Smarter Hiring With Data-Driven Insights

Quality and Skills Edition

indeed

> **"**
>
> Pay, benefits, location, and culture all matter, but a person's ability to do the job should come first."
>
> Abbey Carlton
> Vice President of Social Impact and Sustainability, Indeed

Quality in Hiring

We frequently use the term "quality in hiring," but we rarely define what it means.

At Indeed, we believe that understanding what quality in hiring means to job seekers and employers will help unlock better hiring for all. But it's a complex concept, and the definition changes along with shifts in culture and a rapidly evolving talent landscape: Today, employers and job seekers are questioning how artificial intelligence (AI) will change the skills that jobs require across industries, and how it will transform the application and hiring process.

Understanding quality is central to overcoming these challenges. We conducted a global survey to find out how job seekers and hiring managers around the world define quality in hiring today, how they assess it, and what challenges they're having in finding quality roles and quality candidates.

We found that job seekers and hiring managers align remarkably well on their definition of quality, and that their shared definition indicates a fundamental change in the way both groups think about hiring.

Historically, employers have seen factors like educational attainment, job titles, and years of experience as key indicators of quality. But we found that employers and job seekers now believe that the ability to demonstrate skills specific to a given role is more important, and they see traditional criteria as less critical. Quality also goes beyond qualifications — whether a candidate meets the minimum job requirements — and encompasses passion, trainability, professionalism, ambition, and a positive attitude.

As Abbey Carlton, Indeed's Vice President of Social Impact and Sustainability, says, "Making the right hire is a multifaceted proposition. Pay, benefits, location, and culture all matter — but a person's ability to do the job should come first."

In this report, we'll dig deeper into both groups' perspectives around skills in hiring, how that relates to the concept of quality, and what it means for the future of hiring. Because if they understand the evolving expectations around quality and skills, employers can reach the right talent sooner, creating better hiring — and better work — for everyone.

Methodology

The Indeed Quality in Hiring Annual Report is based on an online survey conducted from June 21–July 12, 2024.

Respondents included:

- 9,671 job seekers, defined as people who are in full- or part-time employment or are looking for work.
- 5,666 employers, defined as people with senior management responsibility in their organization.

This survey represents six of Indeed's core markets. Respondents per country were distributed as follows:[1]

- Job seekers: U.S. (1,027), Canada (1,003), U.K. (1,066), Germany (1,014), France (1,033), Netherlands (507).
- Employers: U.S. (1,003), Canada (252), U.K. (1,128), Germany (509), France (506), Netherlands (253).

When referencing this research, please use the following citation:

**Indeed Survey with YouGov 2024,
Total N=5,650 job seekers and 3,651 employers**

[1]Due to differences in sample sizes per country, some percentages representing totals across all six core markets may not equal 100%.

Table of Contents

About Indeed

Indeed is the no. 1 job site in the world[1] with over 350M+ Unique Visitors every month from around the globe.[2] Indeed strives to put job seekers first, while providing quality matches for employers, fast, to support their hiring needs.

Every day, we connect millions of people to better work to create better lives, combining the latest in AI technology and the power of human judgment and connection.

580M+
job seeker profiles
Indeed data (worldwide), job seeker accounts that have a unique, verified email address

#1
job search app on iPhone or Android in 25+ countries
Business Category, SimilarWeb, June 2023

32.5M
total jobs on Indeed

11
jobs added every second, worldwide

5.9M
Indeed Apply applications completed each day on mobile, worldwide

23.6M
phone interviews on Indeed, worldwide

5.5M
new jobs added each month in the U.S.
Indeed Data

60+
countries have Indeed sites, serving people worldwide

[1]Comscore, Total Visits, March 2024
[2]Indeed Internal Data, average monthly Unique Visitors October 2023 – March 2024

Smarter Hiring With Data-Driven Insights: Quality and Skills Edition   4

Hiring Is Getting Harder

Both job seekers and employers struggle to find what they're looking for.

Missed Connections

Indeed asked job seekers and employers across key markets to evaluate their hiring experiences, and respondents say it's hard and getting harder: 45% of job seekers say getting hired has become more difficult over the past three years, and 58% of employers say hiring has become more challenging over the same time period.
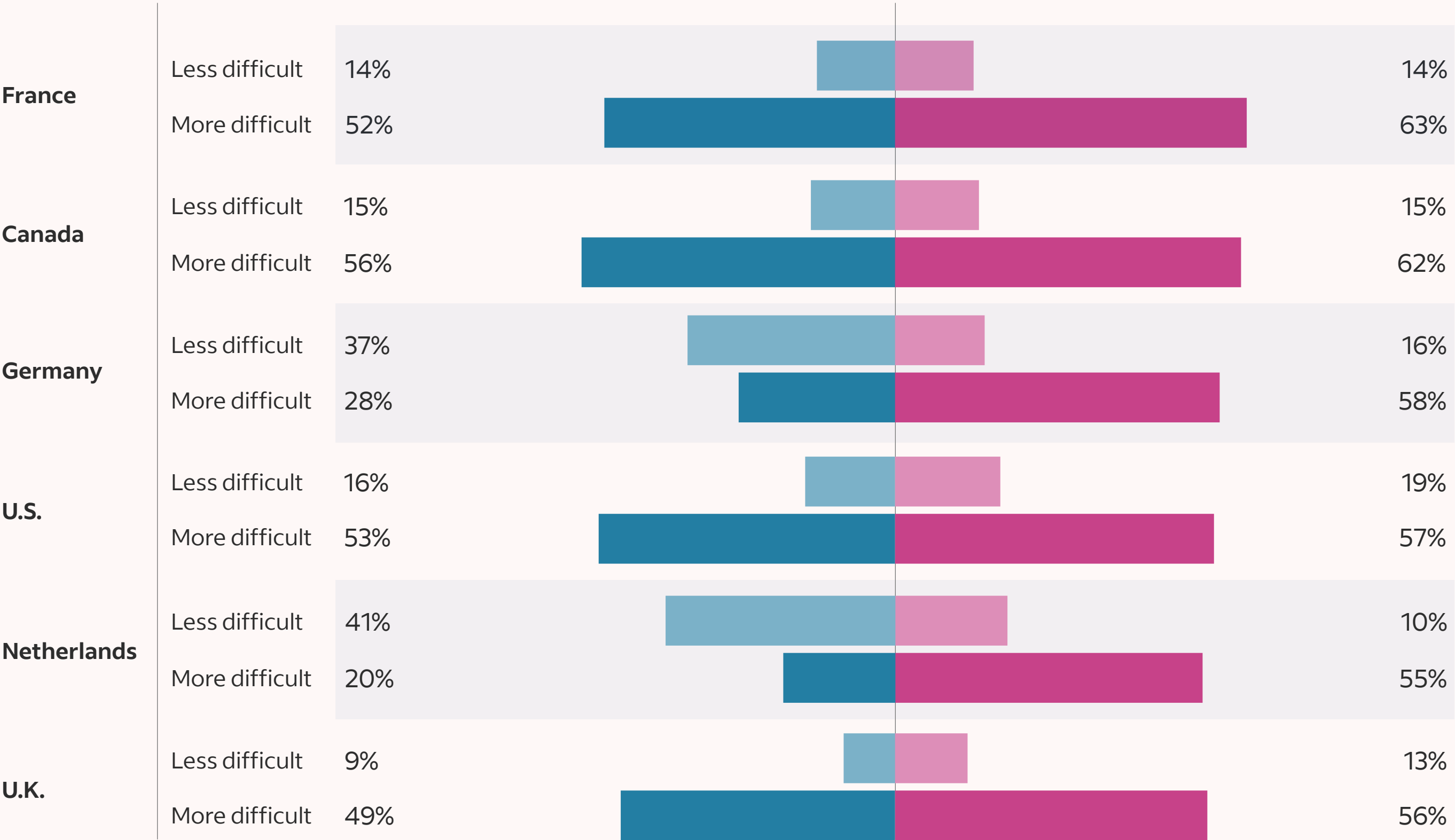
Some areas emerged as hot spots: Both job seekers and employers in France, Canada, and the U.S. were most likely to say that hiring is increasingly challenging.

The survey responses revealed a paradox in *why* hiring has gotten harder: Job seekers say their biggest challenge is a dearth of quality roles to apply for. But employers say their biggest hurdle is a lack of quality applicants — a third of managers say the lack of candidates is a significant or critical issue for their organization.

Is the Hiring Process Becoming More Difficult?

Job seekers and employers say it is, and the challenges are most acute in France, Canada, and the U.S.

■ Job seekers
■ Employers

France	Less difficult	14%	14%
	More difficult	52%	63%
Canada	Less difficult	15%	15%
	More difficult	56%	62%
Germany	Less difficult	37%	16%
	More difficult	28%	58%
U.S.	Less difficult	16%	19%
	More difficult	53%	57%
Netherlands	Less difficult	41%	10%
	More difficult	20%	55%
U.K.	Less difficult	9%	13%
	More difficult	49%	56%

Job seeker question: Would you say that getting hired has become more or less difficult over the past three years?
Employer question: Would you say hiring has become more or less difficult over the past three years?

The problem, however, is neither a lack of good roles nor a shortage of applicants to fill them. The challenge lies in the difficulty of connecting the right candidates with the right jobs — which points to an urgent need to rethink how the world hires.

Quantity vs. Quality
Job seekers believe the main reason they miss out on roles is that they're in competition with an overwhelming number of qualified candidates for an underwhelming selection of jobs. So, many aim for efficiency over selectivity when applying for jobs, casting a wide net. As a result, employers are receiving an inundation of applications.

Employers report that they're scrutinizing applications, searching for quality candidates. According to Indeed research, "employers consider a candidate's availability, location, and responsiveness in their quality assessment of the 'total package.'" [1] When these elements are lacking, employers perceive a lack of quality applicants, but the problem may simply be that qualified job seekers are sending low-quality applications. [2]
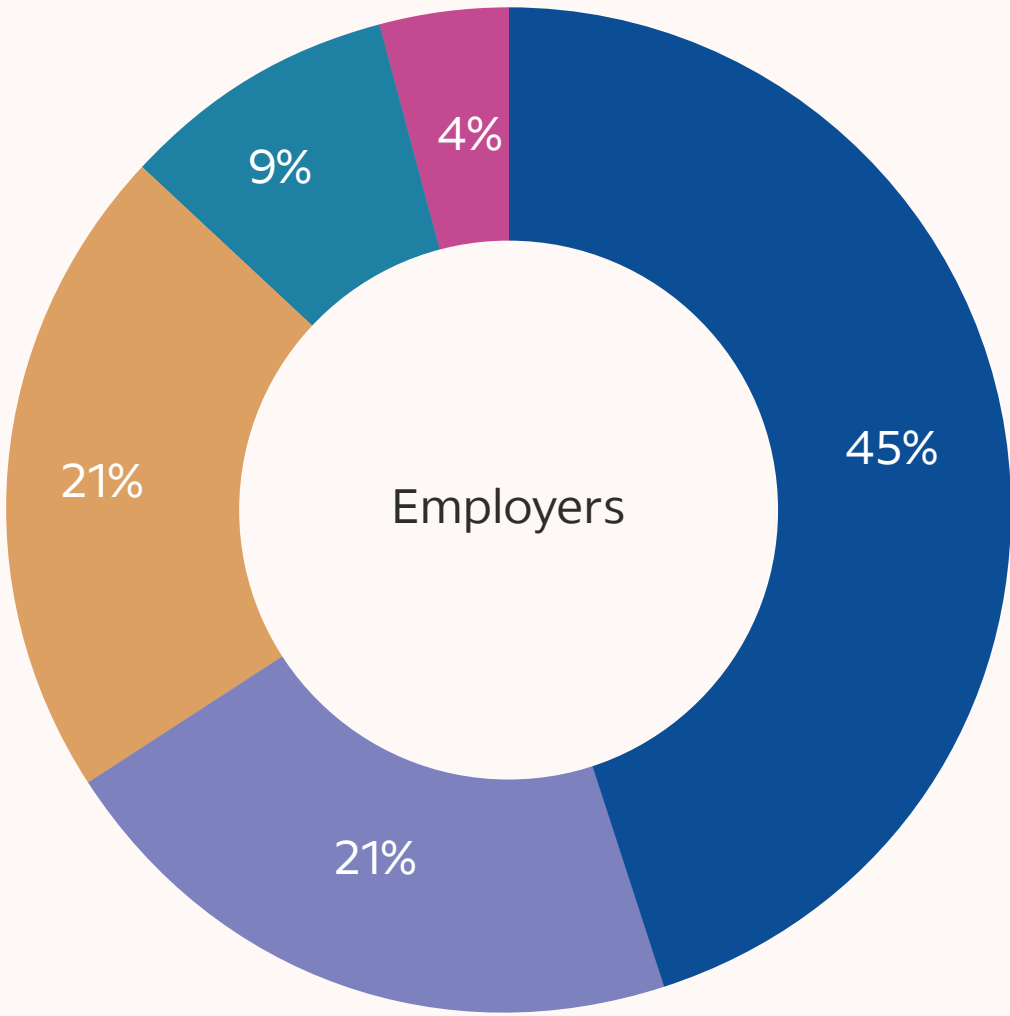
[1] Indeed Internal Data, Application Quality, July 2024.
[2] Indeed Internal Data, Application Quality, July 2024.

How Difficult Is It to Find Quality in Hiring?
Job seekers and employers are struggling to find what they're looking for.

