

**THE ULTIMATE GUIDE TO**

# **SKILLS BASED TALENT TRANSFORMATION**

**EVERYTHING YOU NEED TO KNOW TO DEVELOP A  
SUCCESSFUL SKILLS-FIRST TALENT TRANSFORMATION**

**DAVID LEASER**

# 37%

of the average job's skills have been replaced just over the past five years.

([Boston Consulting Group](#))

# 1/3

of the top 20 skills listed in US job postings have changed since 2016. ([Boston Consulting Group](#))

## Introduction

Jobs are changing at a rapid pace and the pace at which job skills become obsolete is accelerating.

More than a third of the top 20 skills listed in US job postings have changed since 2016, and one in five skills is an entirely new requirement for that job.

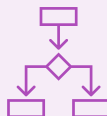
A study by the Boston Consulting Group found that 37% of the average job's skills have been replaced just over the past five years. That means workers need to constantly learn new skills to stay ahead of the curve. Several factors are contributing to the rapid pace of skill obsolescence. These include:

- **Technological change.** New technologies are constantly being developed, which can make existing skills obsolete.
- **Globalization.** Workers from all over the world are now competing for jobs, which means that employers are looking for workers with the most up-to-date skills.
- **The changing nature of work.** The nature of work is changing, with more emphasis being placed on creativity, problem-solving and collaboration. This means workers need to have skills which are transferable across different industries and job roles.

## Skills which are most likely to become obsolete



**Technical skills** which are specific to a particular software or hardware platform.



**Business process knowledge** which is becoming outdated as the nature of work changes.



**Non-transferable skills** which cannot be used in emerging new roles or new industries.

# Four big trends in skills change

Across all occupation groups and skill categories, four big trends in skills change are emerging. They include the need for:

1. **Digital skills in nondigital occupations.** Digital skills are needed in nearly all industries and roles now. If you have had your oil changed in your car, you will notice mechanics now use Customer Relationship Management (CRM) software. Roles across industries now demand technical fluency from data analysis to digital marketing and networking.
2. **Soft skills.** Digital jobs now require distinctly human skills. from verbal communication and listening to relationship building and ethics.
3. **Visual communication.** With the proliferation of data, people become overwhelmed if the information is not presented in an easily digestible way. The use of data visualization has grown across companies, becoming increasingly important even outside of traditional data occupations.
4. **Social media skills.** Many jobs now demand social media knowledge to keep pace, including experience with Facebook and LinkedIn. These jobs require employees to be able to craft good messaging, create attractive visual content and measure the performance.

These trends in skills change have important implications for HR professionals and business leaders.

## Leaders must:

- ✓ Identify **better ways to continually assess** these capabilities.
- ✓ Build programs, **including incentive programs**, to ensure employees have these skills to be successful in their roles.

# 1%

**Fewer than 1%, only 0.203%, of all jobs globally require a college degree.**

~ World Bank

# The rising importance of soft skills is disrupting training and hiring

Soft skills, also known as “durable” or “human” skills, have become more important in the labor market. World Economic Forum's New Metrics CoLab with Coursera found skills like writing, strategy and listening are now ranking higher in demand than technical skills like Python programming and Algorithms.

## Top 10 in-focus skills of those in employment

Rank	2019	2020
1	Python Programming	↑ Writing
2	Artificial Neural Networks	↑ Strategy
3	Algorithms	↓ Python Programming
4	Regression	↑ Mindfulness
5	Strategy	↑ Meditation
6	Deep Learning	↑ Gratitude
7	Writing	↑ Kindness
8	Supply Chain	↑ Listening
9	Cloud Computing	↓ Algorithms
10	General Statistics	↑ Grammar

Source  
 Coursera, produced for the World Economic Forum's New Metrics CoLab.

# Job descriptions are changing, too, and the valuable skills are human

Using Lightcast job postings, researchers from the Burning Glass Institute found the job descriptions are changing, too.

Of the top 24 Knowledge, Skills Abilities and Other Attributes (KSAOs) which provide the highest market value, 17 represent skills which have cognitive capability and personality trait components.

# 71%

of the top 24 KSAOs which provide the highest market value represent cognitive capability and personality traits.

~Burning Glass Institute

## Top 24 KSAOs providing the highest market value in the United States 2022

- 1. Growth Mindedness**
- 2. Dealing With Ambiguity**
3. Employee Onboarding
4. Product Strategy
- 5. Cultural Responsiveness**
- 6. Thought Leadership**
7. Product Roadmaps
- 8. Executive Presence**
- 9. Team Performance Management**
- 10. Humility**
- 11. Relationship Management**
- 12. Self-Awareness**
- 13. Emotional Intelligence**
- 14. Learning Agility**
15. Market Trend
- 16. Intercultural Competence**
- 17. Team Motivation**
- 18. Change Management**
19. Data Management
- 20. Ideation**
- 21. Risk Mitigation**
22. Go-to-Market Strategy
23. Software As A Service (SaaS)
- 24. Intellectual Curiosity**

**Values in BOLD** represent skills which have cognitive capability and personality trait components

Source  
2022 Gad Levanon, Burning Glass institute using Lightcast job postings data

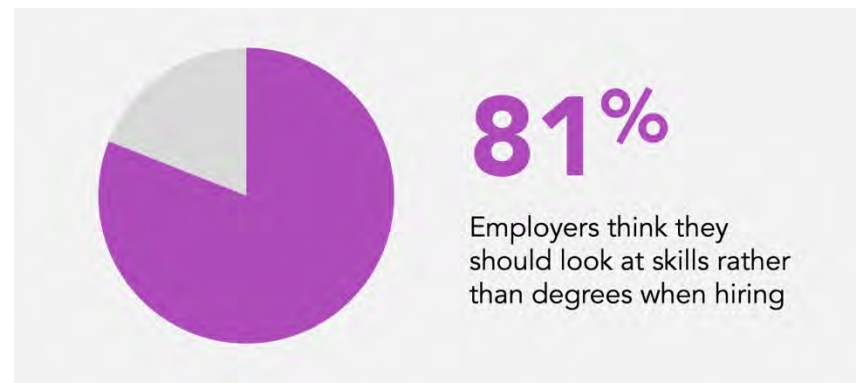
Top 24 KSAOs providing the highest market value in the United States 2022, Gad Levanon, Burning Glass institute using Lightcast job postings data.

# 82%

of organizations are incorporating skills-based training into their L&D programs. ([Brandon Hall Group, 2023](#))

## The rise of skills-based hiring and skills-first talent management

According to a [recent study](#) from American Student Assistance (ASA), completed in collaboration with Jobs for the Future, 81% of employers believe in prioritizing skills over degrees, and 72% of employers believe that a degree is not a reliable way to assess the quality of a candidate.



