



Skills-Based Hiring

How hiring for verified skills, not degrees or years of experience, can widen your talent pool, make your workforce more efficient, and position your company for the future of work.



Executive Summary

In this increasingly competitive job market where skills requirements are changing because of automation, it's more important than ever to adopt skills-based hiring practices. Reasons to use skills-based hiring:

- » Your organization gains access to a wider talent pool.
- » It forces your organization to do a deep dive into each position, creating clarity and focus.
- » Workers with a strong skill set will carry your company into the future.

But skills-based hiring alone will not be enough. Verification of those skills is vital. Digital credentials allow you to quickly and easily determine which candidates really possess the skills they claim to have on their resumes.

In this whitepaper, we'll look at skills-based hiring, why it's important for your organization, why verification is vital, and how reskilling and upskilling workers you already have is a key to remaining competitive in the global marketplace (and will ultimately save your organization time and money).

Skills-Based Hiring: What it is and Why You Should Use it

Skills-based hiring involves using specific, verified skills and competencies as baseline job requirements rather than focusing solely on unreliable proxies, like a college degree or a set number of years of experience. Why shift to this hiring model? Myriad reasons exist, but they all boil down to positioning your company for the future of work with engaged employees who have the skills to excel.

A wider talent pool

Skills-based hiring widens the talent pool by allowing you to consider people who you might otherwise have excluded on the basis of degree qualifications. It opens up the playing field to people without traditional, four-year degrees, those with gaps in their employment history because they have hit the pause button in their careers (such as caring for children or elderly parents), or candidates whose work experience may not fit the historic mold that hiring was based on.

Focus

Skills-based hiring narrows your focus and gives your organization more clarity into what each department may actually need to fulfill tasks.

Enhanced performance

Skills-based hiring forces your organization to do a deep dive into each position in your company, coming back with the exact requirements for success in each position. It ultimately makes your organization more nimble and efficient, increasing performance, and cutting down on time-to-hire, which reduces human resources costs.

The future of work

As automation continues to transform and disrupt workplaces, the skills necessary for individual jobs will transform as well. By focusing on those skills when hiring, you will better position your organization for the future of work.

Higher education is shifting toward workplace skills

According to the World Economic Forum¹, 75 million jobs will be displaced and 133 million new roles will emerge by 2022 because of automation. As a result, universities like Northeastern University are shifting toward skills-based education, offering microcredentials and badges for specific skills, both hard and soft, rather than simply awarding a blanket degree. It means that, in the not-so-distant future, job candidates will be applying with verification of the specific skills they learned along the way toward their degree.

It's clear that skills-based hiring is a win for your organization, but there is one key element that is absolutely vital to its success: Verification.

Skills-based hiring uses specific skills, rather than a degree or years of experience, as the baseline requirements for a job.

Verification is Vital

Skills-based hiring will make your organization more efficient, productive, and well-positioned for the future of work. But one element can derail your best efforts when hiring people for specific skills: the lack of verification of those skills.

A claim on a resume—proficiency in Adobe or Excel, for example—is just that, a claim. It's self-reported. How do you know that a candidate possesses the tactical skills they're saying they have?

One powerful tool in skills-based hiring is [digital credentials](#), badges that include details and evidence (with extensive metadata) that prove the achievement, accomplishment, skill or learning your organization needs was actually earned by a candidate. Colleges

and universities across the globe are already issuing these types of credentials, proving students' proficiency in the specific skills that paved the way toward their degrees. Now, more and more companies like Adobe, Oracle, IBM, Dell, and more, are issuing digital credentials that support hiring on the basis of verifiable skills.

When a hiring manager finds digital credentials on an applicant's resume, it's easy to vet the fact that the applicant actually has the skills he or she is identifying.

Closing the Skills Gap

Much has been written about the "skills gap"² that is widening in this country. What does it mean? The skills gap is the discrepancy between the skills workers have now and the skills that will be required by organizations in the future to compete in the ever-automated global marketplace.

What economists at the World Economic Forum are calling the "fourth industrial revolution"³ is bringing rapid-fire changes to the workplace, like technology—artificial intelligence, robotics, and nanotechnology—that automates jobs once done by a manual workforce.

It means greater efficiency and speedier production but it also means people will either be displaced from their existing jobs or find themselves needing new skills to do new and/or redefined jobs. The World Economic Forum's Future of Jobs report predicts that more than half of all U.S. employees will require additional training and significant upskilling by 2022.

