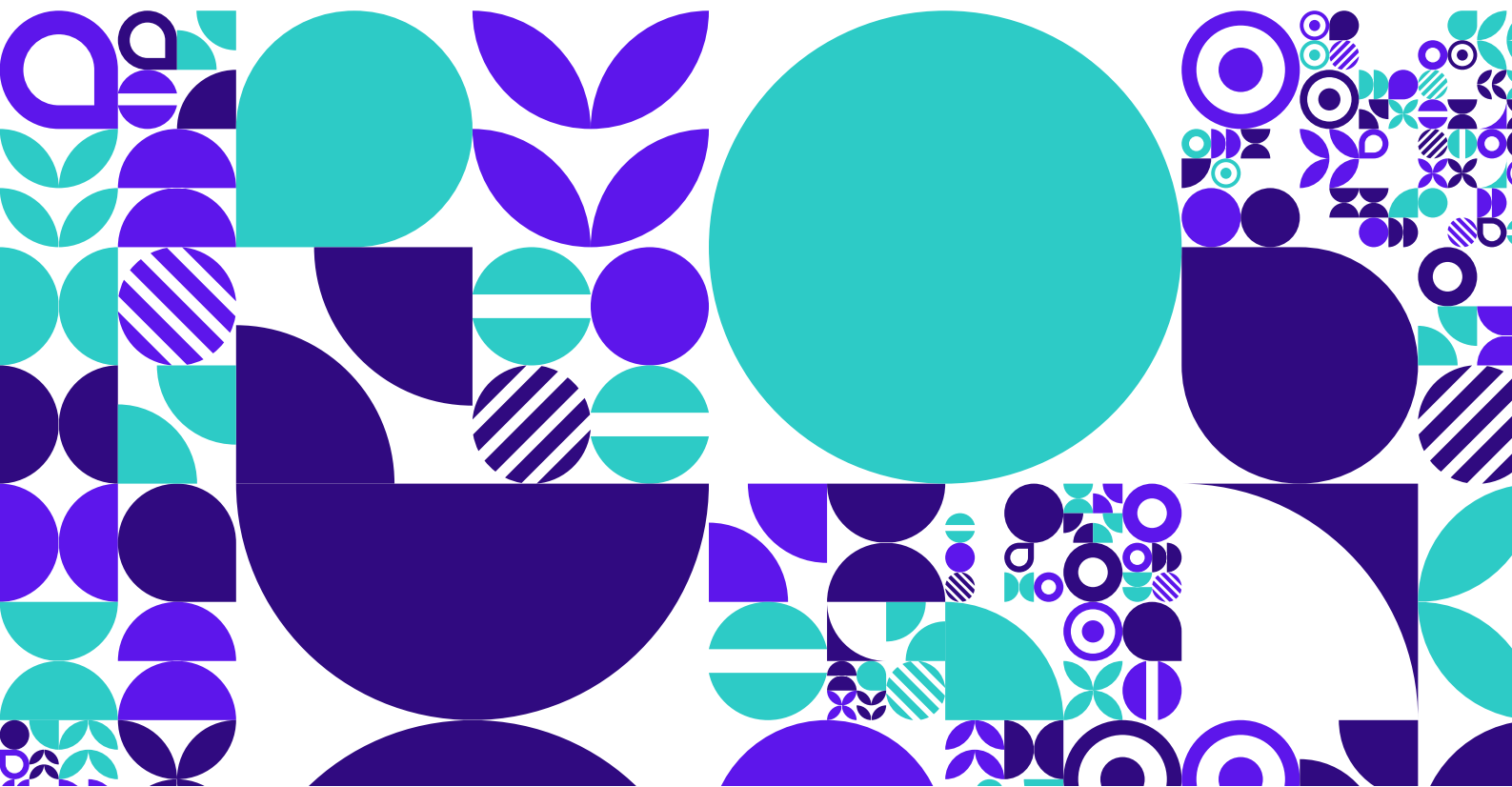


## LEARNING LABS

# GETTING STARTED WITH SKILLS- BASED HIRING

Most People and Talent teams want to kick off skills-based programmes but run into some pretty consistent blockers. This guide will help you avoid them.