Employers are realizing they must harmonize their talent strategies with their business strategies. That means focusing on the job to be done and the skills needed to do the job.

And with millions of jobs being replaced or modified due to artificial intelligence (AI) and robotic process automation (RPA), people who will be losing their jobs will need to retrain to fill emerging roles. HR has the responsibility to ensure organizations are prepared for these new roles.

That will require business leaders engage in strategic conversations around the:

1. Jobs to be done
2. Roles needed for those jobs
3. Capabilities/skills needed in the roles

By looking at jobs through a skills lens, HR and business leaders can overlay and correlate a candidate's or employee's skills and identify new roles for them.

## Traditional hiring methods versus skills-based hiring

**Traditional hiring** has long been the cornerstone of talent acquisition, emphasizing educational qualifications and years of experience as primary criteria for evaluating candidates. Resumes, diplomas and interviews form the bedrock of this approach. But there is a risk of overlooking relevant skills and abilities and perpetuating biases based on factors like educational pedigree or job titles.

Traditional hiring may result in skill gaps within organizations, as the focus is often on credentials rather than assessing candidates' actual capabilities.

**By contrast, skills-based hiring** provides a targeted, pragmatic approach. Skills-based programs prioritize specific skills and competencies required for a particular role, incorporating objective skills assessments and structured interviews into the evaluation process. By focusing on candidates' abilities to perform specific tasks, skills-based hiring provides a more accurate picture of a candidate or employee's capabilities. And it promotes diversity and inclusion by placing emphasis on *skills* rather than background or credentials, widening the talent pool and mitigating biases.

# 50%

**Reduction in time-to-hire for skills-based hiring organizations, leading to cost savings associated with extended recruitment processes** ([SHRM](#))



## Should the college degree be used for career advancement and to screen out candidates?

At least since the 1980s, recruiters have used the college degree to screen out candidates, regardless of their capabilities. A 2017 [Harvard Business School study](#) found more than 60% of employers rejected candidates who were qualified in terms of skills or experience but did not have a college degree.

[According to SHRM](#), in 2023, one fifth of current U.S. job listings on LinkedIn don't require a four-year degree. And recruiters are now 50 percent more likely to search by skills than they are to search by years of experience.

# Comparing traditional vs. skills-based hiring

With its emphasis on skills and potential rather than solely on experience, skills-based hiring is emerging as a progressive and effective alternative to traditional methods.

Traditional Hiring	Skills-Based Hiring
Focuses on educational qualifications and years of experience	Prioritizes specific skills and competencies required for the role
Relies heavily on resumes and interviews	Incorporates objective skills assessments and structured interviews
May overlook relevant skills and abilities	Evaluates candidates based on their abilities to perform specific tasks
Can perpetuate biases based on factors like educational pedigree or job titles	Promotes diversity and inclusion by focusing on skills rather than background or credentials
Limited in evaluating candidates' actual capabilities	Provides a more accurate assessment of candidates' capabilities
May result in skill gaps within the organization	Addresses skill gaps by widening the talent pool to individuals with the required skills
Emphasizes credentials over skills and potential	Focuses on skills and potential rather than solely on past experience

# Skills-based hiring vs skills-based talent management: What is the difference?

**Skills-based hiring** focuses on finding and recruiting candidates who possess the specific skills and competencies required for a particular job or role. It involves assessing candidates' qualifications, experience, and technical abilities to determine if they meet the job requirements. Skills-based hiring ensures that organizations can source individuals who have the necessary expertise to contribute effectively and immediately to the organization's goals.

**Skills-based talent management**, on the other hand, is concerned with the ongoing development and utilization of employees' skills and talents within the organization. It involves identifying and nurturing employees' strengths, providing them with opportunities for growth and development, and aligning their skills with the organization's strategic objectives. Skills-based talent management focuses on maximizing the potential and performance of existing employees, promoting internal mobility, and creating a pipeline of skilled and capable individuals for future leadership roles.

# 1/5

of current U.S. job listings on LinkedIn don't require a four-year degree. Since 2019, the share of recruiter searches on LinkedIn filtering for skills has grown by 25 percent; recruiters are now 50 percent more likely to search by skills than they are to search by years of experience. ([SHRM](#))

## Skills-based hiring or talent management: Which is more important to an organization?

The importance of skills-based hiring versus skills-based talent management can vary depending on the organization's specific circumstances and needs. In certain situations, such as when there is a critical skills gap or an urgent need to fill specific positions, skills-based hiring may take precedence. Organizations will prioritize attracting and acquiring candidates with the right skills to address immediate business needs.

However, in the long run, skills-based talent management becomes increasingly important for organizations. because it promotes employee engagement, loyalty and growth. That leads to higher productivity, better employee satisfaction and reduced turnover.



## Why is skills-based hiring important?

As organizations navigate technological advancements and seek to future-proof their workforces, skills-based hiring makes it easier to adapt to changing demands. It also allows them to identify relevant skills in candidates and employees, and to nurture and develop a talent pipeline that will future-proof their organization. By aligning employee strengths and passions with job requirements, organizations see stronger employee performance, job satisfaction, and higher retention rates — all of which affect the bottom line.

Here are several organizational priorities and use cases which are positively impacted by a skills-based approach:

- 1. Changing nature of work:** The job market is evolving rapidly due to technological advancements, automation, and globalization. As a result, the skills required for jobs are constantly changing. Skills-based hiring recognizes this shift and focuses on assessing candidates based on their abilities to perform specific tasks rather than relying solely on traditional qualifications or experience.
- 2. Overcoming skill gaps:** Many industries and sectors are experiencing skill gaps, where there is a shortage of qualified candidates with the specific skills needed for certain roles. Skills-based hiring allows employers to identify individuals who possess the necessary skills, even if they may not have followed a traditional career path. This approach widens the talent pool and helps address skill shortages more effectively.

