable in skills-based hiring environments.

Sector: Cross-Sectoral / Employability Skills / Workforce Development

SKILL THOUGHT

"The future belongs to those who learn more skills and combine them in creative ways."

Robert Greene
Author

ARTICLE

THE SKILLS ECONOMY: NAVIGATING THE WORKFORCE SHIFT FROM CREDENTIALS TO CAPABILITY

The advent of machine learning and artificial intelligence is rapidly spreading its arms around every aspect of our lives, transforming technology from a modern convenience into an unavoidable reality. Consequently, the traditional notion of education and what it means for an individual to be "qualifiable" for a job - has taken a drastic hit.

For decades, the prevailing belief dictated that earning a college degree was the singular, surefire path to securing a good job; our choice of 'major' explicitly defined our trajectory of career progression. While higher education remains a powerful foundation, the modern job market has evolved beyond the clutches of the traditional "degree-first" mindset. Today, employers are looking for far more. Candidates are no longer measured solely by their formal credentials, but by the tangible value they can create, the complex problems they can solve, how quickly they can acquire new skills, and how closely their capabilities align with fast-moving market needs.

This shift toward skill-first hiring has major implications for current students and the working-age population alike. Millions of Indians who were trained under the traditional, rote-learning education system are currently navigating a workforce that operates on entirely different rules.

The Employability Challenge in Numbers

The scale of this challenge is clearly reflected in recent national labor data. According to the India Skills Report, the national employability rate stands at 56.35%, meaning nearly 44% of educated youth entering the labor market are functionally unemployable without immediate vocational intervention (Wheebox, 2026). Furthermore, the State of Working India report highlights a stark reality: approximately 40% of young graduates under the age of 29 face unemployment due to a lack of market-relevant talent. Simultaneously, data from the

Confederation of Indian Industry (CII) Centre of Excellence on Skills reveals a severe workforce deficit, with 82% of employers reporting major difficulties in finding candidates with the required skill sets (CII Centre of Excellence on Skills, 2026).

The Disconnect: Rote Learning vs. Market Realities

The traditional Indian education system has long prioritized academic theory and memorization over practical application. This structural approach has created a severe mismatch between university curricula and the operational realities of modern industries. While students spend years earning degrees, the fast-changing market demands "Day Zero" readiness—the immediate ability to manage tasks, collaborate across teams, and execute projects. This fundamental skill gap is a primary driver of structural unemployability; graduates hold certificates that confirm their participation in school, but lack the practical competence required to function in a professional environment.

The Vulnerability of Experienced Professionals

The shift to a skills-first market does not just threaten fresh graduates; it introduces real vulnerability for experienced professionals. Mid-to-senior level employees face the risk of displacement not because they lack experience, but because their hard-earned knowledge is becoming obsolete. For instance, enterprise computing trends highlight a fundamental shift from instruction-based computing to intent-based computing, where AI agents execute workflows based on simple statements of intent. Consequently, the half-life of technical skills has dropped to just two years. Professionals who rely entirely on legacy, mechanical workflows run the risk of being replaced by agile, lower-cost junior workers who can leverage AI tools to match or exceed their operational output.

The Hidden Bias in Defining Skill

This skill gap has also reinforced an unbalanced hiring landscape. Individuals with explicit technical training—such as software engineering, data science, or cloud computing—are readily recognized as 'skilled' because their outputs are easily measured. Conversely, Arts and Humanities graduates are often treated as less valuable. Because liberal arts programs are rarely tailored to a specific technical profession, these graduates are frequently mislabeled as unskilled. This bias overlooks critical, transferable human skills—such as critical thinking, qualitative analysis, contextual problem-solving, and written communication—which are highly valuable but lack formal industry-standard validation.output.

The Cost of Inaction

If this structural imbalance continues unaddressed, millions of highly educated individuals will be forced into informal gig work or retail positions that fail to utilize their true cognitive potential. The vast pool of similarly qualified but under-skilled applicants will drive entry-level wages down, leaving many workers stuck in low-paying, interchangeable roles.

According to the United Nations World Population Prospects data 2024, India's median age was approximately 28 years, making it one of the youngest major economies in the world. Without systematic skilling, this significant demographic advantage risks turning into a challenge of chronic underemployment. The consequences will ripple across the broader economy, contributing to stagnant wage growth, severe underemployment, and the erosion of the demographic dividend.