**PREPARED BY**  
Joseph Williams



## SKILLS-BASED HIRING 101

### “What exactly is skills-based hiring?”

Skills-based hiring is a recruitment approach that selects and evaluates candidates based on their skills rather than their education or past work experience.

Traditional role-based hiring is the bedrock of all current hiring processes, and it anchors to keywords, tenure, education and experience. Skills-based hiring prioritises the skills you can add to a team over where you learned them. For example, a candidate may not have a computer science degree, but they can be an awesome self-taught Python coder.

### “And how does it work?”

Embracing a skills-based approach is a strategic move that benefits all functions in every People and Talent team, from people experience to diversity and inclusion.

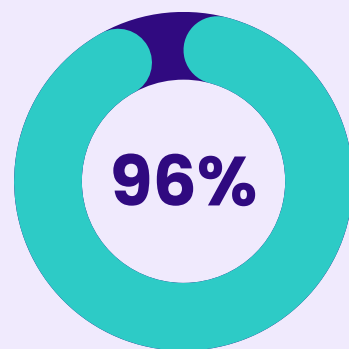
By focusing on skills and potential instead of previous job titles, sector experience and years of experience, companies unlock vital data for each employee. They can then build teams that are both demographically and cognitively diverse as a result. And a diverse workforce, in turn, stimulates innovation, creativity, and productivity.

### “But I already look for skills when I interview someone.”

I hear you, and yes, that’s good. But skills-based hiring starts and ends way outside of the interview.

A skills-based process breaks down the job spec to understand key technical, transferable, computational and behavioural skills and how this layers against the team you’re hiring into. You then use that skills matrix to source talent, interviewing consistently against it.

We spoke to over 800 hiring managers; only 4% could articulate more than a few of the technical skills they sought. So, whilst we think we’re making progress on skills-based hiring in HR, the truth is, there’s a long way to go... well until **Clu** came along, that is. But I’ll save that for later.



**Hiring managers  
couldn't articulate  
skills they hire for**

Clu Data, 2022  
800 managers surveyed



In today's highly competitive talent market, forward-thinking employers are switching up hiring strategies to win more qualified candidates for their teams. Highly skilled talent will always be in high demand, and skills-based hiring can help you identify, engage, and close these coveted job seekers.

## FOUR BENEFITS OF SKILLS-BASED HIRING YOU SHOULD KNOW

### 1. Increased candidate quality

Degrees and years of experience aren't reliable proxies for candidate quality, but skills are. Employers who hire for skills are 60% more likely to make a successful hire than those who don't use skills in their hiring process.



### 2. Expanded talent pool

Skills-based hiring helps increase relevant talent pools by over 45%. For example, a candidate could have a 53% skills match for a sales role, but an 85% skills match for an office assistant job you're also hiring, and the skills-based approach gives you the insights to hire them for that job instead if they're interested.

### 3. Reduced bias and increased diversity

Skills-based hiring focuses on consistent job-related criteria to reduce bias in the hiring process. Adding skills-alignment visualisations like Clu's to job ads encourages 3x more women to apply to jobs they may not have applied for due to a higher self-qualification bar.



### 4. Improved retention

Identifying a candidate's skill strengths and gaps in the hiring process enables you to create meaningful employee development plans. Companies that excel at internal mobility retain employees for an average 5.4 years, 2x longer than companies that don't.



# TEN STEPS TO IMPLEMENT SKILLS-BASED HIRING IN YOUR RECRUITMENT PROCESS

Most employers (81%) believe they should prioritise skills over degrees, but 52% still hire from degree programs because they believe it's a less risky talent choice.