And we're not just talking about manufacturing jobs. White-collar jobs will be affected, too. The skills gap can reach all the way into the C-suite.

So, jobs are changing and the skills needed to do those jobs are changing, too. That's a powerful reason to use skills as the currency for employment.

How to Identify the Skills Needed for Each Job

In the past, recruiters and hiring managers have used the requirement of a college degree to weed out candidates in their pool of applicants. For some jobs, degrees must be required (doctors and accountants are non-negotiable, for example), but a degree alone is no guarantee your candidate will have the hard and soft skills necessary to succeed in the job, especially in knowledge-based roles such as marketing or customer success.

The first step in shifting your hiring practices toward a skills-based approach is to identify the skills needed to perform each job successfully. This can seem like a monumental task company-wide. But ultimately, doing a deep dive into each position in your company, identifying the specific skills necessary to perform that job at a high level, and then hiring on the basis of those skills, will make your company more efficient, productive, and profitable. In other words, yes, it's a big job. But well worth the effort. How do you start?



Soft skills like communication and teamwork are often overlooked, but necessary to most jobs.

Here are some ways to deconstruct jobs into the skills required to do them:

- » Think about the day-to-day processes, procedures, and responsibilities of each position in your organization. Departmental managers are a great resource for this. Ask for current job descriptions to begin this process.
- » Talk with your star performers about the skills and competencies necessary to be successful in the

job. What do they bring to the table that allows them to shine in their jobs?

- » List the hard skills necessary to perform the job duties successfully. Hard skills are easily measurable. They can be thought of as the technical abilities a candidate has learned either in the classroom or on-the-job. They're things like proficiency in Adobe Photoshop, Excel, Blockchain and other applications; math skills; licenses or other professional credentials that have been earned; and abilities like operating machinery.
- » List the soft skills necessary to do the job. These are oftentimes overlooked in a traditional hiring model but are vital to many positions. Soft skills include interpersonal skills, creativity, teamwork, communication skills, problem solving and traits that make up who the candidate is as a person.
- » Think about which of those skills are required on day one, and which may be acquired over time.
- » Take a hard look at how each job in your organization may change as a result of automation. What new skills might be required in the future?

The next step in the process is writing a skills-based job description.

Talk with your star performers and managers about the skills and competencies necessary to be successful in the job.

Writing a Skills-Based Job Description

Writing a [skills-based job description](#) is simply a matter of listing all of the skills, both hard and soft, that you uncovered in your deep dive.

- » Look at the current job description you're using and deconstruct it, breaking it down into the unique skills required.
- » Make sure to include information about your company culture, job description, and any other important information job seekers need to know.

After going through this process, you'll have a clearer, more focused understanding of the skills required of each position in your organization. And that will lead you to make stronger, better hires.

Reskilling and Upskilling

All of this focus on the skills necessary to perform each job in your organization will likely lead to the revelation that different skills may be needed for not just optimal productivity but growth and innovation as well, if not now, then in the not-so-distant future. That's the skills gap coming into play again. Closing that gap is not just about hiring people with the skills you need, though that's a big part of it. It's also about retraining the people you already have.

It's called reskilling or upskilling, and it's a hot topic in HR circles today. Here's why:

Remaining competitive

That recent study by PwC, *Talent Trends 2019: Upskilling for a Digital World*⁴ found that 79% of CEOs worry about the skills of their workforce and whether they will be sufficient to meet the company's needs in a rapidly changing marketplace. Of those, 55% feel that the skills gap is hampering their company's innovation.

Digital demands

That same study by PwC found that, by this year, 80% of jobs will require digital competencies. That's great news for Millennials and Gen Zers, who are digital natives and have grown up alongside emerging technology. But what about Gen X and Boomers in the workplace?

More soft skills

Because of increased automation, many jobs will require a different skill set to include the types of soft skills the bots can't do, like communication, empathy, teamwork, and more.

Millennials want career development

Hiring top talent is increasingly difficult in this job market, and one powerful tool to use to attract the best and brightest is the opportunity for career development and continuous learning. Offering training in skills that will help employees climb the ladder is vital.