Measures for Transformation: Strive Today, Thrive Tomorrow

As artificial intelligence, machine learning, automation, and digital technologies continue to reshape industries, employability is increasingly determined by an individual's ability to adapt, learn, and apply relevant skills. According to the World Economic Forum's Future of Jobs Report 2025, analytical thinking, resilience, flexibility, technological literacy, creative thinking, and lifelong learning are among the most important skills expected to define the future workforce. Furthermore, employers estimate that nearly 39% of existing skill requirements will change by 2030.

Redefining Education in the Skills Economy

To fix this disconnect, the educational ecosystem must undergo an operational shift. It is imperative that academic institutions co-develop course modules alongside corporate partners to ensure classroom lessons align with actual industry projects through industry-integrated curricula and mandatory project-based internships. Consequently, current evaluation metrics must shift away from standard end-of-semester written exams toward verified 'proof-of-work' portfolios and real-world case studies. Finally, universities must explicitly teach human meta-skills such as adaptability, systemic problem-solving, and digital literacy—across all majors, treating these capabilities as foundational baseline skills rather than optional electives. It is encouraging that scattered changes are happening in India to incorporate these measures; the huge target population and lack of resources still stand in the way of a drastic positive impact. While we wait for these structural changes to mature, immediate stopgap measures are essential. What does that immediate action look like?

Fresh Graduates: Transitioning from Credentials to Capability

Among fresh graduates, employers increasingly seek evidence of practical capability with greater emphasis being placed on demonstrable competencies, portfolios, projects, and problem-solving ability rather than academic credentials alone. For this, they can build visual portfolios by documenting case studies, technical repositories, writing samples, or research projects to provide verifiable "proof of work." Acquire baseline digital literacy, including basic AI awareness, regardless of academic discipline. Utilize online training platforms to acquire specialized, industry-recognized certifications and digital literacy skills that align directly with current market demands. Secure early exposure through micro-internships, apprenticeships, freelance gigs, or structured volunteer projects. Actively refine non-automatable skills, specifically analytical thinking, structured problem-solving, and professional communication. Candidates from non-technical backgrounds can lay solid groundwork by cultivating specialized expertise in AI-resistant domains like UX writing, digital content strategy, policy analysis, and technical communication. By pairing these fields with hybrid skills - such as data visualization, digital marketing analytics, and AI-assisted research workflows - they can effectively bridge the technical gap.

Experienced Professionals: Sustaining Seniority through Relevance

For mid-to-late-career professionals, staying relevant requires shifting from executing routine tasks to managing high-level strategy and technological integration. This can be achieved by mastering the AI and machine learning tools transforming their respective industries and using them to augment daily productivity. They can also elevate their strategic value by sharpening capabilities in data-driven decision-making, stakeholder management, and organizational leadership, and committing to the 'Everboarding' approach, which is essential to outpace skill degradation.

The Future Belongs to Lifelong Learners

Long-term career security no longer depends on a single, static qualification. The World Economic Forum highlights adaptability, resilience, technological literacy, and lifelong learning as the definitive differentiators for career longevity. Ultimately, future success belongs to the hybrid worker—the individual who pairs sharp technical literacy with durable human capabilities like creativity and critical thinking. The choice is no longer about which career ladder to climb, but how quickly you can evolve. So, the final question remains: will you wait to become redundant, or will you choose to stay relevant ?

STRATEGIC DISCUSSIONS ON SKILLED MIGRATION: KASE HOSTS GERMAN CONSULATE DELEGATION

Kerala Academy for Skills Excellence (KASE) recently had the privilege of hosting Ms. Annett Baessler, Deputy Consul General of the Federal Republic of Germany, and Ms. Kaja Schwarm, in charge of Cultural Affairs at the German Consulate, at its office. The meeting focused on exploring areas of mutual interest, particularly in the domain of skilled migration, and strengthening collaboration between Kerala and Germany in developing a globally competent workforce.

The delegation was received by Shri. Sufiyan Ahmed IAS, Managing Director, along with Shri. Vinod T. V., Chief Operating Officer, and Dr. Vinutha H.M, Deputy General Manager (Operations & Strategy). Discussions centered on enhancing pathways for international mobility, aligning skill standards, and fostering strategic partnerships. This interaction marks a significant step towards building sustainable international linkages and expanding opportunities for Kerala's skilled talent pool.

Department of Labour and Skills
Government of Kerala

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