



2025

A Smarter Way to Find the Right Talent

Implementing Effective Skills-Based Hiring

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Implementing Skills-Based Hiring: A Smarter Way to Find the Right Talent



How much can you learn about someone from a CV?

These documents might offer a brief insight into a candidate's previous roles or credentials, but they don't show you how competent a candidate will be, or how well they'll mesh with your company's culture.

These days, they may not even tell you if your candidate has the skills they'll need to thrive in a specific role. After all, with innovations in AI and technology happening constantly, a degree in a particular topic doesn't necessarily guarantee a candidate's future success.

That's why 72% of hiring managers prefer skill-based hiring over CV assessments.

Ultimately, hiring the right talent has become much harder. Economic pressures, rising operational costs, and what's now called a "bifurcated labour market" are making it even more difficult. Some sectors struggle to fill roles, while others face an oversupply of candidates. It's a confusing, frustrating landscape for both employers and job seekers.

That's why a skills-based approach is so valuable. In 2025, organisations that shift their focus to examining real capabilities rather than credentials will be better positioned to adapt, innovate, and grow.

The Limitations of Traditional CV-Based Hiring

It's estimated that around 60% of companies use CV screening in the hiring process.

That's nothing new - employers have relied on these documents for decades, typically using software to immediately "narrow" candidate pools based on specific credentials.

Unfortunately, this approach doesn't work. Often, your hiring team or automated system will automatically ignore candidates who could be ideal for a role just because they haven't listed a particular skill or credential.

One Harvard Business Review report found that around 61% of employers reject qualified candidates because they don't meet "degree" requirements. However, someone without a degree could still be incredibly valuable for a role if they have the right skills.

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Plus, it's worth remembering that roles change faster than educational paths evolve. Today's candidates don't always have degrees in things like "data science" or machine learning, but they could have transferrable skills that align with those roles.

Beyond that, traditional hiring methods have inherent biases. Hiring teams have a habit of inadvertently favouring candidates from specific backgrounds or people with a certain amount of experience.

Unfortunately, AI can sometimes make this bias problem worse. Although AI screening tools save hiring teams time, they can also prioritise candidates based on the existing CVs and employee data they're trained on.

What is Skills-Based Hiring?

Many experts believe skills-based hiring is the future of recruitment. This strategy focuses on a candidate's competencies – both technical and interpersonal – over traditional things like previous job titles or degrees.

The idea is that instead of trying to estimate whether a person will be effective in a role based on what they've accomplished in the past, you look at what they can do now and what kind of potential they'll have in the future.

Skills-based hiring encourages a careful evaluation of all types of skills:

- **Hard Skills:** These are measurable, job-specific abilities acquired through education or training, such as proficiency in a programming language or expertise in data analysis.
- **Soft Skills:** These encompass interpersonal attributes like communication, teamwork, and adaptability, which are crucial for effective collaboration and leadership.
- **Transferable Skills:** Skills applicable across various roles and industries, such as problem-solving or critical thinking, allow individuals to adapt to different job functions.

So, why is this approach so valuable? Skills-based hiring opens doors for a broader range of candidates by focusing on actual abilities rather than formal qualifications. It allows you to overcome the biases in traditional hiring practices and offer opportunities to individuals from diverse backgrounds.

This doesn't just improve DEI metrics – it means you gain access to more valuable talent, at a time when 87% of global companies are experiencing skill gaps.

Benefits of Skills-Based Hiring for Employers

Studies from McKinsey show that skills-based hiring is incredibly valuable. It expands your talent pool, creates a more resilient workforce (through diversity), and accelerates the hiring cycle. When you focus on skills first, you get:

Access to a Broader Talent Pool

Companies can tap into a more extensive and diverse candidate base by prioritising competencies over traditional credentials. Some studies suggest skills-based hiring can expand the talent pool by up to ten times. In the landscape where access to talent is limited, this greatly impacts your ability to fill skill gaps fast.

Enhanced Diversity and Inclusion

Focusing on skills, rather than arbitrary things like degrees and prior experience, helps reduce biases in hiring, creating a more inclusive recruitment process. That means you end up with a more diverse team, more capable of innovating and sharing unique perspectives. Research shows diverse teams lead to more profitable companies – diverse companies are 70% more likely to capture new markets and 87% better at making decisions.