Job seekers
- 8%
- 42%
- 17%
- 17%
- 17%

Employers
- 9%
- 4%
- 45%
- 21%
- 21%
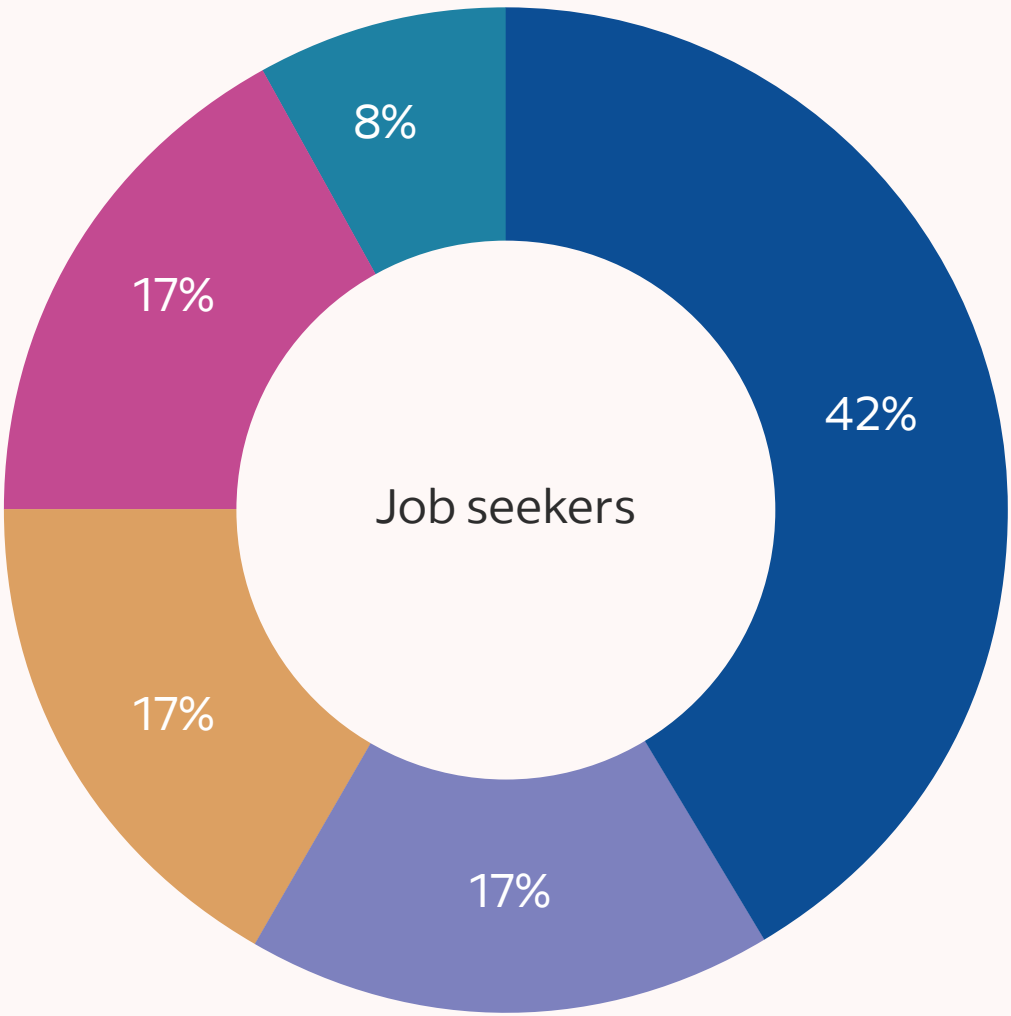
Job seekers legend:
- Exceptionally difficult — I can't find enough quality roles to apply for
- Very difficult — the majority of open roles don't meet my needs or skills
- Somewhat difficult — a fair number of open roles aren't relevant to my needs or skills
- Not at all difficult — most of the open roles I find are worth applying for
- Don't know

Employers legend:
- Critical — we can't find enough quality candidates
- Significant — the majority of applicants don't meet our open roles' needs
- Somewhat — a fair number of applicants aren't relevant to the role
- Not much — most of our applicants meet our open roles' needs
- Don't know

Job seeker question: How difficult is it for you to find quality roles to apply for?
Employer question: To what extent, if at all, is a lack of quality candidates an issue for your organization?

indeed

Defining Quality in Hiring

Which attributes matter most?
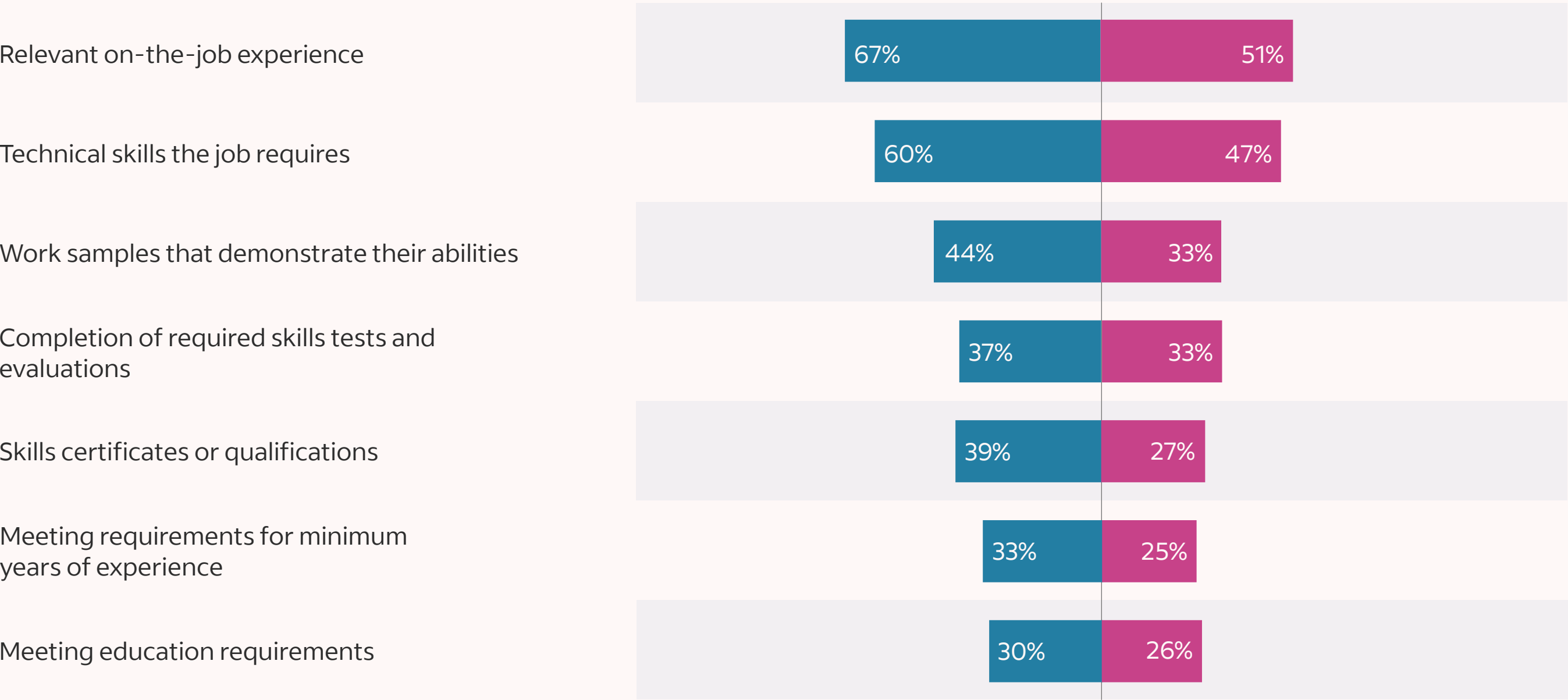
Section 2

Skills Are Key to Quality

Job seekers and employers have different perspectives on today's hiring challenges, but the two groups are surprisingly well aligned on how to define a "quality" hire.

The majority of job seekers (67%) and hiring managers (51%) in key markets believe that relevant, on-the-job experience is the most important indicator of quality — more important than educational degrees, job titles, and years of experience.

What Makes Someone a Quality Candidate?
Both job seekers and employers say that on-the-job experience is the top priority when assessing candidate quality — and that education requirements are least important.

■ Job seekers
■ Employers

	Job seekers	Employers
Relevant on-the-job experience	67%	51%
Technical skills the job requires	60%	47%
Work samples that demonstrate their abilities	44%	33%
Completion of required skills tests and evaluations	37%	33%
Skills certificates or qualifications	39%	27%
Meeting requirements for minimum years of experience	33%	25%
Meeting education requirements	30%	26%

Job seeker question: If you were an employer or a recruiter, what would be the key questions you would ask to assess whether someone is a "quality" candidate? Please select all that apply.
Employer question: What are the key questions you would consider when assessing whether someone is a "quality" candidate? Please select up to three.

Most job seekers say employers should value transferable skills, such as learning a job quickly (89%), critical thinking and problem solving (89%), and working well with different people (88%) more than years of experience (69%) or specific technical skills (64%). And employers agree — they mirror job seekers' prioritization of these skills and rank educational degrees as the least important criteria when evaluating candidates.
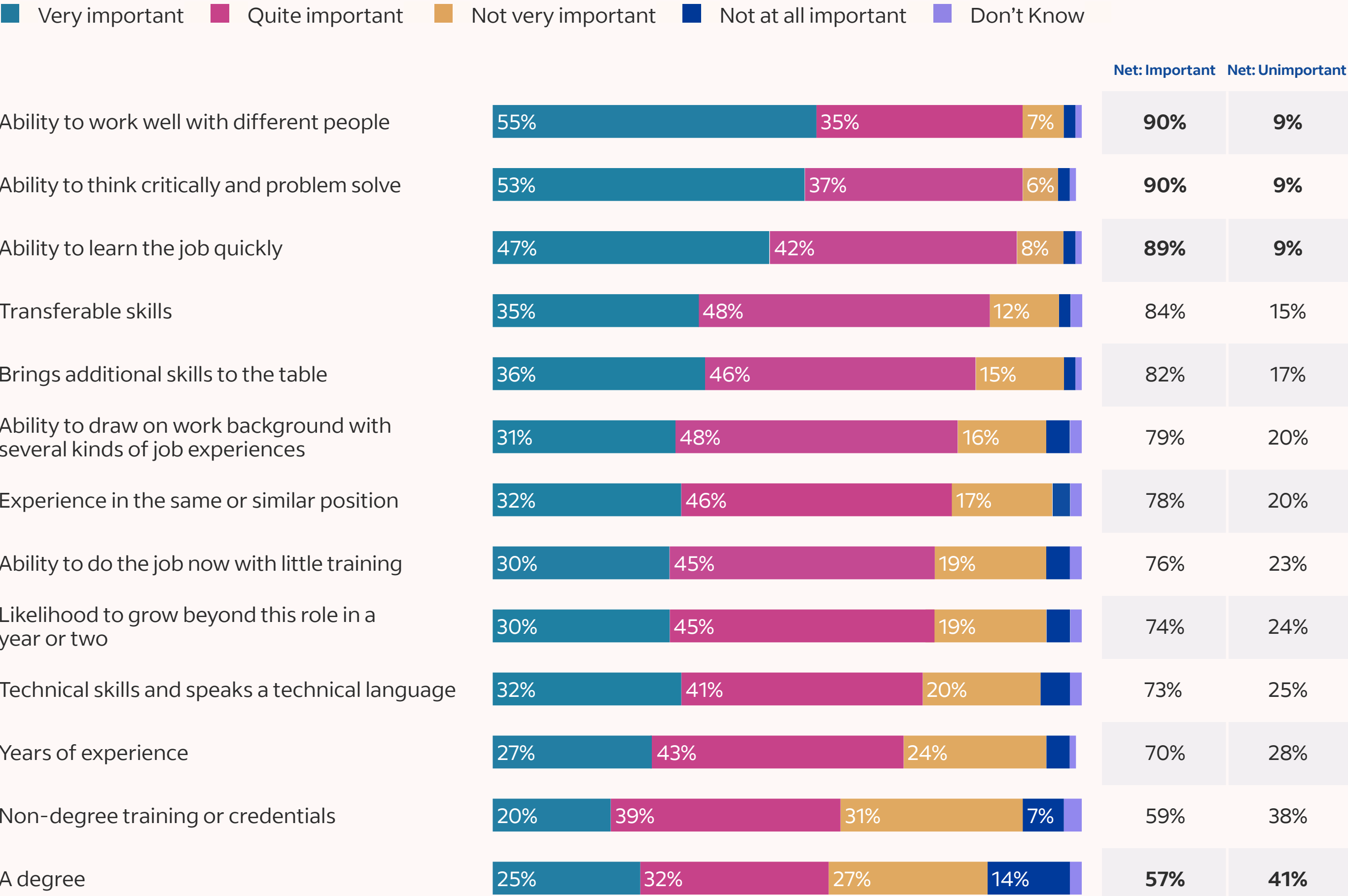
Reducing Requirements
Indeed Hiring Lab data for the U.S. supports a larger trend toward de-emphasizing these traditional indicators of quality: In April 2023, less than a third of U.S. job postings on Indeed asked applicants for a specific number of years' experience, down from almost 40% in April 2022. Similarly, Hiring Lab has found that a majority (52%) of U.S. job postings on Indeed did not mention any formal education requirement as of January 2024, up from 48% in 2019. The share of U.S. job postings requiring at least a college degree fell from 20.4% to 17.8% over the past five years.[1]

[1]Note that the Hiring Lab study looks at requirements listed in job postings, and therefore shows the trend of decreasing degree requirements explicitly in postings. It does not speak to the percentage of jobs that require degrees.