3. **Increased efficiency in hiring:** Traditional hiring methods often rely on subjective measures like resumes and interviews, which can be influenced by biases or limited in assessing a candidate's actual capabilities. Skills-based hiring, on the other hand, utilizes objective skills assessments and structured interviews that directly measure a candidate's abilities. This leads to more efficient and effective hiring decisions, saving time and resources for both employers and candidates.
4. **Rightsizing salaries:** Skills-based program can help organizations determine salaries and total rewards, as drilling a job down to the skills needed to do the work can help in setting salary ranges.
5. **Diversity and inclusion:** Skills-based hiring promotes diversity and inclusion by focusing on an individual's capabilities rather than their background or credentials. This approach helps overcome biases that may exist in traditional hiring practices, such as educational pedigree or years of experience. By giving equal opportunities to candidates with the required skills, regardless of their background, organizations can build more diverse and inclusive teams.
6. **Adaptability to technological advancements:** Technological advancements continue to reshape industries and job requirements. Skills-based hiring enables organizations to adapt to these changes by prioritizing skills that are relevant to emerging technologies. It allows employers to identify candidates who possess the necessary skills to embrace new tools and technologies, ensuring their workforce remains competitive and adaptable in a rapidly changing landscape.
7. **Enhanced employee performance, satisfaction and retention:** Hiring individuals based on their skills aligns their strengths with job requirements, resulting in higher employee performance and job satisfaction. When employees are well-suited to their roles and have the necessary skills, they can contribute more effectively, leading to increased productivity, engagement, and overall organizational success.
8. **Future-proofing the workforce:** Skills-based hiring takes a proactive approach to future-proofing the workforce. By identifying and nurturing key skills, organizations can build a talent pipeline that can adapt to evolving market demands and emerging trends. This approach ensures the long-term success and sustainability of the organization by equipping it with the necessary skills to thrive in the future.

# The benefits of skills-based hiring

Benefits for Employers	Benefits for Job Seekers
<p><b>Access to a wider talent pool</b> of candidates with the specific skills needed</p>	<p><b>Equal opportunities</b> based on skills, regardless of background or credentials</p>
<p><b>Improved efficiency</b> in the hiring process through objective skills assessments</p>	<p><b>Validation of skills</b> and abilities through objective assessments</p>
<p><b>Better alignment</b> of candidates' skills with job requirements, leading to higher performance</p>	<p><b>Increased chances</b> of being selected based on actual capabilities</p>
<p><b>Increased diversity</b> and inclusion by focusing on skills rather than background</p>	<p><b>Opportunity to showcase potential</b> and transferable skills</p>
<p><b>Adaptability to technological advancements</b> by assessing relevant skills</p>	<p><b>Access to a wider range of job opportunities</b> that focus on skills</p>
<p><b>Future-proofing</b> the workforce by nurturing key skills for emerging market demands</p>	<p><b>Enhanced job satisfaction</b> through better alignment with job requirements</p>

# How does skills-based hiring save time and money?



## Saves Time

- ✓ Streamlines the candidate evaluation process by focusing on the specific skills required for a role.
- ✓ Allows HR leaders to efficiently identify candidates who possess the necessary skills, reducing the time spent on reviewing resumes and conducting lengthy interviews. By accurately targeting the right candidates, HR leaders can expedite the selection process, saving valuable time for both HR professionals and hiring managers.



## Saves Money

- ✓ Reduces the likelihood of making costly recruitment mistakes or experiencing high turnover rates.
- ✓ Minimizes the need for additional training or extensive onboarding, as candidates are already equipped with the required skills to perform their roles effectively.
- ✓ Targeted candidate selection optimizes the allocation of resources, avoiding expenses associated with hiring and onboarding candidates who may lack the necessary skills.



## Makes Money

- ✓ Increases the likelihood of job performance and productivity, which can lead to enhanced business outcomes.
- ✓ Skilled employees can contribute more effectively to the organization's goals, resulting in improved efficiency, customer satisfaction, and profitability.
- ✓ Can positively impact the organization's reputation and market position, potentially leading to increased revenue and business opportunities

# Establishing a complete picture for each employee

Assessing predictive analytics and assessments in a skills-based program, organizations can develop a complete picture of each employee and job candidates and match to present and future jobs. Unfortunately, most organizations focus only on technical skills, creating churn and cost for organizations and their employees. Those include:

- Wasted training dollars and time
- Training the wrong employees
- Impact on morale and productivity
- Impact on retention

In a skills-based organization, a complete profile **MUST** include all the capabilities a person possesses in order to match to ideal roles:

- Personality traits
- Cognitive skills
- Domain knowledge
- Job knowledge
- Technical skills
- Business enablers



## How skills-based hiring changes lives

Domani was looking to make a better life for himself and his family. He thought retail was his ticket to a good paying job. But then, through a joint program with IBM and Youngstown State University, he completed a MyInnerGenius assessment.

In less than an hour, his life was changed. MyInnerGenius showed him he had the potential to succeed in more demanding IT roles. It showed him things he could do that he didn't realize about himself. It gave him the confidence to pursue a new career and to succeed. Domani picked cybersecurity.

He went on to complete an apprenticeship with the support of Evanston Technology Partners. Domani's new career has lifted him out of poverty. And it will impact his entire family for generations to come. And now, Domani is living the life he was born to live. This is what skills-based hiring is all about.

# Put the right talent in the right roles

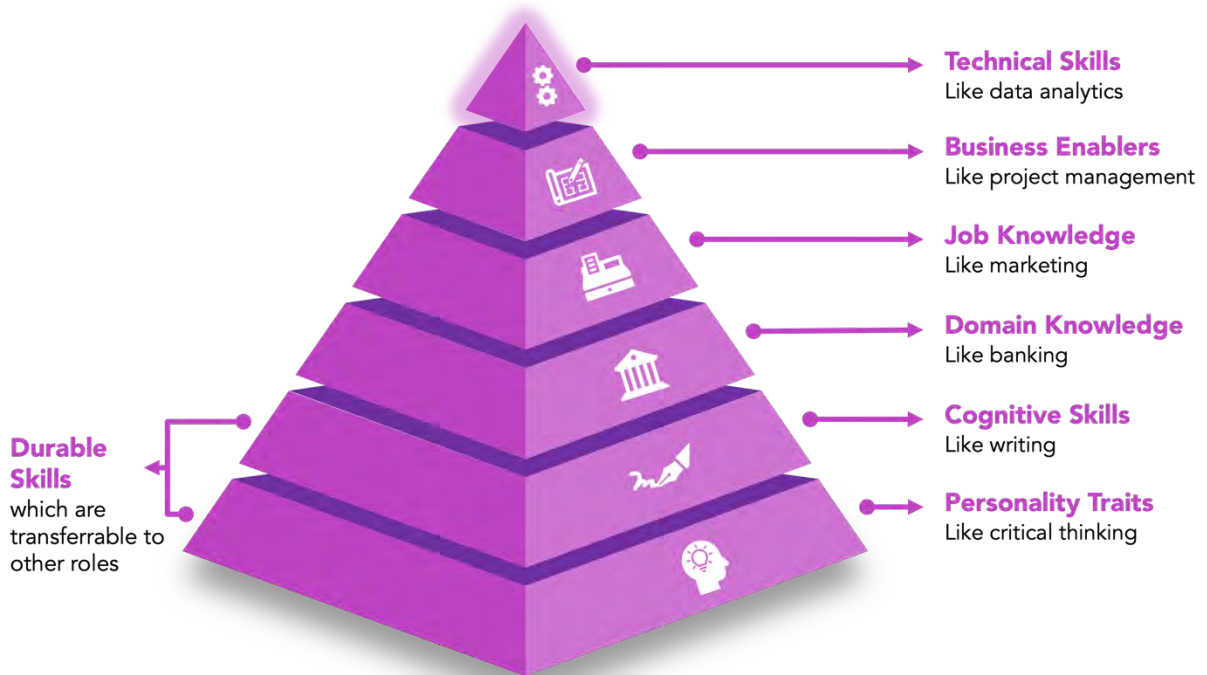
Take inventory and develop a skills registry that includes the entire picture for each employee