Verifying Internal Skills

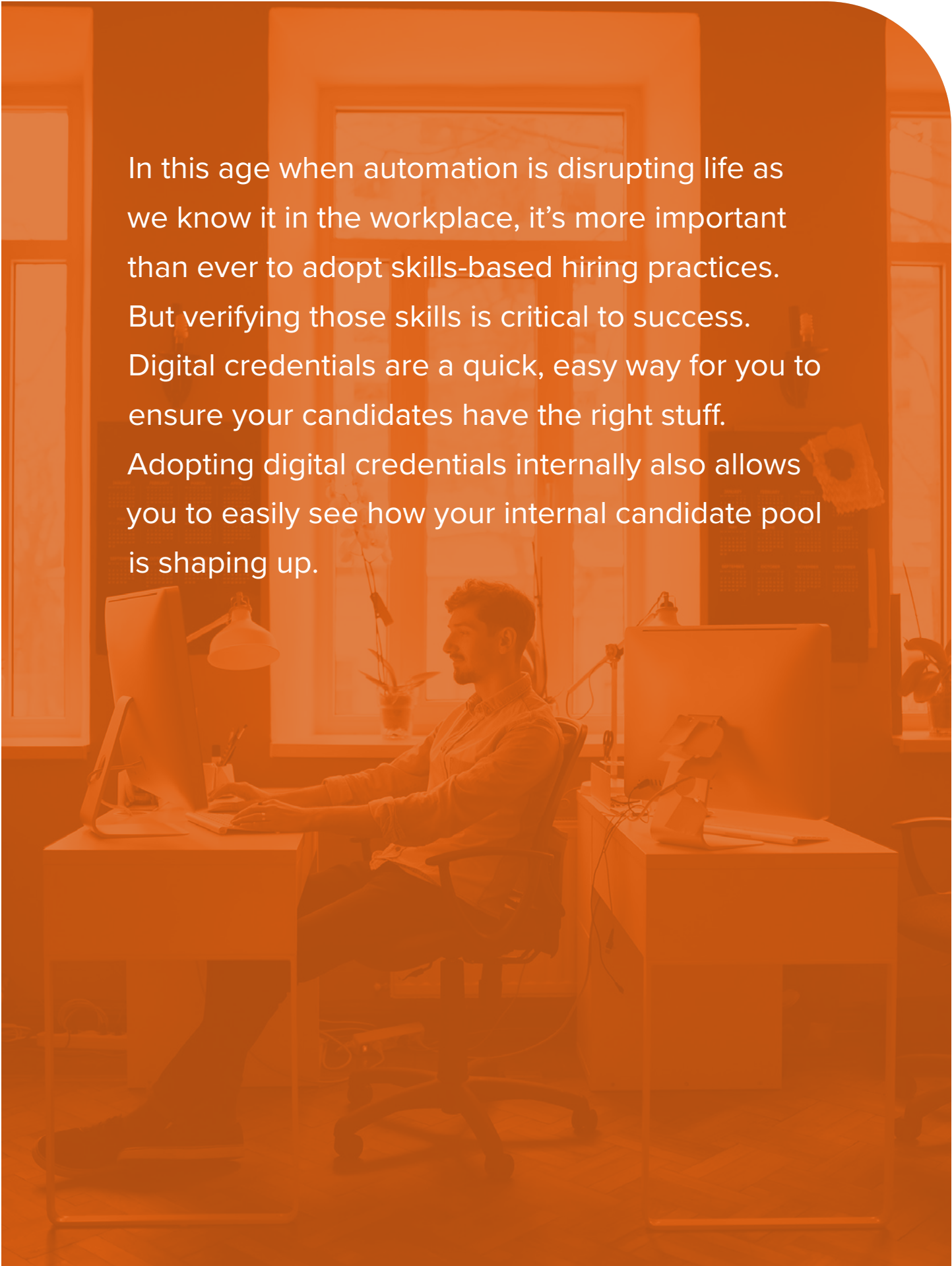
Just as digital credentials allow you to easily verify the skills of job candidates, they are also a great resource to use internally. Digital credentials or badges of achievement allow you to:

- » Engage and retain employees through verifiable career development and advancement.
- » Create a reskilled, powerful workforce to carry your company into the future.
- » Quickly identify internal candidates for advancement via their skills.
- » Provide opportunities for employees to promote themselves, feel pride in their accomplishments, and enhance their own profiles.
- » Easily see how many employees have earned badges, instantly viewing the talent inventory in your organization

Endnotes

- 1) [Future of Jobs 2018](#)
- 2) [Forbes](#)
- 3) [World Economic Forum](#)
- 4) [PwC](#)

In this age when automation is disrupting life as we know it in the workplace, it's more important than ever to adopt skills-based hiring practices. But verifying those skills is critical to success. Digital credentials are a quick, easy way for you to ensure your candidates have the right stuff. Adopting digital credentials internally also allows you to easily see how your internal candidate pool is shaping up.



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