Which Criteria Do Employers Value Most?

Soft and transferable skills top the list of most important attributes, and employers value educational degrees least of all.

■ Very important   ■ Quite important   ■ Not very important   ■ Not at all important   ■ Don't Know

	Very important	Quite important	Not very important	Net: Important	Net: Unimportant
Ability to work well with different people	55%	35%	7%	**90%**	**9%**
Ability to think critically and problem solve	53%	37%	6%	**90%**	**9%**
Ability to learn the job quickly	47%	42%	8%	**89%**	**9%**
Transferable skills	35%	48%	12%	84%	15%
Brings additional skills to the table	36%	46%	15%	82%	17%
Ability to draw on work background with several kinds of job experiences	31%	48%	16%	79%	20%
Experience in the same or similar position	32%	46%	17%	78%	20%
Ability to do the job now with little training	30%	45%	19%	76%	23%
Likelihood to grow beyond this role in a year or two	30%	45%	19%	74%	24%
Technical skills and speaks a technical language	32%	41%	20%	73%	25%
Years of experience	27%	43%	24%	70%	28%
Non-degree training or credentials	20%	39%	31%	7%	59%	38%
A degree	25%	32%	27%	14%	**57%**	**41%**

Employer question: How important are each of the following criteria when evaluating a candidate?
Percentages not shown are less than 5%.

Section 2

Who Would You Hire?

Candidate A has a degree in the field but no experience in the industry.

Candidate B does not have a degree but has on-the-job experience in the industry.

Most job seekers (70%) believe that employers would prefer Candidate B. Though employers remain slightly more reliant on degrees, the majority of hiring managers (62%) agree that Candidate B is the better choice.

Which Candidate Will Get the Job?

Most respondents say a candidate with experience but no degree is a better quality hire than an applicant with a degree but no experience.

Respondents who selected Candidate A:

"I believe HR departments are hamstrung by minimal education requirements, and the person without the degree probably wouldn't get through the automated screening process."
(Job Seeker, U.S.)

"The candidate with a degree is more likely to bring innovation to the company."
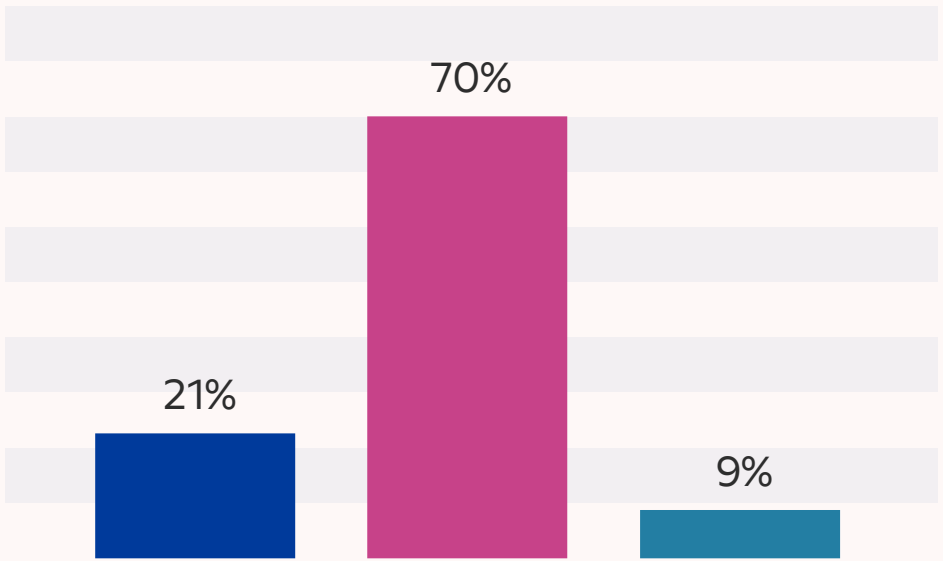(Job Seeker, U.K.)

"You can trust them to be responsible, on time, and able to work towards a deadline."
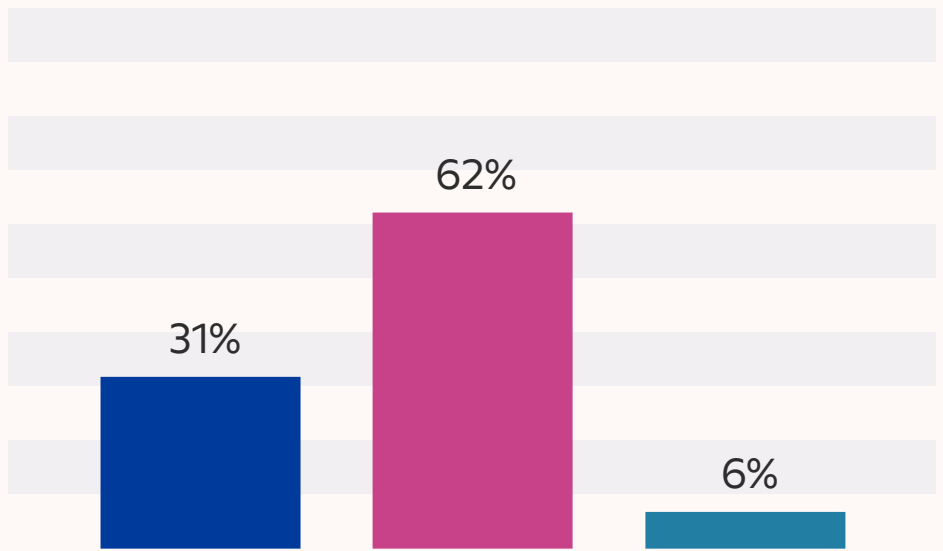(Employer, Canada)

"A college degree shows qualifications and a willingness to continue learning."
(Employer, Germany)

The candidate job seekers think employers would hire

21% 70% 9%

The candidate employers would hire

31% 62% 6%

■ **Candidate A:** Has a degree in the field but no experience in the industry

■ **Candidate B:** No degree but has on-the-job experience in the industry

■ Don't know

Job seeker question: Which candidate do you believe employers would be more likely to hire?
Employer question: Which candidate would you be more likely to hire?

Respondents who selected Candidate B:

"A rich and varied professional experience is more revealing of a candidate's skills than a diploma without experience. Unfortunately, this is not always a recruitment criterion for employers."
(Employer, France)

"Too much importance is placed on diplomas. Many people do not have the opportunity to study."
(Employer, Netherlands)

"Degrees are a dime a dozen. At least 50% of my team has a degree unrelated to the job. Often the most challenging part of obtaining a degree is affording it."
(Employer, U.S.)

"Specific experience and demonstrable success is more valuable than generic academic qualifications."
(Job Seeker, U.K.)

indeed

An Ideological Shift

Employers and job seekers are using a new set of values to define quality.

The Evolution of Hiring

Respondents believe that a quality hiring process for today's market should focus on candidates' actual skills rather than proxy indicators of capabilities, such as educational degrees or years of industry experience. Indeed, along with other organizations, calls this concept "skills-first hiring."

> **Skills-first hiring means sourcing and evaluating candidates based on skills, regardless of where or how they gained those skills.**

Interestingly, while the majority of job seekers (60%) say they're not familiar with the term "skills-first hiring," responses revealed that people intuitively understand the concept. When asked to identify the main practices associated with a skills-first hiring strategy, the majority of job seekers and employers cited practices that reflect their understanding of quality: evaluating candidates primarily based on demonstrated competencies relevant to the job and intentionally sourcing candidates based on skills.

Are Respondents Familiar With the Concept of Skills-First Hiring?
Even though job seekers' definition of quality aligns with a skills-first approach, most aren't aware that it's a formal strategy.

■ Familiar
■ Unfamiliar
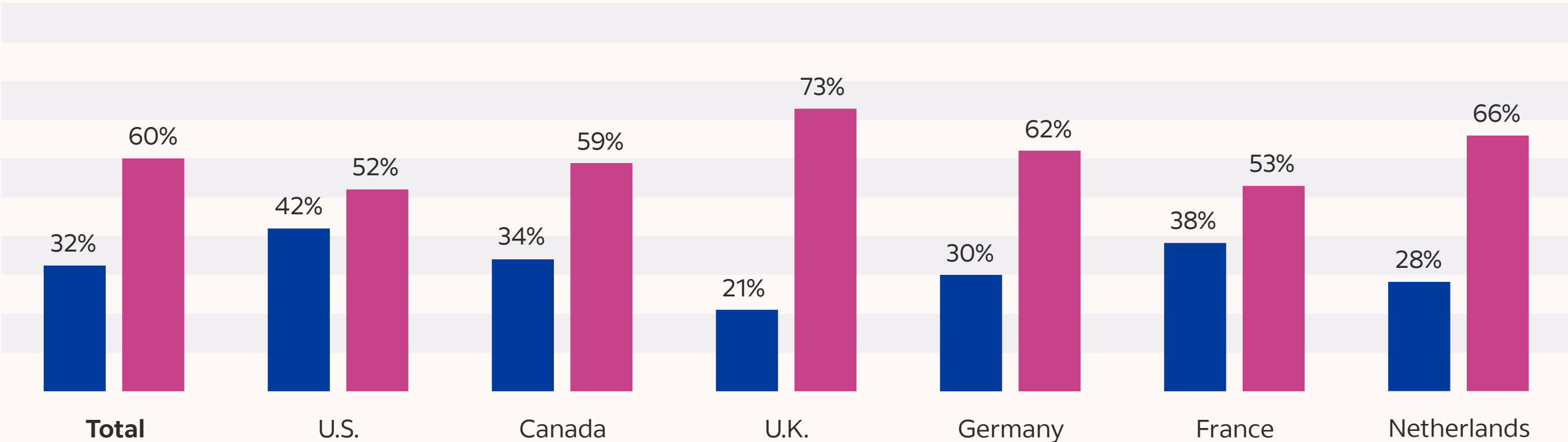
Job seeker question: To what extent, if at all, are you familiar with the concept of "skills-first hiring"? Please select all that apply.

In most regions, the majority of employers are familiar with the strategy, though employers in the U.K. are less aware than peers in other countries.
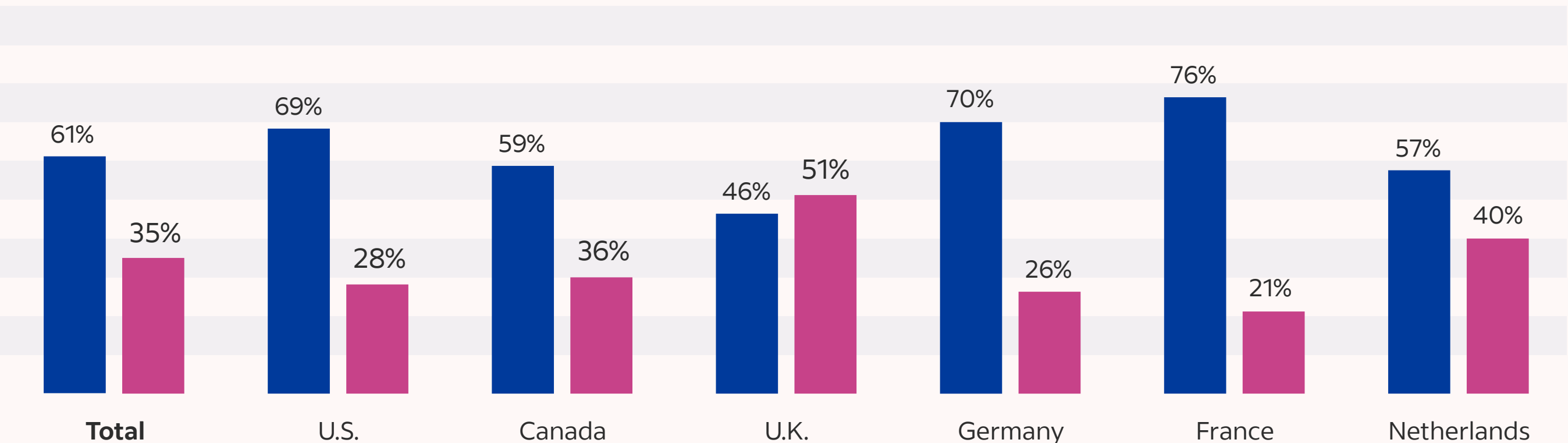
■ Familiar
■ Unfamiliar

Employer question: To what extent, if at all, are you familiar with the concept of "skills-first hiring"?

Indeed Survey with YouGov 2024, Total N=5,650 job seekers and 3,651 employers

So why this rise in skills-first hiring? Simply put, skills-first hiring directly addresses employers' biggest hiring challenge: a lack of qualified candidates. Employers who have implemented a skills-first strategy say the top benefits are more quality candidates (28%) and a higher incidence of transferable skills (28%).

Skills-first hiring is also a powerful driver of diversity, equity, inclusion, and belonging (DEIB). Sixty-four percent of employers who have adopted skills-first hiring say it has improved diversity at their organization, and 59% say it has improved equity. Twenty-eight percent of these employers say that one of the top three benefits of a skills-first strategy is increased innovation due to greater diversity.