**Many organizations focus only on technical skills**, creating churn and cost for organizations and their employees. They don't establish whether an employee or candidate has the personality or cognitive skills for the role, leading to lost productivity, low morale, high costs and increased turnover.

To develop a skills-based organizations, use predictive analytics and assessments to get the complete picture and match candidates and employees to present and future jobs.

Many organizations only assess and catalog technical skills. But if a candidate has strong technical skills and lacks the right personality traits, they are less likely to be successful – and satisfied – in a role. Don't waste time evaluating technical skills until you are certain the employee or candidate has the foundational skills needed for the role.

## Assess foundational skills before you assess technical skills



# The compounding value of adjacencies

Many employees in an organization have the majority of skills needed to make a transition to a more advanced and potentially more meaningful role. For example, a customer service representative may require ten skills, and a tech support specialist may require eight of those same skills.

By understanding and catalog the specific skills and capabilities needed for each role, you can create data-drive progression plans, increase engagement and provide expanded value for the company.

In addition, you dramatically reduce costs by hiring within and only training on a fraction of the skills needed for the role. Make sure you clearly map out the skills for each job and their similarities to other jobs.

## Many employees in an organization have most of the skills needed to make a transition to a more advanced and potentially more meaningful role

First job:  
Customer service rep



### 10 current skills

- Data storage
- IT and office technology
- Customer experience
- Data communication standards
- Soft skills
- CRM tools
- Sales skills
- Communication
- Time management
- Documentation

Second job:  
Tech support specialist



### 4 new skills

- Technical data analysis
- Data management
- Technical support
- IT framework

### 2 latent skills

- Data storage
- Sales skills

**47%** skill distance vs first job

**43%** increase in salary

Third job:  
Information security analyst



### 3 new skills

- Network security
- Risk management framework
- Regulations

### 5 additional latent skills

- Customer experience
- Data communications standards
- Soft skills
- CRM tools
- Time management

**53%** skill distance vs second job

**51%** increase in salary

Source  
McKinsey: Overcoming the fear factor in hiring tech talent

# What are the key challenges with skills-based hiring?

Skills-based hiring focuses on the skills and abilities instead of educational backgrounds or experience. However, there are a number of challenges associated with skills-based hiring.

And even though there is a desire from employers (68%) to hire from non-degree pathways and most (72%) don't see a degree as a reliable signal for assessing the skills of a candidate, the majority (52%) still hire from degree programs because they believe it is a less risky choice when hiring. ([American Student Alliance with JFF](#))

According to SHRM, executives, supervisors and HR professionals still place a higher value on college degrees than other credential types. Why? Because evaluating non-degree credentials and adopting skills-based hiring is seen by some HR professionals and hiring managers as too complicated and too time-consuming, according to [SHRM](#).

# 68%

of employers desire to hire non-degree candidates, but 52% still hire from degree programs. ([American Student Alliance with JFF](#))

## The majority of employers desire to hire from non-degree pathways

# 68%

**Employers desire to hire non-degree candidates**

AND

# 72%

**Employers don't see a degree as reliable**

BUT

# 52%

**Employers still hire from degree programs**

Source: Degrees of Risk: [What Gen Z and Employers Think About Education-to-Career Pathways...and How Those Views are Changing.](#)

# What are some of the challenges to address to move forward with a skills-first program?

## 1. Identifying and defining relevant skills:

Determining which skills are truly essential for a specific role can be challenging. HR leaders need to identify and define the key skills needed to succeed in a position accurately.

## 2. Overcoming bias:

Bias can unintentionally influence the hiring process, leading to unfair decisions. HR leaders must ensure that skills-based hiring practices are designed to minimize bias, such as using blind evaluation techniques, non-biased assessments and structured interviews.

## 3. Limited candidate pool:

Adopting skills-based hiring may narrow the candidate pool if it focuses solely on specific skills. HR leaders need to strike a balance between skills requirements and the potential for candidates to develop skills on the job.

## 4. Communicating the value of skills-based hiring:

HR leaders may encounter resistance from internal stakeholders or senior management who are not familiar with the benefits of skills-based hiring. Effective communication is crucial to gain support and build understanding.

## 5. Managing change:

This requires change management. HR leaders must develop a strategy to overcome resistance, educate employees, and facilitate a smooth transition to skills-based hiring. HR leaders must communicate the benefits and value of skill development, create a culture that encourages continuous learning and provide opportunities for employees to apply their skills in meaningful ways.

## 6. Evaluating skills effectively:

Assessing candidates' skills objectively can be difficult. HR leaders may need to develop new methods, such as skills tests, simulations, or performance-based interviews, to accurately evaluate candidates' abilities.

## 7. Resistance to change:

Implementing skills-based talent management may face resistance from employees and managers who are comfortable with traditional performance evaluation and career advancement approaches. HR leaders need to address concerns, communicate the benefits, and provide support during the transition.

## 8. Resistance from HR:

Implementing a skills-based hiring approach requires a shift in mindset from traditional qualifications-based hiring. Some hiring managers may resist this change and prefer to rely on traditional methods. Hiring managers may need training and support to effectively evaluate skills and make informed decisions based on them. HR leaders should invest in training programs to equip managers with the necessary skills and knowledge.

## 9. Data management and analytics:

Effective skills-based talent management requires accurate data collection, storage, and analysis. HR leaders must have robust systems in place to track and measure skills, monitor progress, and make informed decisions based on data insights.

## 10. Resource allocation:

Allocating sufficient resources, including time, budget, and personnel, for skills-based talent management initiatives can be a challenge. HR leaders need to advocate for necessary resources and ensure their effective utilization.

