



5 Steps To Implementing **Skills-Based** Hiring

“ 60% of businesses say that skills gaps in the local labor market hold back the transformation of their business – the top barrier globally.

(WEF)

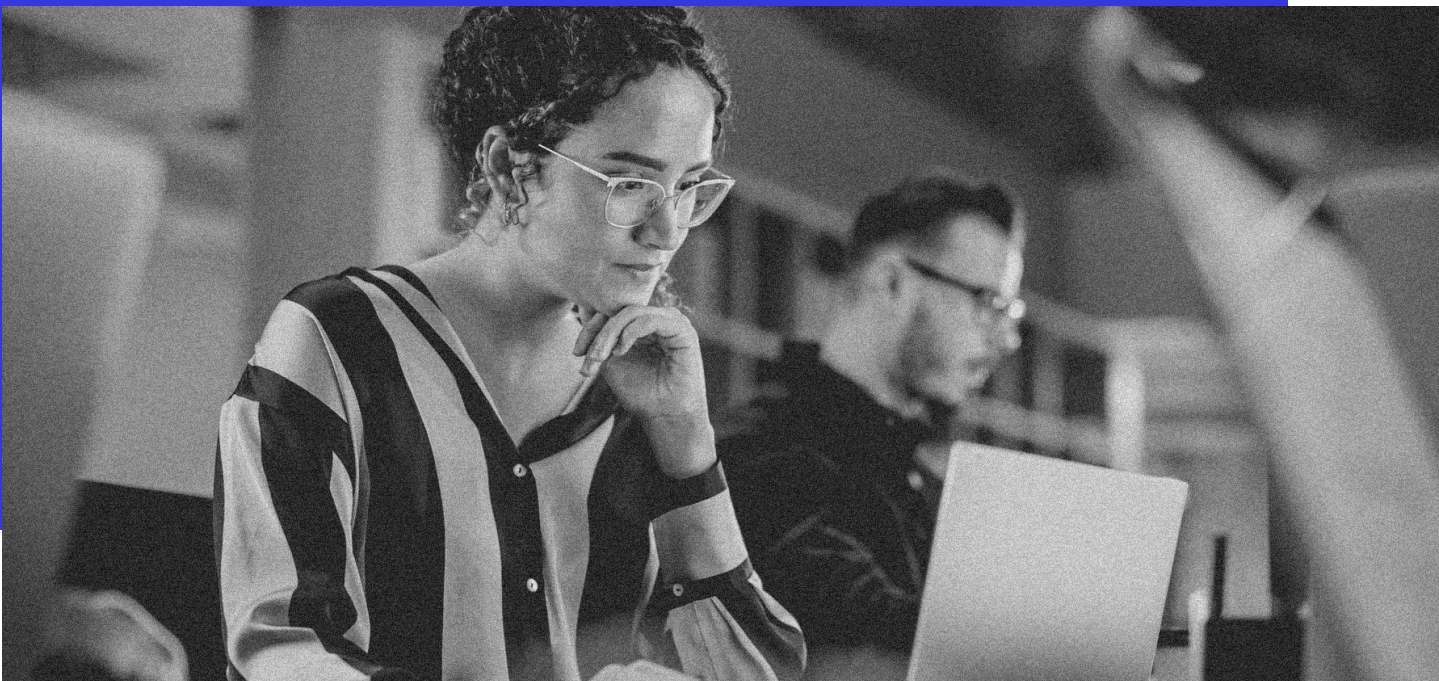
As businesses navigate skills shortages, and evolving workforce dynamics, adopting a new hiring approach that is actually focused on skills has become far more popular. It has been discussed in the HR community for a number of years, but – in part thanks to the very technology that is disrupting jobs in other ways – skills-based hiring at scale is now a feasible reality.

And it makes a huge impact on a business. Applying skills-first approaches doesn't just help to close skills gaps and lead to business growth – it enhances diversity, improves the experience for candidates, and boosts Talent teams' productivity.

- 80% of business executives think skills-based hiring would reduce bias and improve fairness (Deloitte)
- 82% of employers using skills-based hiring said that it would reduce their time to hire (Talent Tech Labs)
- Skills-based hires have a 9% lengthier tenure at their organizations compared with traditional hires. (BCG)

But, in large enterprises, these benefits can only be fully realized with investment in a smart skills data infrastructure, appropriate talent management technology, and clear, impactful communications to encourage buy-in and adoption.

This checklist outlines practical steps organizations can take to transition towards a skills-centric talent acquisition model, to realize the many benefits of prioritizing people's skills and capabilities over experience, education and previous job titles.



1. PLAN & MOBILIZE

✓ Get Leadership Alignment:

- Before embarking on such a big organizational shift, and tech investment, ensure you have alignment among leadership – particularly around the importance of skills-based hiring for [business success](#).
- Perhaps find some friendly leaders who are going to really champion this effort alongside HR – it will be most effective if it's seen as business-led.
- Collaborate with HR leadership to think about how you will integrate skills-based practices into talent acquisition strategies.

✓ Assess Readiness:

- Evaluate HR teams' readiness to adopt new technology and data management systems. Is now a good time for systemic change? What are their fears, and how can you manage them?
- Gauge employee buy-in and readiness for participating in skills-based hiring initiatives. (Designing the communications you will need later, starts with understanding sentiment today.)