Rising STARs
By de-emphasizing proxies, a skills-first approach breaks down barriers for job seekers with nontraditional backgrounds. Removing or reducing educational requirements opens the talent pool to include STARs, an acronym coined by the U.S.-based nonprofit social enterprise Opportunity@Work that stands for "skilled through alternative routes," such as military service, community college, or on-the-job experience. The majority of Black, Hispanic, rural, and veteran workers are STARs. Over 12 million monthly job seekers on Indeed are STARs.[1] Hiring STARs for their skills, regardless of educational degrees, increases accessibility and helps create a more diverse workplace.
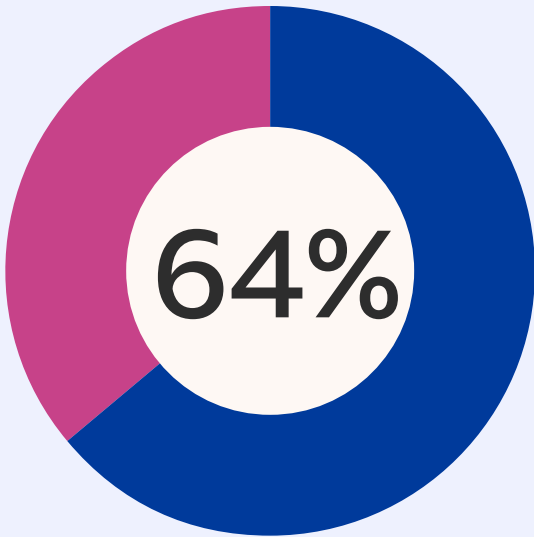
What Are the Benefits of Skills-First Hiring?
Employers who already use a skills-first hiring strategy say it has led to a wide range of positive outcomes.

28% Benefits to the business — more innovation due to greater diversity, greater business resilience, etc.

28% Higher incidence of transferable skills

28% More quality candidates

24% Improved performance in roles

23% Greater return on investment for hiring campaigns through reduced costs

22% Employees being more interested in upskilling and education

20% More diversity in my labor force

19% Better retention of new hires

19% Happier workforce

19% More equitably distributed opportunities for job seekers

17% Reduced time to hire

64%

of employers who have adopted a skills-first hiring strategy say it has improved diversity in their organization. **59%** say it has improved equity.

Employer questions: You say you have implemented a skills-first hiring strategy. What positive results, if any, have you found from this? Please select up to three. What effect, if any, has skills-first hiring had on diversity at your organization? What effect, if any, has skills-first hiring had on equity at your organization?

Better Connections With Skills-First Hiring

Skills-first hiring has the potential to differentiate employers. Though 31% of job seekers say the biggest challenge in finding quality roles is a lack of pay transparency, a focus on skills addresses many of the other difficulties job seekers mention: unrealistic role requirements (30%), too much emphasis on formal education (20%), ineffective staffing agencies or recruiters (18%), and poorly written job ads (18%). Job seekers also say a skills-first approach helps employers learn more about them as workers and reduces potential bias.

Employers have the most notable opportunities to stand out to job seekers in France, Germany, and the Netherlands, where job seekers say unrealistic role requirements are the biggest challenge in finding quality roles — even more than a lack of pay transparency. When requirements reflect the skills needed to succeed on the job, candidates will be better able to identify the right roles and submit a more accurate and reflective application — which can reduce employers' frustration over less qualified candidates.

What Are Job Seekers' Biggest Frustrations?

Common pain points include unrealistic job requirements and an over-emphasis on education — and skills-first hiring can help improve candidates' experiences.

	U.S.	Canada	U.K.	Germany	France	Netherlands
Lack of transparency on pay	34%	34%	33%	31%	28%	21%
Unrealistic role requirements	31%	31%	28%	33%	29%	22%
Staffing agencies or recruiters who aren't very good	21%	18%	17%	21%	15%	16%
Too much emphasis on formal education	25%	24%	18%	15%	17%	19%
Assessments that don't reflect my skills	20%	18%	12%	13%	15%	11%
Insufficient matching on hiring platforms	21%	18%	11%	14%	12%	11%
Poorly written job ads	19%	15%	17%	23%	18%	16%
Not understanding organization's policies and benefits	11%	12%	7%	11%	12%	11%
N/A — it's not a challenge for me to find quality roles to apply for	14%	11%	15%	14%	8%	21%

Job seeker question: What is the biggest challenge you face in finding quality roles to apply for? Please select all that apply.

indeed

Section 4

From a Skills-First Mentality to a New Hiring Strategy

Employers need to adopt new organizational practices, standards, and cultural norms.

Going Deeper

The ideological shift to a skills-first approach is an important first step, but companies that want to adopt a complete skills-first hiring strategy will need to rethink their organizational practices and norms. Most employers (61%) grasp the concept of skills-first hiring, but they're less clear on how the strategy is executed.

While they know that the approach means assessing and hiring for skills rather than proxies, they're less likely to identify the practices to get them there, like writing skills-based job descriptions and evaluating candidates based on their non-degree training.

What Does Skills-First Hiring Mean to Employers?

Most understand the importance of evaluating job seekers' skills, but fewer employers recognize the need to adjust their processes and requirements — and write skills-based job descriptions.

Evaluating candidates primarily based on their demonstrated competencies relevant to the job	36%
Intentionally sourcing candidates based on skills	32%
Assessing skills required for the job	32%
Evaluating candidates based on their work history	24%
Evaluating candidates based on their non-degree training	23%
Writing skills-based job descriptions	22%
Evaluating candidates based on their education	16%
Removing degree requirements	15%
Removing or reducing years of experience requirements	14%
Establishing an apprenticeship program	14%
Don't know	3%

Employer question: What do you understand the term "skills-first hiring" to mean? Please select up to three.

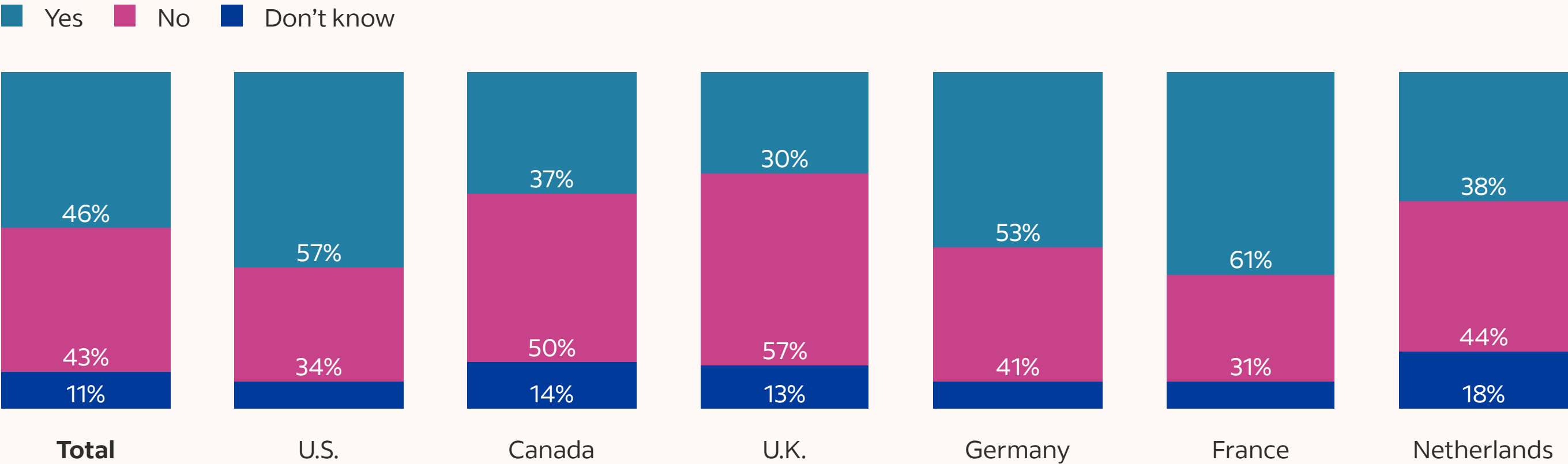# Establishing vs. Implementing

Of the employers surveyed, 46% say they have established a skills-first hiring strategy. The majority of employers in the U.S. (57%), France (61%), and Germany (53%) say they have defined a skills-first hiring strategy, while a minority in the U.K. (30%), Canada (37%), and the Netherlands (38%) have done so.

Those who have defined a skills-first hiring strategy say they're implementing it by assessing the skills needed for open roles (25%), crafting skills-based job descriptions (22%), and hiring with the mindset that they'll train a quality candidate (22%).
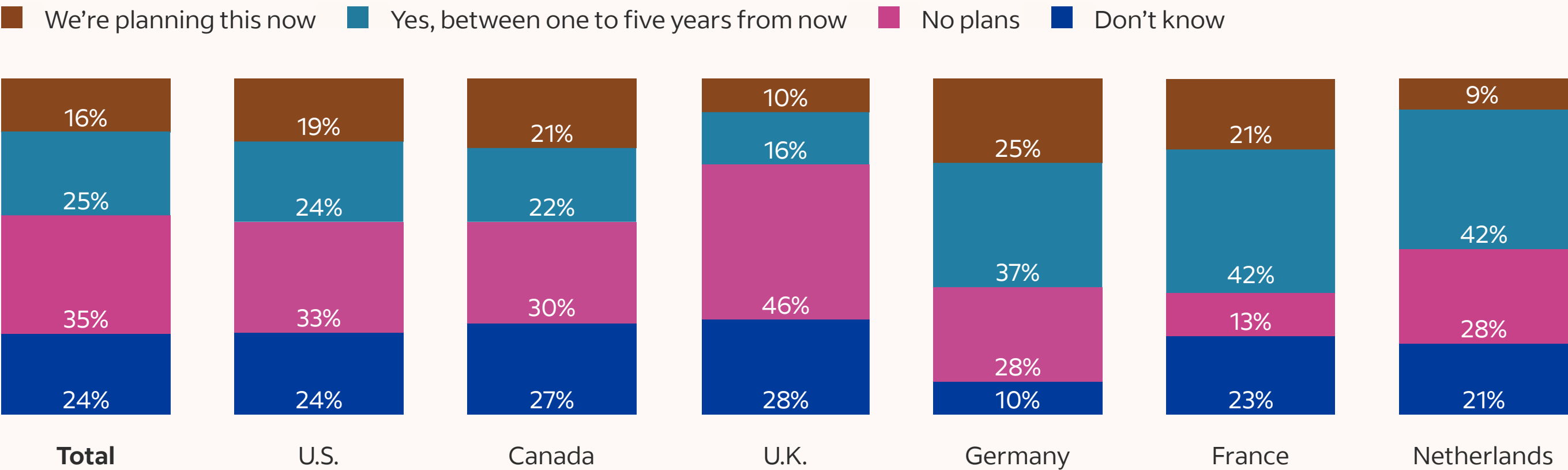
How Quickly Are Employers Adopting Skills-First Hiring?

Nearly half of employers have already defined a skills-first hiring strategy. France leads the pack with 61%, while the U.K. lags, with less than a third of employers saying they've got a skills-first strategy in place.

Legend: ■ Yes ■ No ■ Don't know

	Total	U.S.	Canada	U.K.	Germany	France	Netherlands
Yes	46%	57%	37%	30%	53%	61%	38%
No	43%	34%	50%	57%	41%	31%	44%
Don't know	11%	—	14%	13%	—	—	18%

Employer question: Does your organization have a defined skills-first hiring strategy? Percentages not shown are less than 9%.

Around 2 in 5 employers who do not currently have a skills-first strategy say they plan to establish one. Ambitions are highest in France and Germany and lowest in the U.K.

Legend: ■ We're planning this now ■ Yes, between one to five years from now ■ No plans ■ Don't know

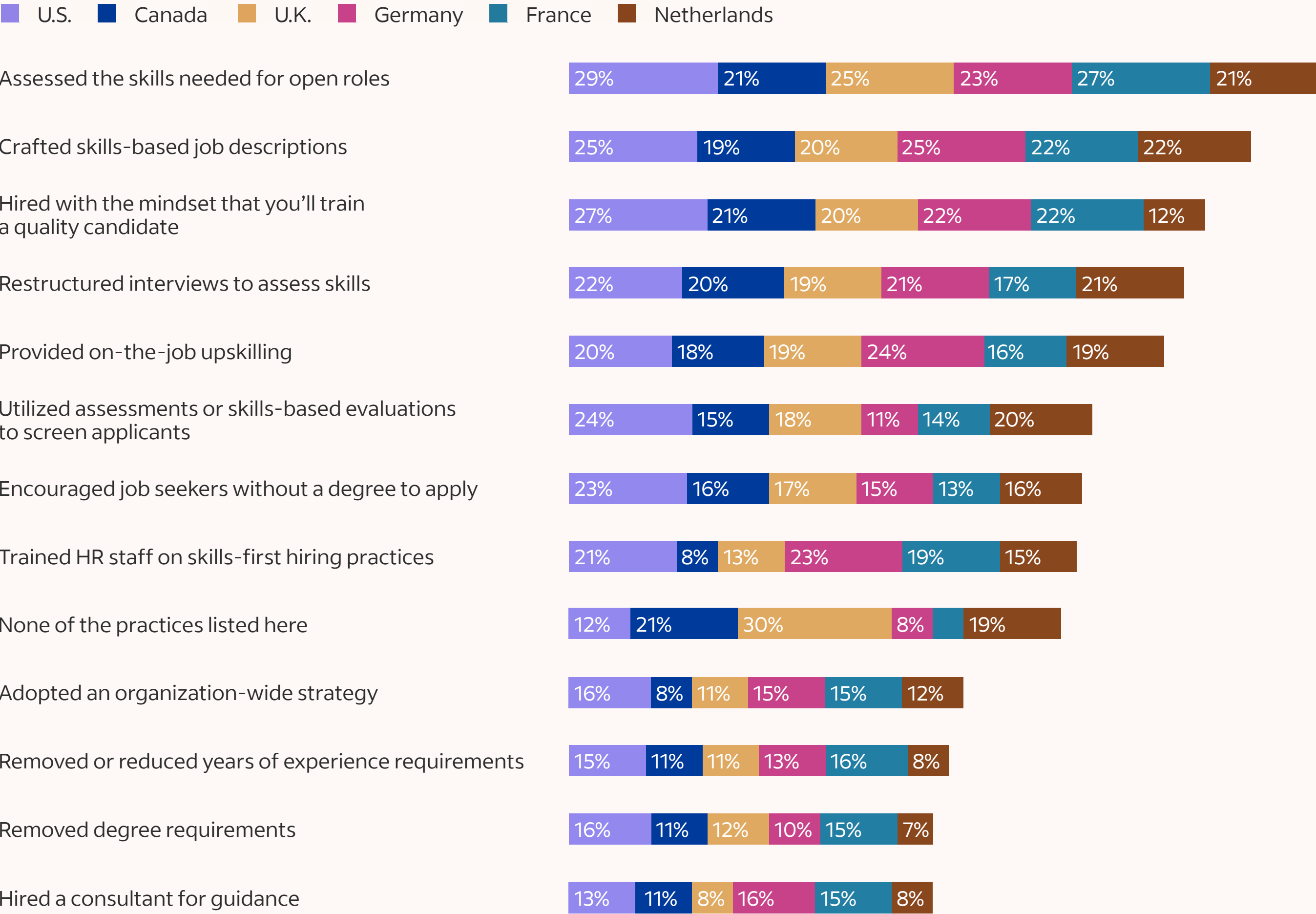|	Total	U.S.	Canada	U.K.	Germany	France	Netherlands
We're planning this now	16%	19%	21%	10%	25%	21%	9%
Yes, between one to five years from now	25%	24%	22%	16%	37%	42%	42%
No plans	35%	33%	30%	46%	—	13%	28%
Don't know	24%	24%	27%	28%	28% / 10%	23%	21%