## 11. Aligning with existing processes and systems:

Integrating skills-based hiring with existing HR systems, such as applicant tracking software, performance management, or onboarding processes, may pose integration challenges. HR leaders need to ensure a seamless alignment between these systems and the new approach.

## 12. Leadership and buy-in:

Gaining leadership support and buy-in for skills-based talent management initiatives is crucial for success. HR leaders need to demonstrate the value and impact of these approaches and engage leaders at all levels to champion and drive the adoption of skills-based talent management.

## 13. Measuring (and promoting) success:

Determining the success of skills-based hiring requires appropriate metrics and tracking systems. HR leaders need to establish measurable goals and continuously evaluate the effectiveness of the new approach to make data-driven improvements. Then, they must communicate this data to inform C-Suite decisions and to improve the program.



# Case Study: How a large public company increased its diversity with skills-based hiring

A large public company wanted to assess their entire workforce to determine what their capabilities were across the entire organization. They needed to gather this information for a massive, company-wide reorganization.

They planned to assess their employees across all levels to create a competency map and skills-based registry of their capabilities for the entire organization. They developed a process using MyInnerGenius. In about 30 minutes, MyInnerGenius was able to assess the entire organization and develop a skills cloud for the company, detailing at the micro level the cognitive skills and personality traits for each employee.

The registry allowed the company to identify the skills they needed to successfully reorganize as well as the gaps they needed to fill to future-proof the company.

## A surprising discovery

In the process, the company identified many employees who had capabilities they weren't aware of, skills that were not showing up on their resumes or performance reviews. They discovered hundreds of employees in lower-level jobs who had never been given an opportunity to demonstrate the capabilities they actually possessed. In some cases, the employees themselves weren't even aware what they were capable of because they had never been given the opportunity to demonstrate their abilities.

As a result, the company identified underemployed individuals who could be placed on a fast track for higher level jobs.

## An unexpected side benefit

The company had been developing programs to increase the number of women and minorities in management. They felt they needed to hire from outside the organization, thinking they didn't have the talent internally. Once they started looking at their skills cloud data, they discovered they had many employees internally who were women and minorities who could perform higher level jobs if they were given the opportunity. So, they started giving these individuals stretch assignments. They developed career pathways and began to fast track these employees into leadership roles. The program has been a wild success: Not only are these people successful in their new, more advanced roles, but they gained self-confidence and increased their morale. Their loyalty to the company became a secondary benefit, and the company measured increased engagement for giving their employees opportunities that traditional HR models had prevented.

# Blueprint for a tactical skills-based hiring solution

Your step-by-step guide to developing a tactical skills-based hiring solution:



# Phase 1: Develop your business case

- 1. Define the goals of the skills-based hiring program.** What are you hoping to achieve by implementing this program? Do you want to improve the quality of your hires, increase retention, reduce the time it takes to hire, or increase diversity in your workforce? Clearly articulate the vision for implementing a skills-based hiring program, emphasizing the benefits and alignment with the organization's goals. Establish specific objectives, such as reducing bias in hiring, improving employee retention, or enhancing overall organizational agility.
- 2. Establish leadership buy-in.** Securing leadership support and buy-in for skills-based talent management initiatives is a vital component of achieving success in talent acquisition and management. You must demonstrate the tangible value and impact of these approaches. It is essential to engage leaders at all levels within the organization, as they play a pivotal role in championing and promoting the benefits of skills-based talent management. To gain the trust and support of key stakeholders, you must develop strategies that align with the interests and priorities of your audience. It must be essential to them. This entails providing compelling evidence that showcases the advantages of skills-based hiring, such as improved hiring efficiency, enhanced performance, increased diversity and inclusion, and the ability to adapt to evolving market demands. Know what the audience is listening for and tailor your message for each group. For example, sales is interested in high performers, customer support is interested in retention and high morale. You must convince stakeholders of the value and benefits that skills-based hiring brings to the organization before you can move forward.
- 3. Establish the high-level execution plan.** Establish high-level program elements for the program, from taking inventory of existing skills to process and tooling considerations. Identify communication channels, training programs, and resources required to support the change initiative. Include strategies for addressing potential resistance or concerns from employees and managers.
- 4. Determine resources.** Determine the resources required, including budget, technology, and personnel. Allocate resources for skills assessments, training programs, and tools for evaluation.
- 5. Establish timelines and phases.** Develop a timeline for implementing the skills-based hiring program. Divide the implementation into phases, if necessary, to manage the process effectively.



## Phase 2: Program Development

### Operational and Technology Development

#### 1. **First, get early buy in.**

Make sure you gain the commitment of a high-level sponsor. Collaborate with HR to align the skills-based hiring program with overall talent acquisition strategies. Involve hiring managers in the design and implementation process to ensure they're buy-in and support. Use data to build your case.

#### 2. **Establish metrics and key performance indicators (KPIs) to track the success of the skills-based hiring program.**

They should be aligned to the objectives, which were established at the beginning of the project. Determine the best ways to measure what the impact will be in a way that is objective, easy to capture and easy to report on a regular basis.

#### 3. **Establish an organizational change management (OCM) practice.**

With most transformations, the focus often falls too much on technology and too little on people, policies and processes. Resistance to change must be addressed. Implementing skills-based talent management may face resistance from employees and managers who are comfortable with traditional performance evaluation and career advancement approaches. You must address concerns, communicate the benefits, and provide support early and often during the transition. A transformation can succeed with subpar technology, but it cannot succeed without strong business processes and people enablement. Assemble a cross-functional team representing different departments and levels of the organization. Ensure the team has a diverse skill set, including change management expertise, HR knowledge, and representatives from affected business units.

#### **4. Develop a change management plan.**

Create a comprehensive plan that outlines the strategies, activities, and timeline for implementing the skills-based hiring program. Identify communication channels, training programs, and resources required to support the change initiative. Include strategies for addressing potential resistance or concerns from employees and managers.

#### **5. Conduct a readiness assessment.**

A readiness assessment is a critical step in this initiative. It will provide valuable information that will decision-making, resource allocation, risk management and overall project success. Assess your organization's current hiring practices, culture, and infrastructure to identify potential barriers or challenges. Evaluate your readiness for change by engaging key stakeholders, conducting surveys and analyzing data.

#### **6. Identify the skills that are essential for success in your organization.**

What skills do your employees need to have in order to be successful in their roles? Conduct a Job Analysis to identify and define the specific skills needed for each role. Start by carefully analyzing job requirements and competencies to ensure accurate skill identification.

