

Why Skills-Based Hiring is the Future of Talent Acquisition



As we enter 2023, it is clear that the way we approach talent acquisition is due for a shake-up. Gone are the days of simply scanning resumes and cover letters for specific job titles and degrees. It is time for a more effective solution that seeks to connect you with talent that is prepared to help your organization succeed. The future of talent acquisition lies in skills-based hiring.

Our team at Excel Partners is dedicated to helping our clients build successful teams. To help you stay ahead of the curve in the new year, here are our unique insights into the future of hiring using skills-based practices.

THE CORE MEANING OF SKILLS-BASED HIRING

So, what is skills-based hiring? At its core, this approach involves evaluating candidates based on their skills and abilities rather than their educational background or work experience. These practices allow companies to identify and hire individuals with the specific skills and competencies needed to succeed in the role, rather than relying on traditional markers of success, such as a degree or a certain number of years of experience.

LET'S JOURNEY THROUGH THE PROCESS

Consider this made-up scenario of how skills-based hiring works: XYZFinancial is a financial services firm looking to hire a new financial analyst. As the financial industry evolves and the availability of information changes, XYZFinancial realizes that its talent pool should not be limited by traditional hiring criteria. Instead of creating a 'hiring wall' designed only to recognize specific education or years of industry experience, the company begins using skills-based hiring to cast a wider net and consider candidates based on their actual applied skills.

To put this hiring strategy to work, the company's administrators devise a series of technical interviews to assess candidates' financial skills and competencies. When candidates put their talents to the test, the results reveal the best candidate for the job. Instead of making a recruiting decision based just on titles or degrees, XYZFinancial is able to locate the appropriate fit based on the talents' demonstrated skillsets.

SUSTAIN YOUR TALENT POOL AND STAY COMPETITIVE

Skills-based hiring is key for companies to stay competitive in today's rapidly changing job market. With the high-speed pace of technological and industry changes, traditional credentials may not always be relevant to the current needs of a business. When evaluating your current hiring practices, focus on skills and abilities directly relevant to the job.

In identifying and hiring individuals with the specific skills and competencies needed to succeed, companies can create a workforce ready to adapt to any potential changes in the market. All combined efforts in this hiring practice can increase productivity and sharpen organizations' competitive edges.

COMMUNICATE THE SKILLS REQUIRED AND ATTAIN TOP TALENT

According to *Harvard Business Review*, by the end of 2021, Accenture and IBM consistently distinguished themselves in their efforts to pull back from degree-specific requirements and embrace skill-based hiring. After reducing their reliance on degree-based hiring, these employers are now thinking more carefully about what capabilities they are genuinely looking for. After careful evaluation, it became apparent that a more refined job description of the skills required for a position makes applicants more aware of the soft skills needed, rather than just hard skills. Making job descriptions more transparent about the necessary skills can lead to a more innovative and dynamic workforce, as individuals from diverse backgrounds and experiences bring fresh perspectives and ideas to the table.

At Excel Partners, we are committed to helping our clients find the right fit for their unique needs and goals. If you're interested in learning more about how we can support your organization's talent acquisition efforts through The Excel Process, click [here to learn more](#).