Employer question: If you're not currently adopting a skills-first hiring strategy, do you anticipate doing so in the future?

While all of these practices are important, they're relatively small adjustments to the hiring process. Most employers have not yet made the fundamental changes that enable them to connect with the right candidates based on skills, particularly when it comes to identifying and verifying capabilities by using skills-based evaluations to screen applicants.

Only 13% have removed or reduced years of experience requirements, and 13% have removed degree requirements — despite the fact that the majority don't consider these criteria to be important indicators of quality. A similarly small percentage have made structural changes to the organization to support skills-first hiring, such as using assessments or skills-based evaluations to screen applicants (18%), training staff on skills-first hiring practices (17%), and adopting an organization-wide strategy (13%).

How Have Companies Adopted a Skills-First Strategy?

Employers are implementing a range of practices, but in countries where fewer employers are doing skills-first hiring, a significant percentage of employers who have a skills-first strategy say they're not taking any of the actions listed.

Legend: ■ U.S. ■ Canada ■ U.K. ■ Germany ■ France ■ Netherlands

Assessed the skills needed for open roles
29% | 21% | 25% | 23% | 27% | 21%

Crafted skills-based job descriptions
25% | 19% | 20% | 25% | 22% | 22%

Hired with the mindset that you'll train a quality candidate
27% | 21% | 20% | 22% | 22% | 12%

Restructured interviews to assess skills
22% | 20% | 19% | 21% | 17% | 21%

Provided on-the-job upskilling
20% | 18% | 19% | 24% | 16% | 19%

Utilized assessments or skills-based evaluations to screen applicants
24% | 15% | 18% | 11% | 14% | 20%

Encouraged job seekers without a degree to apply
23% | 16% | 17% | 15% | 13% | 16%

Trained HR staff on skills-first hiring practices
21% | 8% | 13% | 23% | 19% | 15%

None of the practices listed here
12% | 21% | 30% | 8% | 19%

Adopted an organization-wide strategy
16% | 8% | 11% | 15% | 15% | 12%

Removed or reduced years of experience requirements
15% | 11% | 11% | 13% | 16% | 8%

Removed degree requirements
16% | 11% | 12% | 10% | 15% | 7%

Hired a consultant for guidance
13% | 11% | 8% | 16% | 15% | 8%

Employer question: In what ways have you adopted a skills-first hiring strategy? Please select all that apply.

Section 4

Understanding Barriers

Among employers who don't currently have a skills-first hiring strategy, 41% say they have plans to adopt one. Their most-cited reason for not yet doing so is that they believe their current approach brings the candidates they need. But regional variations suggest that employers are less aware of the benefits of skills-first hiring if they're less familiar with the strategy.
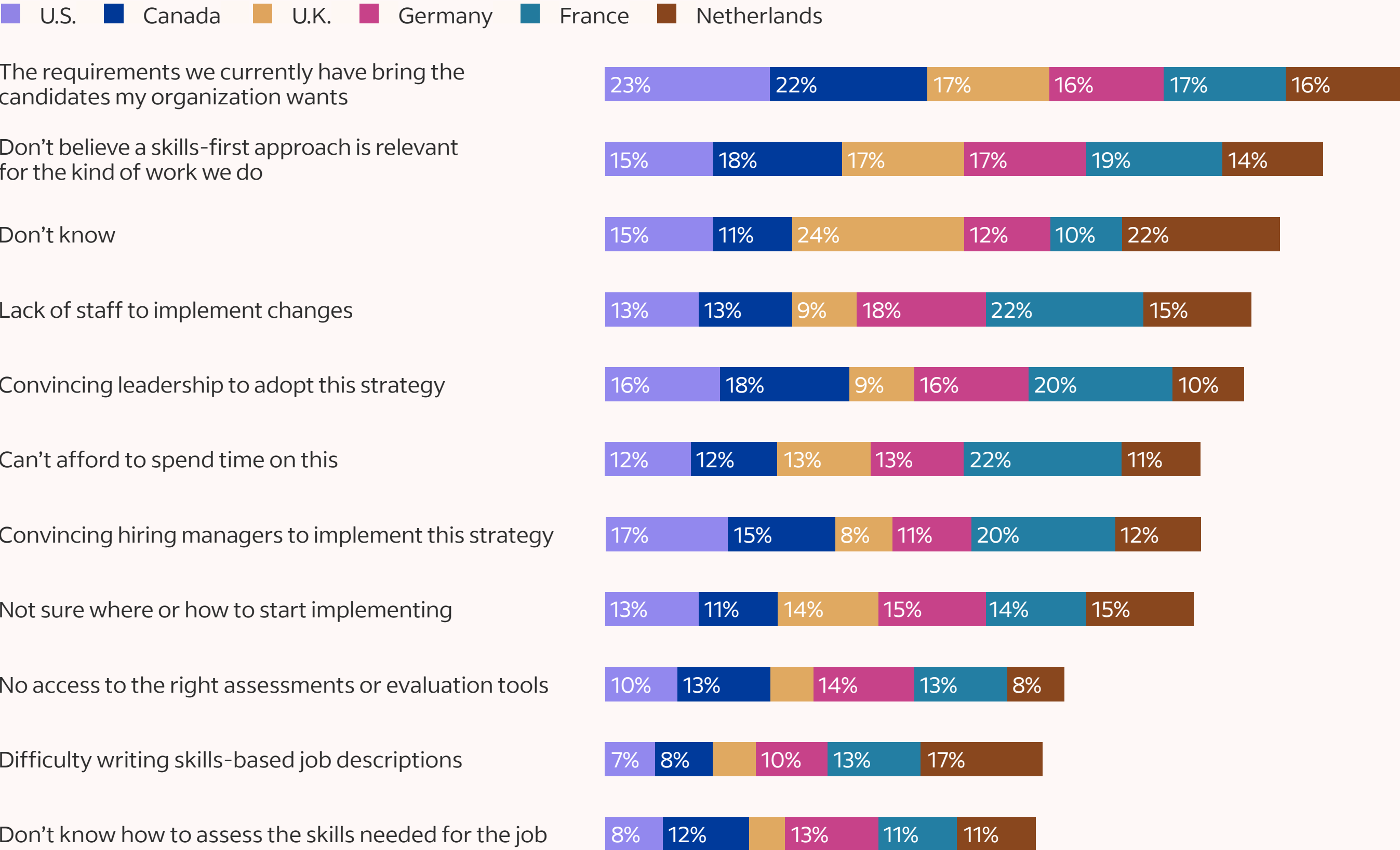
Employers in the U.K. have the least familiarity with skills-first hiring, are the least likely to have defined a skills-first strategy, and are most likely to say they're satisfied with their current approach.

In France, by contrast, employers are more likely to have defined a skills-first strategy than in any other region surveyed and less likely to believe their current approach is satisfactory. They say the main barriers are related to implementation: They don't have the time and staff needed to make changes.

The more employers understand skills-first hiring, the more they understand its potential — and the barriers to adoption. Even employers who *do* have a skills-first strategy often lack key resources, like screener questions and skills-based evaluation tools, that help make quality connections with job seekers. As organizations build their capacity for skills-first hiring, technology can help bridge that gap between ideology and implementation.

What's Holding Employers Back from Implementing a Skills-First Strategy?

Many employers believe their organization doesn't need to adopt skills-first hiring, but they also say a lack of time, resources, and knowledge is a barrier.

Legend: ■ U.S. ■ Canada ■ U.K. ■ Germany ■ France ■ Netherlands

Barrier	U.S.	Canada	U.K.	Germany	France	Netherlands
The requirements we currently have bring the candidates my organization wants	23%	22%	17%	16%	17%	16%
Don't believe a skills-first approach is relevant for the kind of work we do	15%	18%	17%	17%	19%	14%
Don't know	15%	11%	24%	12%	10%	22%
Lack of staff to implement changes	13%	13%	9%	18%	22%	15%
Convincing leadership to adopt this strategy	16%	18%	9%	16%	20%	10%
Can't afford to spend time on this	12%	12%	13%	13%	22%	11%
Convincing hiring managers to implement this strategy	17%	15%	8%	11%	20%	12%
Not sure where or how to start implementing	13%	11%	14%	15%	14%	15%
No access to the right assessments or evaluation tools	10%	13%		14%	13%	8%
Difficulty writing skills-based job descriptions	7%	8%		10%	13%	17%
Don't know how to assess the skills needed for the job	8%	12%		13%	11%	11%

Employer question: From your perspective, what is hol g your organization back from adopting a skills-first hiring strategy? Please select all that apply.
Percentages not shown: No access to the right assessments or evaluation tools: U.K. 6%; Difficulty writing skills-based job descriptions: U.K. 6%; Don't know how to assess the skills needed for the job: U.K. 5%.

Section 5

AI and Skills-First Hiring

Technology is key to achieving the benefits of a skills-first approach.

Section 5

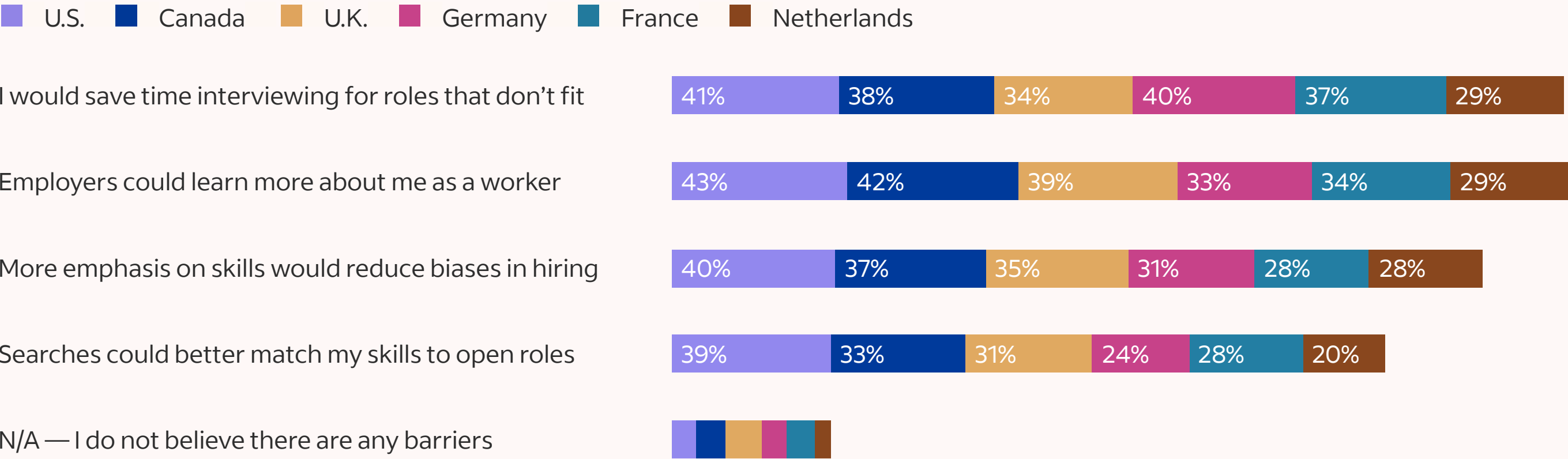# Understanding Individual Candidates

In an ever-evolving world, what role does technology and the rising application of artificial intelligence (AI) play in hiring?

Employers often report a struggle with balancing the efficiency of automation and maintaining a personal touch. In the context of a skills-first hiring strategy, however, AI-powered hiring tools can actually enable employers to take a more individualized approach, helping recruiters discern the relevant skills in applicants' unique backgrounds and skill sets.