- ✓ Start with the job to be done, showing a title, description, goals, level and pay
- ✓ Identify the roles to the job, including the goals, activities, projects that will be performed, teams, outputs and measures of success
- ✓ Identify the capabilities and skills needed for each role, including personality traits, cognitive skills, domain knowledge, job knowledge, business enablers and technical skills

#### **7. Understand the adjacencies and related jobs.**

Make sure you clearly map out the skills for each job and their similarities to other jobs. For example, a customer service representative may require ten skills, and a tech support specialist may require eight of those same skills.

#### **8. Establish a taxonomy map.**

Create a living document that includes the personality traits, cognitive skills, domain knowledge, job knowledge, technical skills, and business enablers needed for the entire organization. A single taxonomy will make it easy to map talent and identify transferrable skills and adjacencies. [See Figure 1.]

# Establish a framework to capture the capabilities and skills needed to lead, now and into the future

<p style="text-align: center;"><b>Thinking</b></p> <p><b>Creative &amp; Innovative Thinking</b></p> <ul style="list-style-type: none"> <li>Analytical Skills</li> <li>Synthetic Skills</li> <li>Inductive Reasoning</li> <li>Deductive Reasoning</li> <li>Logic</li> <li>Verbal Reasoning</li> </ul> <p><b>Lateral Thinking</b></p> <ul style="list-style-type: none"> <li>Creativity</li> <li>Innovation</li> </ul> <p><b>Systematic Thinking</b></p> <ul style="list-style-type: none"> <li>Problem Solving</li> <li>Decision Making</li> <li>Strategic Planning</li> <li>Executive Functioning</li> </ul> <p><b>Short-Term Memory</b></p> <ul style="list-style-type: none"> <li>Visual Memory</li> <li>Auditory Memory</li> <li>Semantic Memory</li> </ul> <p><b>Mathematical Literacy</b></p> <ul style="list-style-type: none"> <li>Numeric Reasoning</li> <li>Quantitative Skills</li> <li>Measurement Skills</li> <li>Data Organization</li> <li>Data Verification</li> </ul> <p><b>Visual Processing</b></p> <ul style="list-style-type: none"> <li>Spatial Reasoning</li> <li>Visual Attention</li> <li>Visual Analysis</li> <li>Diagrammatic Skills</li> </ul>	<p style="text-align: center;"><b>Interacting</b></p> <p><b>Verbal Communication</b></p> <ul style="list-style-type: none"> <li>Communication</li> <li>Reading comprehension</li> <li>Oral Comprehension</li> <li>Listening Skills</li> <li>Writing Skills</li> <li>Spelling</li> </ul> <p><b>Non-verbal Communication</b></p> <ul style="list-style-type: none"> <li>Nonverbal Expression</li> <li>Nonverbal Perceptiveness</li> </ul> <p><b>Interpersonal Skills</b></p> <ul style="list-style-type: none"> <li>Collaboration</li> <li>Teamwork</li> <li>Customer Orientation</li> <li>Sociability</li> <li>Social Perceptiveness</li> <li>Empathy</li> <li>Cultural Awareness</li> <li>Cross-cultural Communication</li> </ul> <p><b>Ethical Principles</b></p> <ul style="list-style-type: none"> <li>Ethics</li> </ul>
<p style="text-align: center;"><b>Achieving</b></p> <p><b>Work Ethic</b></p> <ul style="list-style-type: none"> <li>Work Ethic</li> <li>Adaptability</li> <li>Stress Tolerance</li> <li>Initiative &amp; Drive</li> <li>Self-Development</li> </ul> <p><b>Performance &amp; Results</b></p> <ul style="list-style-type: none"> <li>Quality Orientation</li> <li>Organizational Commitment</li> <li>Accountability</li> <li>Self-Reliance</li> <li>Industriousness</li> <li>Need for Recognition</li> </ul>	<p style="text-align: center;"><b>Digital</b></p> <p><b>Digital Affinity</b></p> <ul style="list-style-type: none"> <li>Digital Interest</li> <li>Digital Preference</li> </ul> <p><b>Digital Proficiency</b></p> <ul style="list-style-type: none"> <li>Digital Fitness</li> <li>Technical Proficiency</li> <li>Keyboarding Skills</li> </ul> <p><b>Digital Acumen</b></p> <ul style="list-style-type: none"> <li>Digital Acumen</li> </ul> <p><b>Data Management</b></p> <ul style="list-style-type: none"> <li>Data Management</li> <li>Data Security</li> </ul>
<p style="text-align: center;"><b>Leading</b></p> <p><b>Assuming Leadership</b></p> <ul style="list-style-type: none"> <li>Envisioning &amp; Strategizing</li> <li>Influencing &amp; Persuading</li> <li>Empowering Others</li> <li>Enabling Transformation</li> </ul>	<p style="text-align: center;"><b>Specialized</b></p> <p><b>Selling Domain</b></p> <ul style="list-style-type: none"> <li>Achieving Sales Goals</li> <li>Overcoming Sales Challenges</li> <li>Selling with Integrity</li> </ul> <p><b>Health &amp; Safety Domain</b></p> <ul style="list-style-type: none"> <li>Safety Orientation</li> <li>Physical Orientation</li> <li>Mechanical Orientation</li> </ul>

Figure 1: Establish an organization-wide framework to standardize your skills tags. This framework focuses on human capabilities.

## 9. Develop a comprehensive skills assessment and measurement program.

Comprehensive skills assessment and measurement program: Evaluate employees' current skills and assess their proficiency levels with tools which have been tested through validation studies. Used verified credentials and other sources of validated knowledge. Effective methods and tools for skill assessment should include cognitive assessments, personality trait assessments, certifications, skills tests, published works and work product, labs, practical exercises and simulations, diplomas and degrees and completed experiential learning.

[See Figure 2.]

## 10. Design a structured interview processes.

Develop structured interview questions that assess candidates' skills and competencies. Train interviewers to evaluate candidates' responses objectively and consistently.

## 11. Create a consolidated "skills cloud" registry with digital badges.

Establish a digital credential strategy to capture achievements from each part of the skills-based solution, from assessments to structured training. A digital badge program will allow you to aggregate the data from disparate activities into one comprehensive skills cloud for the organization, regardless of the source of the activity. That data can be analyzed to identify candidates to hire, promote, upskill and resell, and to determine any dearth in the organization which require executive attention.