Better Retention and Reduced Turnover

A skills-focused approach can streamline hiring, resulting in significant cost and time savings. Organisations have reported up to a 91% faster hiring process and nearly a 90% reduction in hiring costs.

Moreover, candidates selected based on their competencies are more likely to excel their roles, leading to higher job satisfaction and reduced turnover.

Practical Implementation: A Step-by-Step Guide

So, how can companies embrace the era of skills-based hiring? Ultimately, it's all about rethinking how you review candidates.

Step 1: Conduct a Skills Audit of Current Roles

Begin by analysing existing positions to identify the specific skills and competencies required for success. The important thing to remember here is to take a forward-thinking approach. Don't just consider the skills team members need now.

Think about the skills relevant to your roles in the future. According to the [World Economic Forum](#), around 40% of the skills that today's employers screen for might be obsolete by 2030.

Step 2: Update Your Job Descriptions

Stop listing things like "degree in [x]" or "[x] years of experience in [role]" on your job descriptions. Instead, focus on the skills you need.

Clearly outline the essential competencies you're looking for and why they matter, such as "knowledge of data analysis" or "excellent team collaboration skills". This will help you attract a broader pool of candidates.

Step 3: Design Skill Assessments

Instead of validating whether candidates have the right skills based on their credentials, put their competencies to the test. Create assessments that accurately evaluate each candidate's reasoning skills, data knowledge, or cognitive abilities.

This will show you whether your employees can leverage the abilities they have in the workplace.

Step 4: Implement Structured Interviewing Techniques

Structured interviewing is a great way to remove bias from the hiring process and gain a deeper insight into the potential of the people you meet.

Create a list of specific questions that probe your candidate's abilities, experiences, and behaviours. Consider using a scoring mechanism to evaluate everyone's responses fairly.

Step 5: Leverage Technology Effectively

AI and automation can create problems in the recruitment process, but they can also be helpful. Train your models to identify the key competencies linked to a role in candidate applications and assessments. Use predictive analysis tools for deeper insights into which candidates might have the most potential based on their abilities.

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Step 6: Address the Need for Upskilling

As roles continue to change, there's a good chance you won't find a candidate with the complete set of skills you're looking for. With that in mind, ensure you have a plan for upskilling. Look for ways to build on impressive candidates by giving them access to new training resources, mentorship programs, and online courses.

Overcoming Common Challenges and Resistance

Although many companies are discovering the benefits of skills-based hiring, certain team members and employees might still resist a shift to a new strategy. Most hiring managers are used to focusing heavily on CVs and resumes.

The best way to address this issue is with education. Show your hiring managers clear evidence of the benefits of a skills-based approach, such as improved performance and diversity outcomes. Engage stakeholders through workshops and discussions that address their concerns.

During the transition period, gather as much data and feedback as possible. Highlight how skills-based strategies are reducing hiring costs or improving productivity.

Remember to focus on a comprehensive approach to assessing skills, too. While it's important to find candidates with the right technical skills, it's much easier to "teach" hard skills than to reshape a candidate to fit your company culture.

Skills-based hiring should incorporate evaluations of interpersonal skills and adaptability to maintain and enhance a cohesive workplace culture.

Rethinking Hiring for a More Resilient Workforce

Ultimately, for companies, the case for skills-based hiring has never been stronger. In the years ahead, demand for these strategies will only grow. Thanks to the impact of AI and automation, the types of skills companies need in their employees are changing at an incredible pace.

Human skills, such as resilience and adaptability, are becoming increasingly important, and these competencies cannot be measured in degrees and certifications.

Switching your attention to skills over CVs will ensure you can more rapidly adapt to a changing market and access a wider range of talented professionals. It's the key to faster, more effective, and more strategic hiring in a dynamic world.



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A little about Recruit Recruit Ltd



When you're looking for top talent, great team and culture fit, and that "just the person we're looking for", we've got you covered, having over 30 years' experience in recruitment, sales, recruitment sales, leadership and training.

In business, people will be your greatest asset.

They can also bring your biggest problems, so we've assembled the 'people problems people' to help in all areas.

We work with businesses of all types and sizes and they are often at different stages and have varying levels of internal resource and expertise. Your needs may be very different to our other clients so we have a range of DIY, done with you, and done for you options available.

We specialise in:

- Permanent & Interim Recruitment
- Executive Search & Critical Hires
- Start-up & Scale-up growth projects
- Freelance Internal Recruiters
- HR Consultancy & Services
- Training & Development

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