In this way, AI enables one of the main benefits job seekers see in skills-first hiring: It allows employers to learn more about them. But most employers are not using this technology to its full potential.

What Do Job Seekers See as the Benefits of Skills-First Hiring?
Respondents believe they'd spend less time trying to get jobs that aren't right for them, give employers a better understanding of their capabilities, and experience less bias in hiring.

■ U.S.　■ Canada　■ U.K.　■ Germany　■ France　■ Netherlands

I would save time interviewing for roles that don't fit
| 41% | 38% | 34% | 40% | 37% | 29% |

Employers could learn more about me as a worker
| 43% | 42% | 39% | 33% | 34% | 29% |

More emphasis on skills would reduce biases in hiring
| 40% | 37% | 35% | 31% | 28% | 28% |

Searches could better match my skills to open roles
| 39% | 33% | 31% | 24% | 28% | 20% |

N/A — I do not believe there are any barriers

Job seeker question: How would the ability to better highlight your skills impact your search for a new role? Please select all that apply. Percentages not shown are less than 8%.
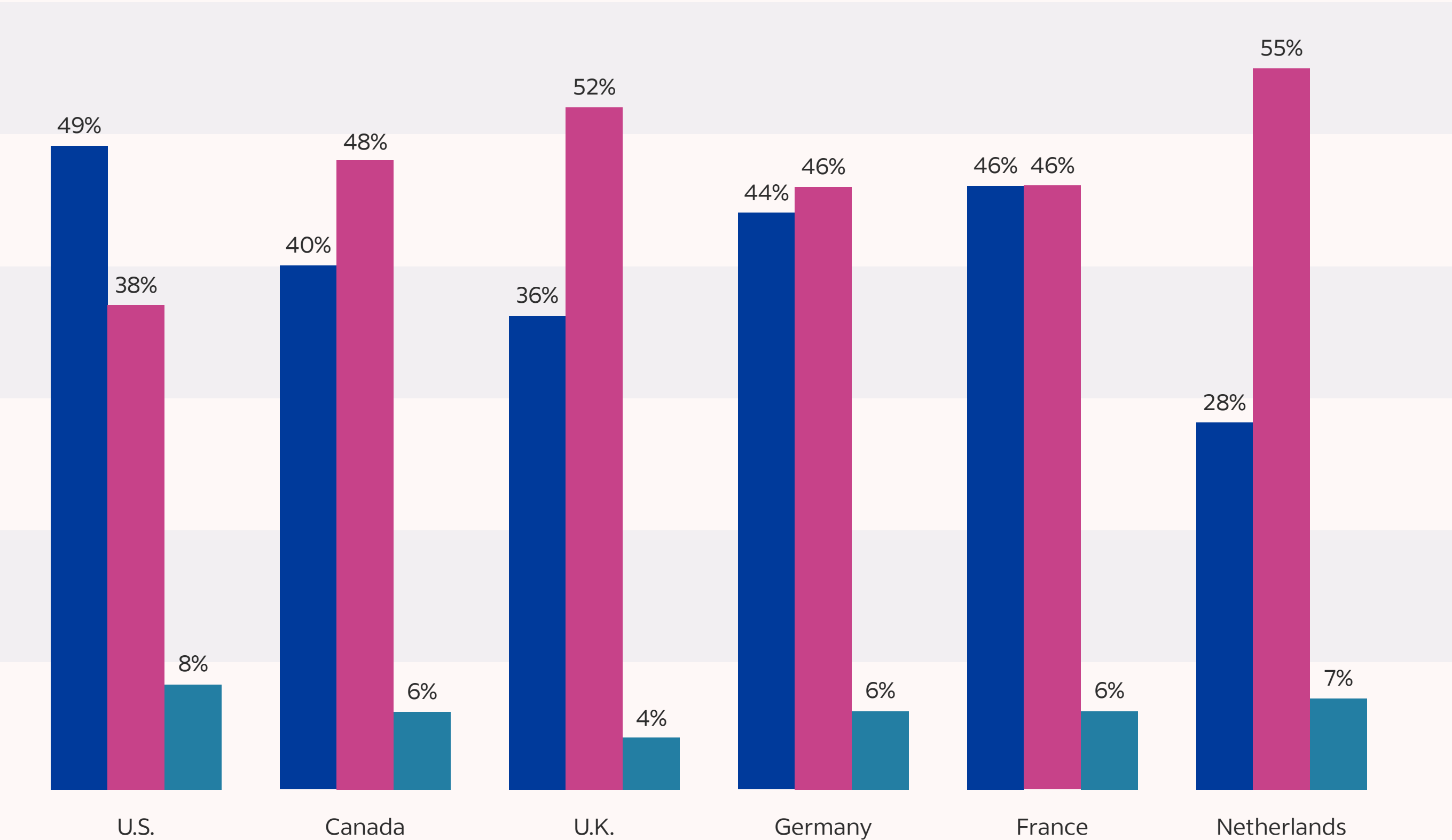
An Untapped Resource

Hiring technology has evolved tremendously over the past few years, and 42% of employers say they use more technological tools in recruiting now than they did three years ago. However, 47% say there has been no change in how many tools they use, and 6% actually use fewer tools than they did prior to the widespread emergence of AI — overall, less than half of employers are taking advantage of new technologies in hiring.

The U.S. is the only market surveyed in which the percentage of employers who use more tools today than they did three years ago (49%) outstrips the percentage reporting no change or that they use fewer tools (46%). Employers in the Netherlands are the slowest adopters: only 29% of respondents say they've increased their use of hiring technologies.

Are Employers Adopting New Hiring Technologies?

The majority of employers say they're not using any more technological tools now than they were three years ago.

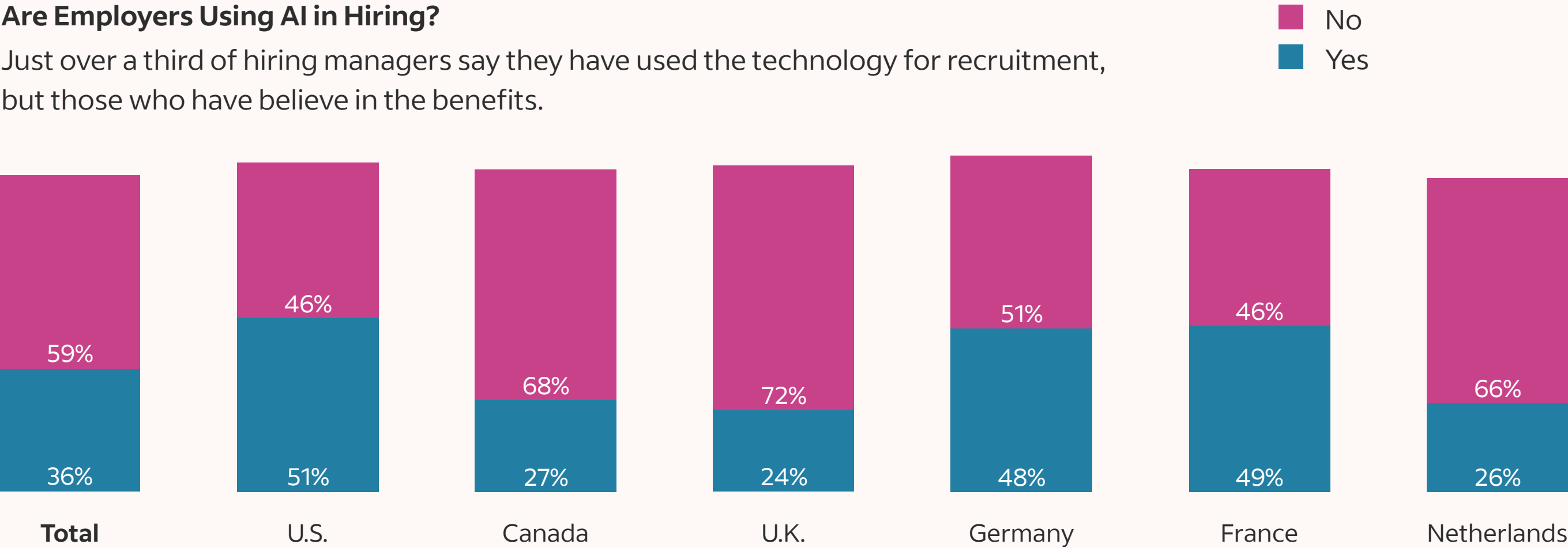■ We use more tools   ■ No change   ■ We use fewer tools

	U.S.	Canada	U.K.	Germany	France	Netherlands
We use more tools	49%	40%	36%	44%	46%	28%
No change	38%	48%	52%	46%	46%	55%
We use fewer tools	8%	6%	4%	6%	6%	7%

Employer question: When thinking about recruiting candidates, do you utilize more or fewer tools now when compared to three years ago? By "tools" we mean hiring solutions such as applicant tracking systems (ATS).

Just over a third of employers (36%) have used AI-powered tools in recruitment, despite the efficiencies AI can drive for HR teams. Those who have used it are big believers — almost all are willing to commit time to train AI tools to connect with the right candidates, and 49% say they're willing to commit a lot of time.

Most employers say the best use of technology is targeting job advertisements (37%) and sorting resumes (33%), but that's only a fraction of AI's true potential in hiring. AI tools can identify qualified candidates based on their skills with unprecedented precision, and these capabilities allow employers to effectively restructure their hiring processes to focus on skills rather than proxies.
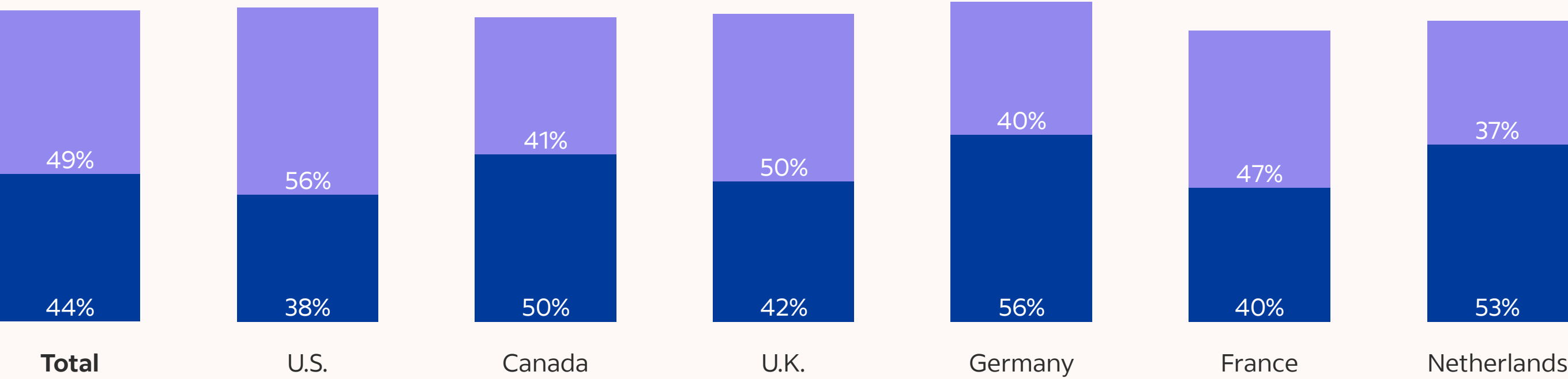
Are Employers Using AI in Hiring?

Just over a third of hiring managers say they have used the technology for recruitment, but those who have believe in the benefits.

Legend:
- No
- Yes

	Total	U.S.	Canada	U.K.	Germany	France	Netherlands
No	59%	46%	68%	72%	51%	46%	66%
Yes	36%	51%	27%	24%	48%	49%	26%

Employer question: Now thinking about artificial intelligence (AI). Have you ever used AI-powered tools in recruitment?

For employers who have used AI, there's no going back — virtually all say they're willing to commit more time to training tools. Two percent or less of respondents say they would not be willing to spend time training tools, and less than 10% say they would only commit a little time.

Legend:
- I would be willing to commit a lot of time to training AI hiring tools
- I would be willing to commit some time to training AI hiring tools

	Total	U.S.	Canada	U.K.	Germany	France	Netherlands
A lot of time	49%	56%	41%	50%	40%	47%	37%
Some time	44%	38%	50%	42%	56%	40%	53%

Employer question: Using AI-powered tools in recruitment can require time to "train" the tool. How much time, if any, are you willing to dedicate to training AI-powered tools to create better matches?

When Do Employers Drop Candidates?

To better understand the importance of technology to quality and skills-first hiring, let's look at another important disconnect between job seekers and hiring managers: The Drop.

Both job seekers and employers believe the main reason for a candidate to progress to the interview round is that their resume or profile shows experience in the field. And most job seekers (53%) rely on their resume to demonstrate their skills and advance them to the interview round.

But most employers (53%) say they rely on interviews to verify candidates' skills, and the majority say they're most likely to decide if an applicant is a quality candidate during or after the interview stage.

If employers don't have effective tools to evaluate resumes for skills and experience, many talented candidates never get to the interview — and employers could miss out on a hire.

Employers may not recognize this as "dropping" candidates from the process, but that's effectively what's happening when they screen out applicants before the interview stage.

The Gap between Resume and Interview

Job seekers believe that employers are primarily evaluating skills based on resumes.