## What's inside a badge?

**Digital emblem** which provides timely symbol of skills and achievements

Contains **metadata** with skills tags and accomplishments

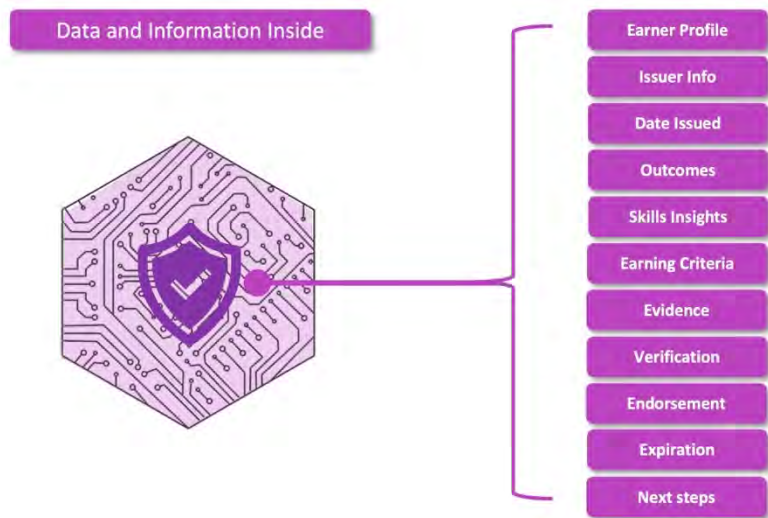
Provides a **progression path** to advance commitment

Analytics provide **insight** into how a program is performing

**Easy to share** in social media: LinkedIn, Twitter, FB, blogs

Tethered to badge issuer to **validate and verify**

Source Digital Badge Academy



## 12. **Establish the skills-based hiring process.**

This process includes steps for identifying and assessing skills and making hiring decisions.

## 13. **Determine legal and ethical considerations.**

Ensure compliance with relevant laws, regulations, and ethical guidelines in the hiring process. Avoid discriminatory practices and maintain fairness and objectivity throughout.

## 14. **Outline the candidate experience.**

Consider the impact of the skills-based hiring program on the candidate experience. Ensure clear communication and transparency regarding the skills assessment and evaluation process.

## 15. **Create a data management and analytics strategy.**

Effective skills-based talent management requires accurate data collection, storage, and analysis. You must have robust systems in place, and the right people, to track and measure skills, monitor progress, and make informed decisions based on data insights.

## 16. **Establish a communications strategy for employees and stakeholders.**

Develop a communication plan to inform stakeholders about the upcoming skills-based hiring program, the program's objectives and benefits. Engaging employees in skills-based talent management initiatives can be a challenge. Communicate the benefits and value of skill development, creating a culture to encourage continuous learning, and providing opportunities for employees to apply their skills in meaningful ways. Utilize multiple communication channels, such as town hall meetings, email updates, intranet portals and training sessions.

## 17. **Integrate with other HR processes.**

Integrating skills-based talent management with other HR processes, such as performance management, succession planning, and compensation, requires alignment and coordination. Ensure all skills-based approaches are integrated seamlessly with existing HR systems and practices.

## 18. **Develop a hiring manager training program.**

Provide training and support to hiring managers and interviewers on how to use the entire process and how will changes affect them. It is essential to measure how well people understand the new business processes and if there is any risk of resistance or obstacles. The business processes and the systems may work from a technical perspective, but it is critical people understand how those processes work? They must demonstrate a level of competency in performing those processes within the new system, and you must establish a way to measure the percentage of the organization has been fully trained on to perform the end-to-end business processes.

# What you need to know (and how to know it)

Personality Traits	Cognitive Skills	Domain Knowledge
<ul style="list-style-type: none"> <li>Critical Thinking</li> <li>Problem Solving</li> <li>Creativity</li> <li>Innovation</li> <li>Communication</li> <li>Collaboration</li> <li>Customer Orientation</li> <li>Empathy</li> <li>Ethical Principles</li> <li>Work Ethic</li> <li>Adaptability</li> <li>Stress Tolerance</li> <li>Initiative and Drive</li> <li>Self-Development</li> <li>Assuming Leadership</li> <li>Envisioning &amp; Strategizing</li> <li>Influencing &amp; Persuading</li> <li>Empowering Others</li> <li>Enabling Transformation</li> </ul> <p><b>How do you evaluate?</b> Personality Trait Assessments</p>	<ul style="list-style-type: none"> <li>Judgment and Decision Making*</li> <li>Mathematical Reasoning*</li> <li>Memorization</li> <li>Negotiation*</li> <li>Oral Expression*</li> <li>Persuasion*</li> <li>Problem Sensitivity*</li> <li>Quality Control Analysis*</li> <li>Reading Comprehension</li> <li>Selective Attention*</li> <li>Service Orientation*</li> <li>Social Perceptiveness*</li> <li>Spatial Orientation</li> <li>Speaking / Speech Clarity*</li> <li>Systems Analysis*</li> <li>Systems Evaluation*</li> <li>Technology Design</li> <li>Time Management*</li> <li>Troubleshooting*</li> <li>Visualization*</li> <li>Writing</li> </ul> <p><b>How do you evaluate?</b> Cognitive Assessments</p>	<ul style="list-style-type: none"> <li>Banking</li> <li>Medicine</li> <li>Law</li> <li>Education</li> <li>Business</li> <li>Technology</li> <li>Engineering</li> <li>Art</li> <li>Finance</li> <li>Energy</li> <li>Hospitality</li> <li>Retail</li> <li>Utility</li> <li>Transportation</li> <li>Construction</li> <li>Manufacturing</li> <li>Engineering</li> <li>Mining</li> <li>Sciences</li> <li>Research</li> </ul> <p><b>How do you evaluate?</b> Courses and Exams Inference Assessments Published Works</p>
Job Knowledge	Technical Skills	Business Enablers
<ul style="list-style-type: none"> <li>Customer Service</li> <li>Marketing</li> <li>Sales</li> <li>Operations</li> <li>Finance</li> <li>Management</li> <li>Food Preparation</li> </ul> <p><b>How do you evaluate?</b> Courses Exams Inference Assessments Diplomas / degrees Published Works / portfolios</p>	<ul style="list-style-type: none"> <li>C++</li> <li>Java</li> <li>COBOL</li> <li>Adobe Creative Suite</li> <li>Final Cut Pro</li> <li>Mural</li> </ul> <p><b>How do you evaluate?</b> Courses Experiential Learning Exams Labs / Simulations Inference Assessments Diplomas / degrees Published Works / portfolios</p>	<ul style="list-style-type: none"> <li>Agile</li> <li>Project management</li> <li>Design thinking</li> <li>Organizational Agility</li> <li>DevOps</li> <li>Data analysis</li> <li>Digital Literacy</li> <li>Visual Communication Collaboration</li> <li>Communication</li> <li>Lean Thinking</li> </ul> <p><b>How do you evaluate?</b> Courses Experiential Learning Exams Inference Assessments Diplomas / degrees Published Works / portfolios</p>
<p>* This Skill &amp; Ability involves aspects of both personality traits and cognitive skills</p>		



## Phase 3: Implementation and execution

### 1. Train hiring managers on the skills-based hiring process.

Make sure they understand how to identify and assess skills, and how to make hiring decisions based on skills.