Skills-based hiring requires a shift in each step of the hiring process, and that can feel like a daunting task — but it doesn't have to be. Pick an evergreen role and make small changes to focus on candidate skills throughout the recruitment process.

## Step 1: Get leadership buy in

- **Objective:** Secure support from the HRD/TA Director to ensure commitment and resources.
- **Action:** Present the case for skills-based hiring, highlighting its benefits and its alignment with business goals (low-cost, high-impact).

## Step 2: Identify skills needs and gaps

- **Objective:** Define the key skills necessary for your pilot roles and which ones are already over-indexed in your hiring teams.
- **Action:** Collaborate with stakeholders to define requirements using Clu's [Skills Extractor](#).

## Step 3: Update job descriptions

- **Objective:** Write a skills-focused job ad with your hiring manager.
- **Action:** Invite your hiring manager to a kickoff meeting to show them the impact their (unreasonable?) amount of non-negotiable skills has on the available talent pool through Clu's [AI Sourcing Assistant](#).

## Step 4: Set hiring parameters

- **Objective:** Get buy-in and process approval across the full process.
- **Action:** Ensure all stakeholders understand the skills-based hiring process and can capture their candidate scores and feedback in Clu's [bias-mitigating feedback loop](#).

## Step 5: Train and align teams

- **Objective:** Prepare your recruitment team for the skills-based approach.
- **Action:** Provide training on skills-based interview techniques, candidate evaluation, and diversity and inclusion awareness.

## Step 6: Broaden sourcing channels

- **Objective:** Build a more robust, diverse candidate pipeline.
- **Action:** Get creative about where you think people develop the skills you need and find them there. Whether through the [Clu Partner Network](#), our AI Sourcing Assistant or at in-person industry events, candidates who have gained skills in less traditional ways can be a great source of hire.



# TEN STEPS TO IMPLEMENT SKILLS-BASED HIRING IN YOUR RECRUITMENT PROCESS cont.

## Step 7: Agree selection criteria

- **Objective:** Agree on the criteria to identify the candidate's skills.
- **Action:** Develop screening criteria and achievements that speak to their mastery of your role's required skills.

## Step 8: Qualify candidates on skills-alignment

- **Objective:** Remove opportunities to revert to traditional selection.
- **Action:** Whether using Clu's **Talent Matcher** or your own method, demonstrating a candidate's suitability for the pre-determined skills for the role helps move the best people forward or highlight areas for bias if inconsistencies occur. This isn't name-blind CVs, FYI.

## Step 9: Conduct skills-based assessments

- **Objective:** Post-screening, decide if you will conduct interviews or assessments to determine candidate skills alignment.
- **Action:** Use an online skill assessment platform or an internally developed tool to measure a candidate's mastery of the required skills for your role.

## Step 10: Make fair job offers

- **Objective:** Review your compensation strategy to ensure it aligns with skills-based hiring.
- **Action:** Base job offers on a candidate's skills and expected impact rather than years of experience and level of education.



### Bonus Points: Use the data!

- **Objective:** Make full use of your amazing data about the individual you've just hired, what they're good and how they can develop.
- **Action:** Look at what you needed, what hiring managers thought, what assessments said and what the candidate thinks of themselves and roll it into an awesome onboarding, learning and development and mentoring programme that will maintain their personal growth and help them retain in your organisation for longer! Or get Clu's BETA **Onboarding Plan Assistant** to do it for you.