	Total	U.S.	Canada	U.K.	Germany	France	Netherlands
On-the-job experience listed on resume	53%	56%	54%	59%	45%	49%	53%
My presentation in correspondence and interviews with hiring managers	40%	36%	37%	43%	41%	45%	32%
Demonstration of skills via assessments or skills tests	29%	30%	34%	31%	26%	27%	22%
Skills listed on my resume	31%	32%	31%	38%	31%	24%	33%
References from past employers	35%	32%	37%	30%	39%	31%	44%
Occupational/skills training listed on my resume	26%	30%	30%	25%	24%	24%	23%
Educational level listed on my resume	20%	23%	19%	21%	18%	15%	28%
Online profile on a hiring and matching platform	10%	13%	10%	8%	10%	12%	8%

Job seeker question: What do you rely on to demonstrate your skills? Please select up to three.

But employers say they rely on interviews to assess skills.

	Total	U.S.	Canada	U.K.	Germany	France	Netherlands
Interviews	53%	49%	55%	65%	45%	41%	52%
On-the-job experience listed on resume	40%	40%	38%	39%	40%	43%	41%
Assessments or skills tests	35%	38%	31%	41%	28%	33%	23%
Occupational/skills training listed on resume	29%	34%	30%	24%	28%	34%	24%
Skills listed on resume	25%	27%	17%	23%	29%	29%	21%
References	33%	32%	42%	40%	26%	20%	40%
Educational level listed on resume	24%	29%	25%	19%	29%	21%	24%

Employer question: What do you rely on to verify a candidate's skills? Please select up to three.
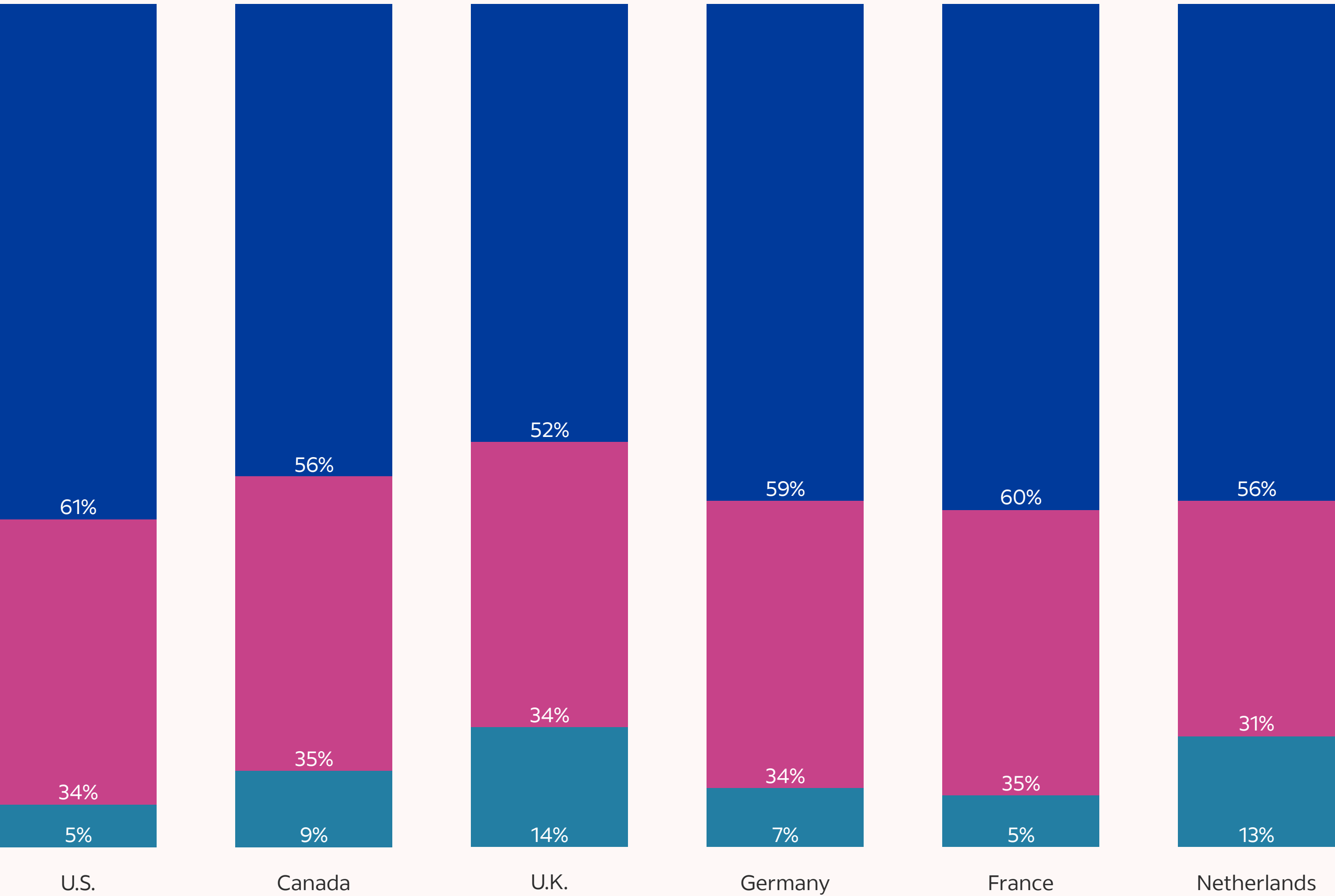
There are many different reasons why this could happen. One possibility is that job seekers don't describe skills on their resumes in ways that employers can identify or associate with quality candidates. For example, a hiring manager who wants an applicant with a "background in hospitality" may overlook a candidate with experience checking customers in and out at a rental car company, even though the experiences provide similar skills.

Employers may not recognize that this de facto screening diminishes their talent pool and overlooks potential candidates.

Employers and job seekers may also be struggling with the evaluation of soft skills and other aspects of quality that they can't easily quantify. The majority of employers (57%) believe that skills-first hiring values soft skills such as teamwork, adaptability, communication, and critical thinking over hard skills. And, as we'll explore in the next section, both job seekers and employers believe that the ability to learn, grow, and upskill on the job is a key element of a quality hire. But both groups may be unaccustomed to and unsuccessful at communicating and evaluating these capabilities on a resume.

How Do Employers Prioritize Soft and Hard Skills in Skills-First Hiring?
Most believe that a skills-first approach values soft skills more than hard skills.

- ■ Soft skills (such as teamwork, communication, adaptability, and critical thinking)
- ■ Hard skills (specific abilities, capabilities, and skill sets)
- ■ Don't know

	U.S.	Canada	U.K.	Germany	France	Netherlands
Soft skills	61%	56%	52%	59%	60%	56%
Hard skills	34%	35%	34%	34%	35%	31%
Don't know	5%	9%	14%	7%	5%	13%

Employer question: When thinking about skills-first hiring, what types of skills do you believe are most valued?

Technology can help overcome these barriers. Generative AI is particularly good at making sense of text in resumes and cover letters. Models can analyze both job descriptions and resumes to find out what skills are needed to succeed, and can recognize a relevant connection even if the applicant does not use the exact words used in the job description. Better screening of unstructured data makes it easier for employers to reduce reliance on less relevant criteria like degree requirements.

> "
> Generative AI models can take a qualitative description of a job seeker's experience and translate it into whatever skills taxonomy the employer is looking for. It creates a more level playing field for job seekers who don't have as much practice using corporate language to describe their work experience and skills."

Hannah Calhoon
Vice President of Product, Indeed

Learning and Development

A skills-first approach doesn't end with hiring.

Meeting Job Seekers' Expectations

An important factor in talent attraction is emerging — an employee's opportunity for professional growth. The majority of job seekers surveyed say they'll choose a job with a less competitive salary if it provides learning and development opportunities.

What's More Important to Candidates: Development or Pay?

Job seekers will sacrifice a higher salary for ongoing training opportunities.

Job seekers who chose Organization A:

"I don't trust that the promotion and growth will ever come. It's something lower paying jobs often lure you in with and then never hold up their end of the deal." (U.K.)

"I would take the higher salary for a year or two and then change jobs." (Germany)

"I can acquire skills alone... I don't necessarily need the company." (France)

"Starting at a less competitive wage then working your way up doesn't guarantee that your wages will increase as you grow. Better to just start at the highest wage possible." (Canada)

Job seekers who chose Organization B:

"Skills are permanent. Money isn't." (Canada)

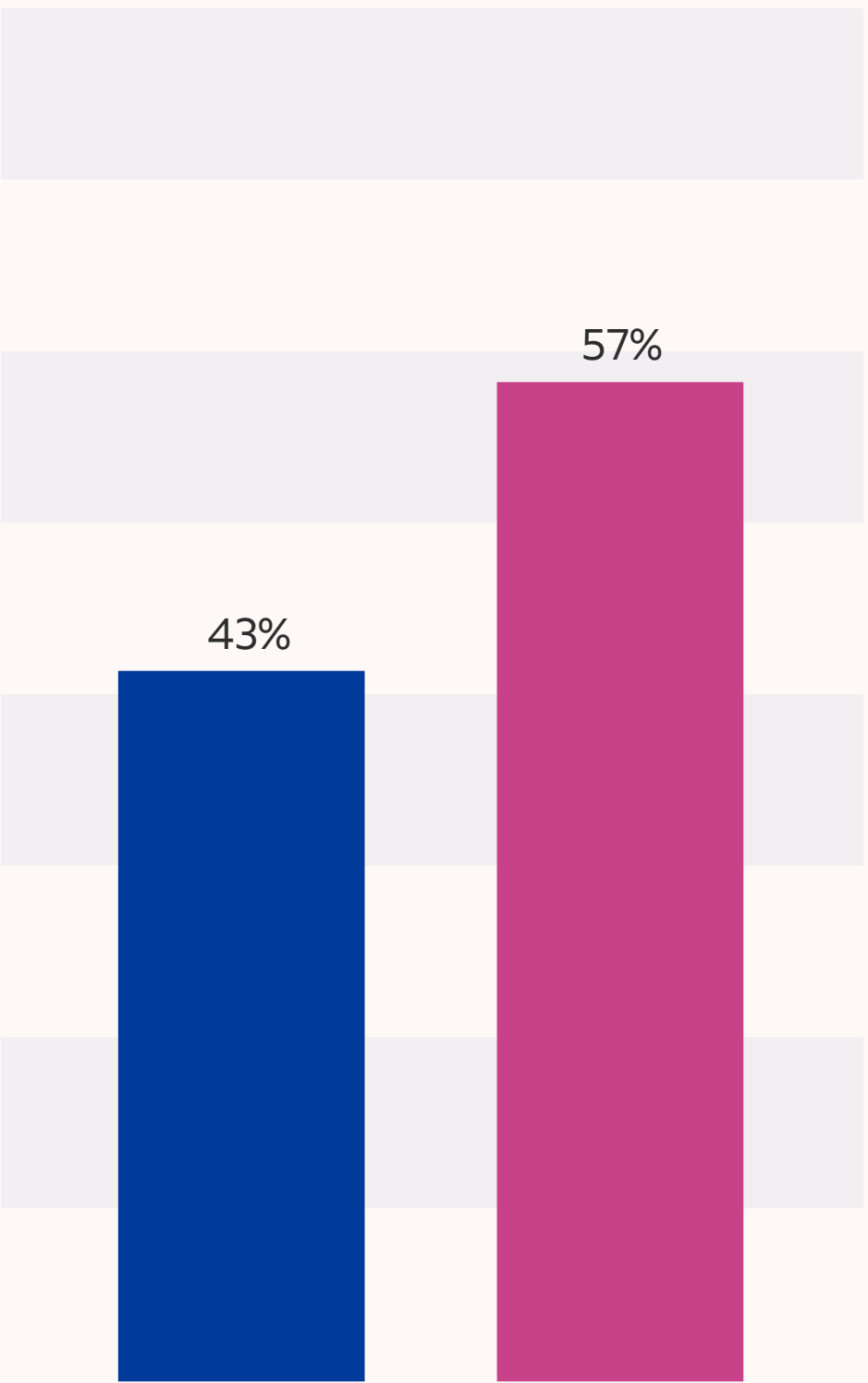**"An opportunity to advance without changing companies is preferable to job hopping every few years."** (U.K.)

"I choose growth and a corporate culture that invests in employees." (Netherlands)

"It's clearly a company that cares about my wellbeing." (U.S.)