### 2. Update your job descriptions to focus on skills.

Instead of listing educational requirements or years of experience, focus on the skills that are essential for success in the role. Document key skills and competencies and align them to your new taxonomy. Provide specific examples of how those skills will be applied in the role. Avoid jargon or industry-specific terms that may confuse or exclude potential candidates. Clearly identify the most critical skills and competencies required for the role. Provide information about the desired level of proficiency or experience for each skill. Include human capabilities skills such as communication, problem-solving, teamwork and adaptability. Remove anything that is not necessary. Remove unnecessary barriers and skills and requirements such as prior job history and diplomas if they are not essential. Teach hiring managers how to write job descriptions which align to your taxonomy.

### 3. Conduct skill gap analysis.

Identify and document the difference between the skills an employee possesses and the skills required for the current or future roles using your assessments and measurement tools.

#### **4. Pilot the skills-based hiring program.**

Implement a pilot program in a specific department or business unit to test the effectiveness of the skills-based hiring approach. Gather feedback, evaluate results, and make necessary adjustments before scaling up to the entire organization.

#### **5. Execute your tailored training program.**

Determine the training and development needs to fill the gaps. Establish career development paths and opportunities for skill enhancement. Designing and implementing effective training and development programs to bridge skill gaps requires leaders to understand learning needs and styles, identify appropriate learning opportunities, choose training methods, and ensure easy access to necessary resources.

#### **6. Continually communicate.**

Communicate the progress and value continually. Market your small and big wins on a regular basis. Provide insights and recommendations to ensure continuous engagement with stakeholders and to improve the program.

*“Communication is the key to adoption. If you don't communicate effectively, people won't understand why they should change the way they do things.”*

~John Chambers, former CEO of Cisco



## Phase 4: Evaluation and measurement

### 1. **Execute metrics and key performance indicators (KPIs) to track the success of the skills-based hiring program.**

These should be based on the objectives established at the beginning of the project. Regularly collect data, analyze trends, and measure outcomes against predetermined objectives.

### 2. **Track the results of the skills-based hiring program.**

Are you meeting your goals? Are you improving the quality of your hires? Determine the criteria for evaluating candidates based on their skills and competencies. Create a scoring or ranking system to assess candidates objectively. Collect feedback from hiring managers, candidates, and employees to identify areas for improvement. Good feedback mechanisms may include:

- ✓ Surveys
- ✓ Interviews
- ✓ Performance reviews
- ✓ Regular check-ins
- ✓ Online feedback forms / NPS

### 3. **Refine the program.**

Use the findings to refine the program, address any issues, and reinforce positive changes.



## Phase 5: Program quality assurance

### 1. **Establish program governance and controls.**

Set up a program of policies, procedures and structures to govern and control the program. Clearly define roles and responsibilities, establish decision-making processes and implement mechanisms for monitoring and reporting on program progress.

### 2. **Determine ongoing resources.**

Identifying the resources required to sustain the program over time. Assess the staffing needs, budget for ongoing expenses, and ensure necessary infrastructure, technology, and tools are in place and budgeted to support the program's operations.

### 3. **Create a risk mitigation strategy.**

Develop a plan to identify, assess and manage risks that could potentially impact program success. Prioritize risks based on their severity, then develop strategies and actions to mitigate or minimize risks like contingency plans and regularly monitoring. Proactively identify and address risks to increase the likelihood of program success.

### 4. **Document program standards.**

Define and document the quality standards and criteria that the program should meet, including performance metrics, benchmarks, and guidelines to ensure consistent and high-quality program delivery.

**5. Conduct regular program audits.**

Regular audits will assess compliance with program standards and identify areas for improvement. Audits can be internal and external to ensure the program is operating effectively and in alignment with established policies.

**6. Establish feedback and continuous improvement mechanisms.**

Create channels for gathering feedback from stakeholders involved in the program, including HR teams, managers, employees and external partners. Feedback can be collected through surveys and interviews.

**7. Monitor and report on program performance.**

Regular monitoring and reporting mechanisms should be established to track the progress of the program and assess its performance against predetermined goals and objectives. This includes collecting and analyzing relevant data, generating performance reports, and communicating results to stakeholders.

**8. Continue to communicate the skills-based hiring program to employees and stakeholders.**

Make sure everyone understands the goals of the program and how it's working.

**9. Make adjustments to the program as needed.**

If you're not meeting your goals, make adjustments to the program. Capture lessons learned from the program and share them within the organization. Document successes, challenges and best practices identified during the program's execution. Lessons learned can be used to inform future program initiatives and improve overall program quality.

**10. Scale up and sustain.**

Expand the skills-based hiring program organization-wide, leveraging the lessons learned from the pilot phase. Embed the new practices into HR policies, job descriptions, and performance management processes. Continuously promote and reinforce the benefits of skills-based hiring to maintain its long-term adoption and impact.

## Final thoughts

With the accelerating pace at which job skills are becoming obsolete, skills-based hiring provides a more targeted and pragmatic approach which will help organizations address skill gaps, widen the talent pool and promote diversity and inclusion. As organizations navigate technological advancements and seek to future-proof their workforces, skills-based hiring is an essential tool for success.

For more information on this document, please contact David Leaser at [david@myinnergenius.com](mailto:david@myinnergenius.com)

## About the author

David Leaser is an award-winning strategist, C-Suite consultant & program lead in L&D and HCM. David is an executive at MyInnerGenius and was the senior strategist for IBM's Smarter Workforce and the Global Skills Initiative. He is the founder of the IBM Digital Badge program, a leading-edge digital credential program, the IBM New Collar Certificate Program and IBM's first cloud-based embedded learning solution. David is the co-founder of [Digital Badge Academy](#). He is a member of the national Credential As You Go Advisory Board and a senior advisor to New Markets Venture Capital Group. David provides guidance to the US Department of Labor and the US Department of Education as an employer subject matter expert.

David was appointed as an Industry Fellow in the Center for the Future of Higher Education & Talent Strategy in the College of Professional Studies at Northeastern University, an American Tier 1 university. He is the author of thought leadership white papers on talent development, including "Migrating Minds," "The Social Imperative in Workforce Development" and Wiley's "Connecting Workplace Learning and Academic Credentials via Digital Badges."

*David holds an M.A. in Communications Management from USC's Annenberg School and a B.A. in Communications from Pepperdine University.*

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