✓ Define Project Scope:

- Establish clear project ownership, scope, and budget for skills-based hiring initiatives.
- Ensure you are clear on the outcomes you are hoping to achieve, and have criteria ready for assessing any partners joining you on the skills-based hiring journey.

2. BUILD A FOUNDATION OF RELIABLE SKILLS DATA

✓ Develop A Skills Taxonomy:

- Create a [standardized skills taxonomy](#), to ensure consistency across job roles and departments. This is an important early step to make skills-based hiring successful.
- Use AI-powered tools to automate the maintenance and updating of the skills taxonomy, and ensure it works for the context of your organization (including industry, size, and unique challenges).

✓ Collect Comprehensive Data:

- Gather comprehensive data on skills across the organization, including existing employees as well as previous applicants, proactively sourced candidates, and wider talent pools.
- Integrate data from various sources into a centralized talent data ecosystem, such as platforms like Beamery.

✓ Enhance Your Data:

- [Enrich talent data using AI](#) to bridge knowledge gaps and ensure accuracy.
- Standardize your skills data, to ensure that data coming from different sources all has the same meaning.
- You can also use AI-powered platforms like Beamery to maintain the accuracy and completeness of your skills data on an ongoing basis.
- If possible, [bring in external market data](#) to help you make better decisions around where, when and how to recruit for the skills that you need, based on cost, availability, and demand in your industry.

✓ Operationalize:

- Create a skills database that works with your ATS, CRM and HRIS. Ensure that there are integrations between your HR technologies, in order to create alignment between recruitment and other parts of the Talent function.

3. RETHINK “WORK”

✓ **Catalog Work Requirements:**

- Establish what kind of work needs to get done within the organization, to meet the broader business objectives.
- Identify the departments, types of projects, and day-to-day work that is completed.
- Consider which skills are necessary to complete this kind of work.
- Catalog the roles and the business, management and cultural tasks involved with each role.
- Break each task down by the skills required to complete it.

✓ **Build or Improve Your Job Architecture:**

- Assess whether your job families are fundamentally correct and aligned around common skills and types of work.
- Update (and consolidate) job descriptions to reflect the skills needed to carry out the work. These will need to be kept up to date, so it would be a good idea to explore a [Dynamic Job Architecture](#), to automatically match skills to job descriptions on an ongoing basis.
- Utilize generative AI capabilities, such as [TalentGPT](#), to produce skills-based job descriptions “automatically”.
- Ensure job descriptions are aligned with [labor market trends](#), including the more or less ‘popular’ skills amongst competitors, and the cost and availability of in-demand skills in different geographies.

4. DEPLOY SKILLS-BASED HIRING

✓ Consider a Pilot:

- As with any large transformation, you may wish to pilot skills-based hiring within a select group of business areas, using those experiences to refine your approach before scaling it across the organization. Lean on the friendly leaders identified in step one!

✓ Upskill Hiring Managers and Recruiters:

- Provide training to hiring managers and recruiters on how to use skills-based hiring resources effectively. This training is typically a combination of change management practices as well as cultural change management.
- It may also be the time to introduce them to tools like the [Hiring Manager Hub](#) from Beamery, where they can collaborate with recruiters to refine job descriptions, view and prioritize shortlisted candidates, provide notes on suggested candidates, and ultimately make hiring decisions (all based on skills!).

✓ Integrate Skills-based Practices

- Evaluate all stages of the candidate journey and ensure they are aligned with the new skills based approach. Ensure ads and talent marketing are based around skills, with interviews and assessments focused on someone's capabilities.
- Consider how AI powered by skills data can help you [match talent to roles](#), through smart recommendations – further reducing human bias in the review and selection process.

✓ Communicate the Benefits:

- Ensure different teams see the value in moving to a skills-first approach. It is worth reiterating the benefits around efficiency, reducing time to hire (and external agency spend), and making more productive hires quickly.
- The wider organization may also be interested to hear about how a skills-first approach accelerates diversity and inclusion efforts, by widening the talent pool and surfacing candidates who may never have applied to the particular role, but can (now) see how their skills are relevant.

5. MEASURE & IMPROVE

✓ Select Key Metrics:

- Identifying key metrics as an organization that aligns with your use cases for skills-based hiring will be key in measuring the success of your efforts (and in building a strong case for executives).
- Some common metrics include time-to-fill, cost-per-hire, sourcing channel spend, quality of hire, talent diversity pipeline, number of internal hires, or new employee performance.

✓ Continuous Improvement:

- Continuously analyze insights derived from your skills data, to drive improvements in talent acquisition processes.
- Embrace a culture of learning and skill development, to adapt to evolving workforce needs. Can you look at how internal mobility can be better activated, through your new skills-first approach?
- Iterate and adjust as necessary. Skills-based hiring, like all skills-centric approaches, requires iteration and time to adjust, especially as you challenge existing methods in an organization. Talent is always evolving and your skills data will need to stay dynamic as a result. Measure your pre- and post-implementation performance, and look for areas to improve and optimize.

✓ Move Beyond Recruitment:

- When you see the benefits of skills-based hiring and have it fully adopted across your business, you may consider bringing skills intelligence into other parts of the employee experience, to inform workforce planning, and to help with upskilling initiatives.

[Learn more about skills-based hiring in this guide from Talent Tech Labs.](#)

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