"Training and further education will get you a job with a higher salary in the future." (Germany)
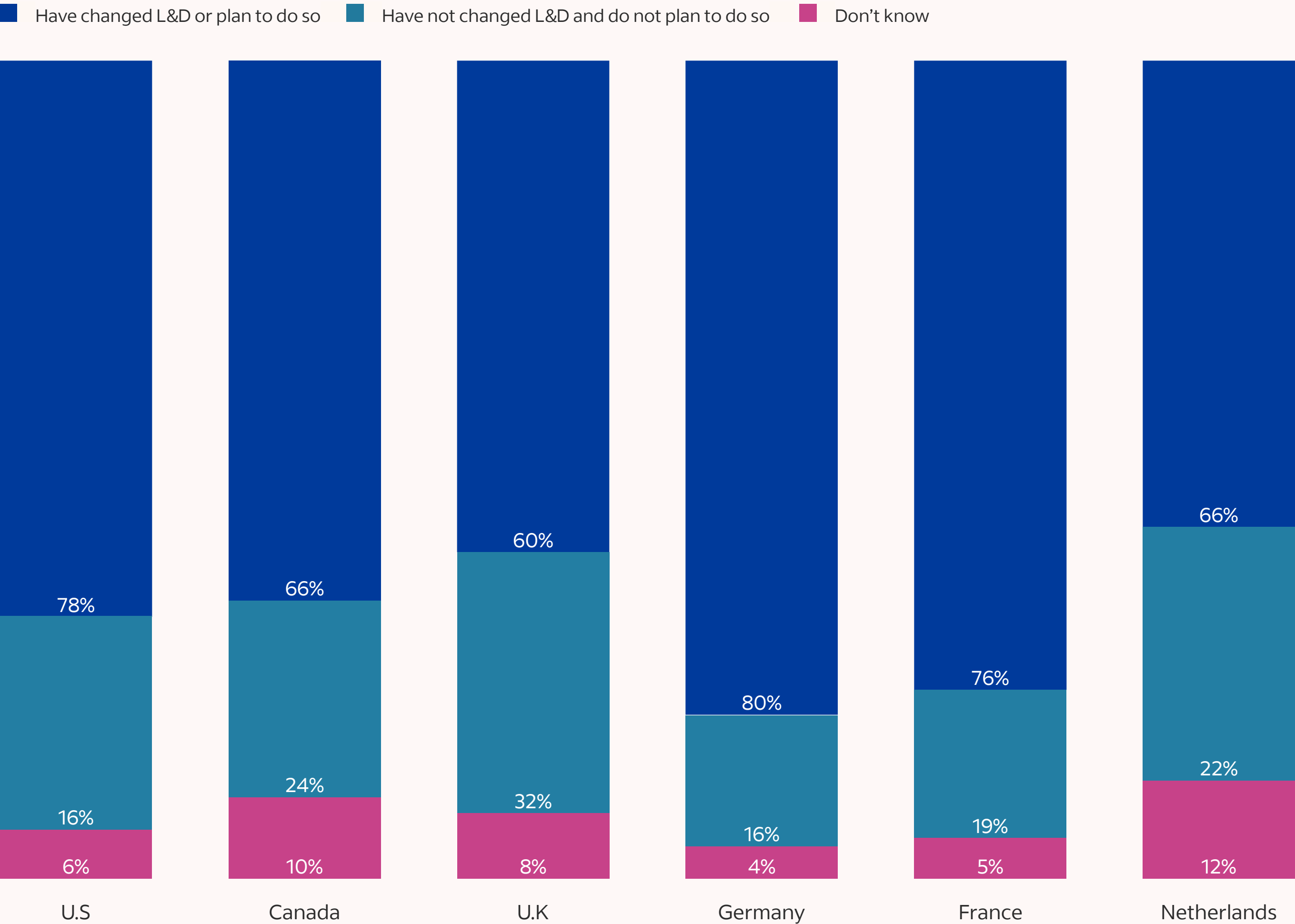
43%

57%

■ **Organization A:** A job offering a very competitive salary but no opportunity for upskilling or upward growth

■ **Organization B:** A job offering a less competitive salary but offering opportunities to learn and develop my skills and career within the organization

Job seeker question: Which job offer are you most likely to accept: A job offering a very competitive salary but no opportunity for upskilling or upward growth, or a job offering a less competitive salary but offering opportunities to learn and develop my skills and career within the organization?

Employers recognize that they need to upgrade their approach to learning and development to broaden their talent pool and keep up with the evolving demands of the workforce. The majority of employers say they have changed or plan to change their learning and development programs to help new hires acquire necessary skills. Forty-six percent say they have or will make changes because they're relying on learning to build the workforce they need, and 45% say improving learning and development helps attract talent. Indeed research shows that job seekers' decision to apply is based on future goals as much as past experience — "they aren't applying for jobs just based on where they've been but also based on where they're trying to go."[1]

Are Employers Upgrading Learning and Development Programs?
Most say they're rethinking their training programs to help new hires acquire necessary skills.

■ Have changed L&D or plan to do so   ■ Have not changed L&D and do not plan to do so   ■ Don't know

	U.S	Canada	U.K	Germany	France	Netherlands
Have changed L&D or plan to do so	78%	66%	60%	80%	76%	66%
Have not changed L&D and do not plan to do so	16%	24%	32%	16%	19%	22%
Don't know	6%	10%	8%	4%	5%	12%

Employer question: Have you changed or do you plan to change your learning and development program in order to help new hires acquire the skills you need?
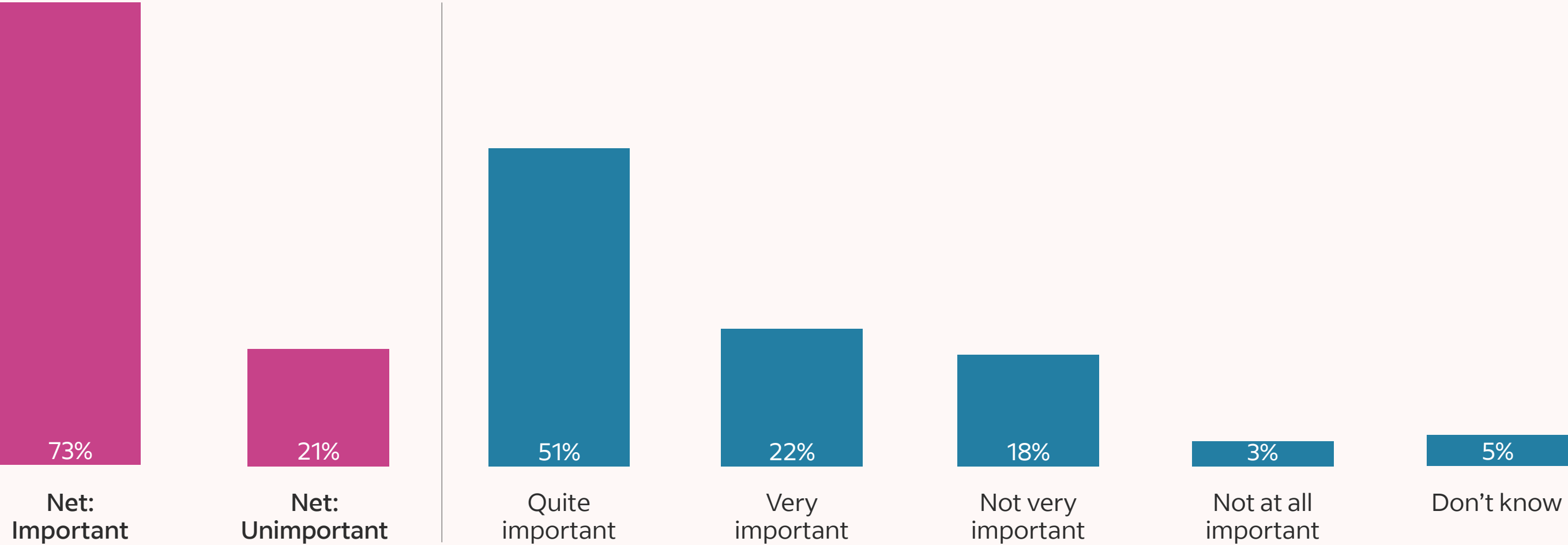
Section 6

Communicating Development Opportunities

Seventy-three percent of job seekers say that learning and development opportunities are important to them when deciding whether to apply for a role. But most job seekers say they don't learn about those opportunities until they get to the interview stage.

If employers don't advertise their professional development programs to potential applicants on company pages and websites, they're missing out on a key opportunity to attract talent.
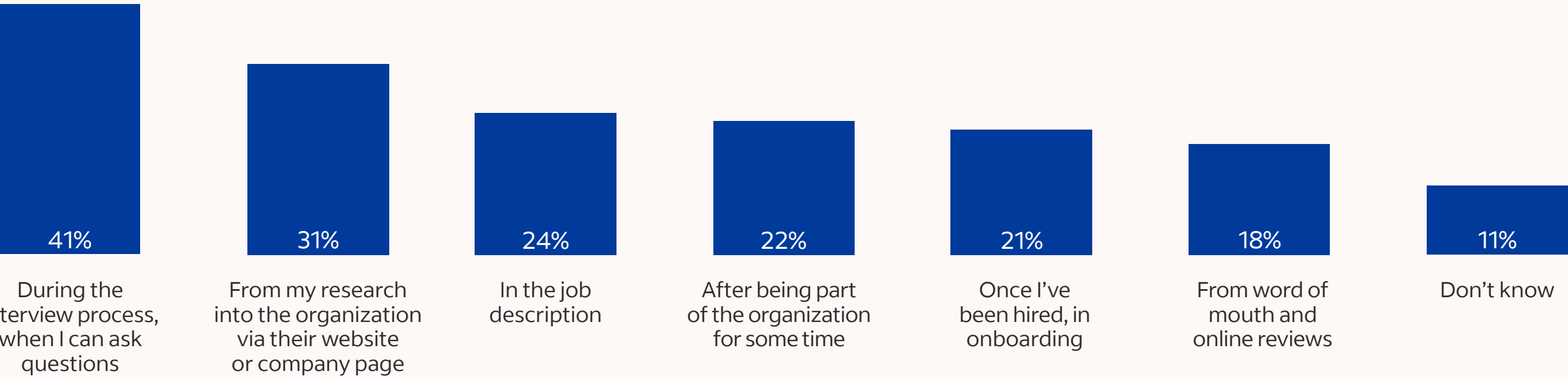
How Important Are Learning and Development Opportunities to Job seekers?
The vast majority of job seekers prioritize L&D opportunities when deciding if they'll apply for a role.

Net: Important	Net: Unimportant	Quite important	Very important	Not very important	Not at all important	Don't know
73%	21%	51%	22%	18%	3%	5%

Job seeker question: How important are an organization's learning and development opportunities to your decision to apply for an open role?

But most don't find out about those opportunities until *after* they apply. These are the ways job seekers say they learn about L&D opportunities:

During the interview process, when I can ask questions	From my research into the organization via their website or company page	In the job description	After being part of the organization for some time	Once I've been hired, in onboarding	From word of mouth and online reviews	Don't know
41%	31%	24%	22%	21%	18%	11%

Job seeker question: When do you usually learn about an organization's learning and development opportunities?

Section 6

Building the Workplace of the Future

Learning and development opportunities are core to employers' and job seekers' shared definition of quality and central to a successful skills-first hiring strategy.

Upskilling Is Imperative

Learning and development is not just important to quality hiring today. As the labor market faces unprecedented change, upskilling is increasingly critical to attracting and retaining talent. According to the World Economic Forum's Future of Jobs Report, 50% of workers will need to learn new skills by 2025.

Employers who have the tools and practices in place to evaluate hard and soft skills will be better prepared to identify skill gaps, transferable skills, and professional development opportunities among employees.

"

When we think about skills-first hiring, we typically think about hiring externally, but a skills-based approach to internal hiring makes sense for all the same reasons. If you're struggling to find talent, build learning and development programs around the skills you need most. That's how you tap into the potential of your workforce."

Aline Eastwick-Field
Vice President of Learning and Development, Indeed

> ❝
> # A skills-first approach will help you engage and upskill your employees to future-proof their careers and your organization.❞

Abbey Carlton
Vice President of Social Impact
and Sustainability, Indeed

Conclusion

Our research on quality in hiring reveals an inflection point in labor markets across key regions worldwide.

Job seekers and employers are more frustrated with hiring than they have been in years. At the same time, both groups increasingly see skills as central to quality, which is beginning to reshape the way hiring is done.

"A skills-first approach will not only help you make great hires, it will help you engage and upskill your employees to future-proof their careers and your organization," Abbey Carlton says.

As more employers begin to implement a skills-first hiring strategy, they're discovering that they're not only connecting with more quality talent, but they're also improving diversity, equity, and innovation at their organizations. And they're improving retention as well: 19% of employers say better retention of new hires is a benefit of skills-first hiring.

Key Takeaways

Employers need to prioritize learning and development to strengthen a skills-first hiring strategy and remain agile in a rapidly evolving labor market.

Evolve how you source, screen, and assess candidates with our Beginner's Guide to Skills-First Hiring.

As employers begin to move from embracing a skills-first ideology to implementing a full, organization-wide skills-first hiring strategy, they have the opportunity to use AI tools to help identify quality talent based on skills rather than proxies.

Discover practical ways to use AI to support skills-first hiring and upskill your teams.
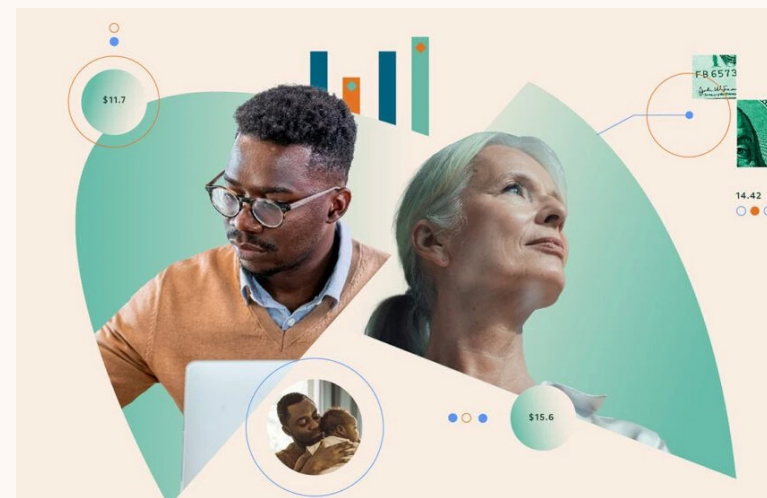
Investing in skills-first hiring speaks to job seekers' values, addresses important pain points, and creates sought-after opportunities to learn and grow on the job.

Learn about the disconnect between what job seekers want and what employers offer — and what to do about it — in the Great Disconnect series:
What Job Seekers Want vs. What Employers Offer

Closing the Gap Between Job Seekers and Employers

/LEAD