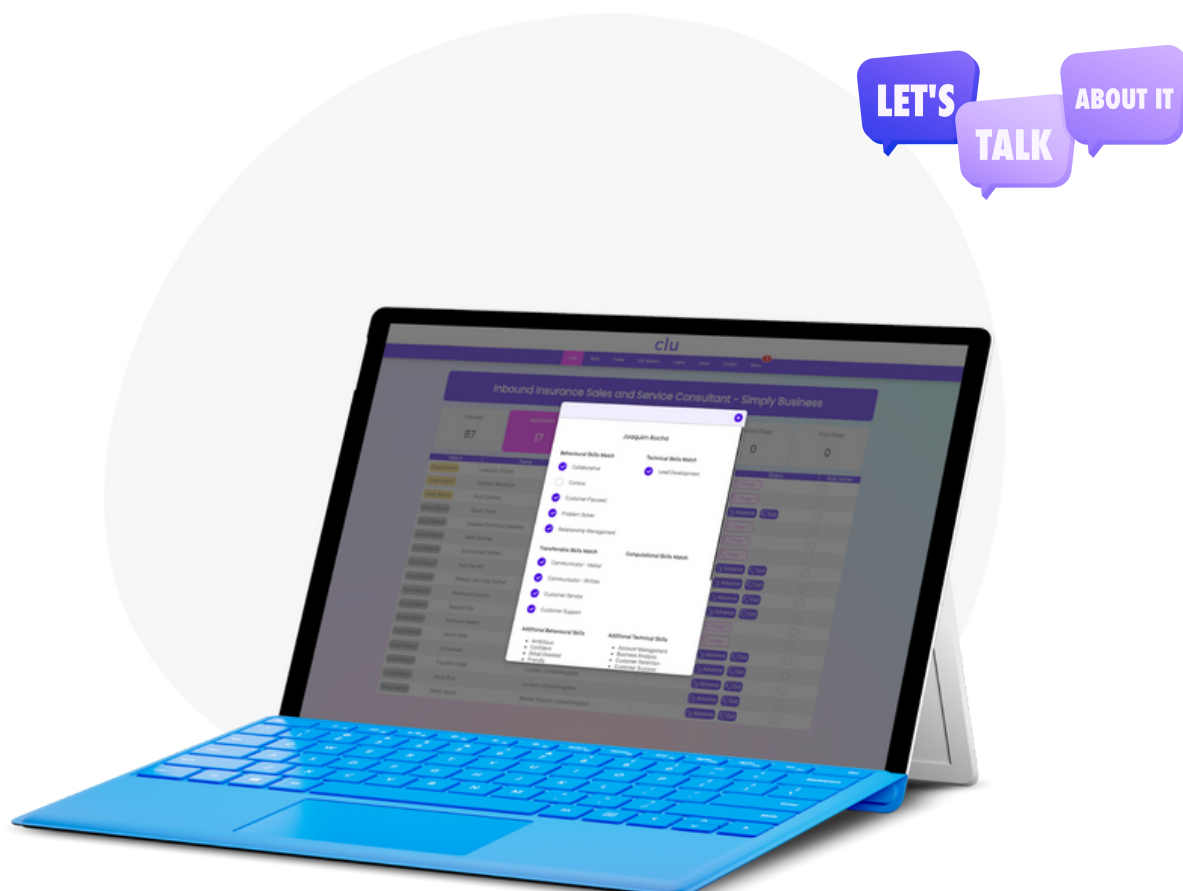
## INVESTING IN TECHNOLOGY THAT MAKES THE HARD PARTS EASIER

We get it. Everyone talks a big game when it comes to AI, but actually, more often than not, you're met with some automation and a few fancy branding choices. But not with us.

We're experts in behavioural psychology, AI, and inclusion and have built a new way of getting great at skills-based hiring that doesn't take extensive change management and doesn't break the bank.

Leveraging advanced recruiting tech like Clu can make your transition to skills-based hiring significantly smoother because you still do almost everything the old way - we just do some clever stuff in the middle and give you nice data visualisations so you can see it's working.

**Clu helps you confidently widen the gate without lowering the bar, and our customers typically 4x diversity after using our inclusive recruitment platform.**





## Our Commitment

Our mission is to make the working world work for everyone and add 10M socially mobile people to the workforce over the next ten years.  
Get in touch if you want to learn more about our mission and how we can help you get great at inclusive skills-based hiring.

[hello@getaclu.io](mailto:hello@getaclu.io)