

The Employer's Guide to Skills- First Hiring

**Why hiring for skills is good
for people and for business**





A message from

LaFawn Davis, Chief People & Sustainability Officer, Indeed

I've been working since I was 14, sometimes two jobs at a time. But when the dot-com bubble burst in 2000, I was laid off for the first time in my life and remained jobless for six months. My son and I moved back in with my parents, and I felt ashamed. Despite my best efforts to find work, company after company turned me down because I didn't have a college degree.

I understand what it's like to face barriers to employment, to be evaluated on unnecessary credentials rather than skills, and to feel like the world of work has left me behind. If I've felt this way, imagine how many millions of capable job seekers are out there who, just like me, have been overlooked because they couldn't check the right boxes on a job application. Imagine how much untapped talent your company is missing out on.

This is why Indeed is focused on helping employers adopt skills-first hiring strategies.

If you can do the job, you should get the job, regardless of where or how you gained your skills. I truly believe that, but I also know it's going to take time and effort to change how people hire. Many employers are unfamiliar with skills-first hiring, so they need to understand what the strategy entails and why it's good not only for people but for business.

If you'd like to introduce a skills-first hiring strategy at your organization, Indeed is here as your partner in progress. The insights in this guide come from Indeed's latest annual report, "Smarter Hiring With Data-Driven Insights," which focuses on understanding how job seekers and employers think about quality in hiring. I hope you'll use this guide to shape conversations about skills-first hiring with confidence, win over skeptics, and help your organization understand how skills-first hiring fits into your short- and long-term talent attraction and retention strategies.

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: Canada (1,003), France (1,033), Germany (1,014), Netherlands (507), UK (1,066), US (1,027)
- Employers: Canada (252), France (506), Germany (509), Netherlands (253), UK (1,128), US (1,003).

When referencing this research, please use the following citation:

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

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

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About Indeed

Indeed is the no. 1 job site in the world² with over 595M job seeker profiles.³ 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.

²Comscore, Total Visits, March 2024

³Indeed data (worldwide), job seeker accounts that have a unique, verified e-mail address

595M+
job seeker
profiles

Indeed data (worldwide),
job seeker accounts that have
a unique, verified e-mail address

#1
job search app
on iPhone or
Android in
25+ countries

Business Category, SimilarWeb,
June 2023

24M
total jobs
on Indeed
worldwide

11
jobs added
every second,
worldwide

6.3M
Indeed Apply
applications
completed each
day on mobile,
worldwide

23.6M
phone
interviews
on Indeed,
worldwide

340K
new jobs
added each
month in
Canada

Indeed Data

60+
countries
have Indeed
sites, serving
people
worldwide

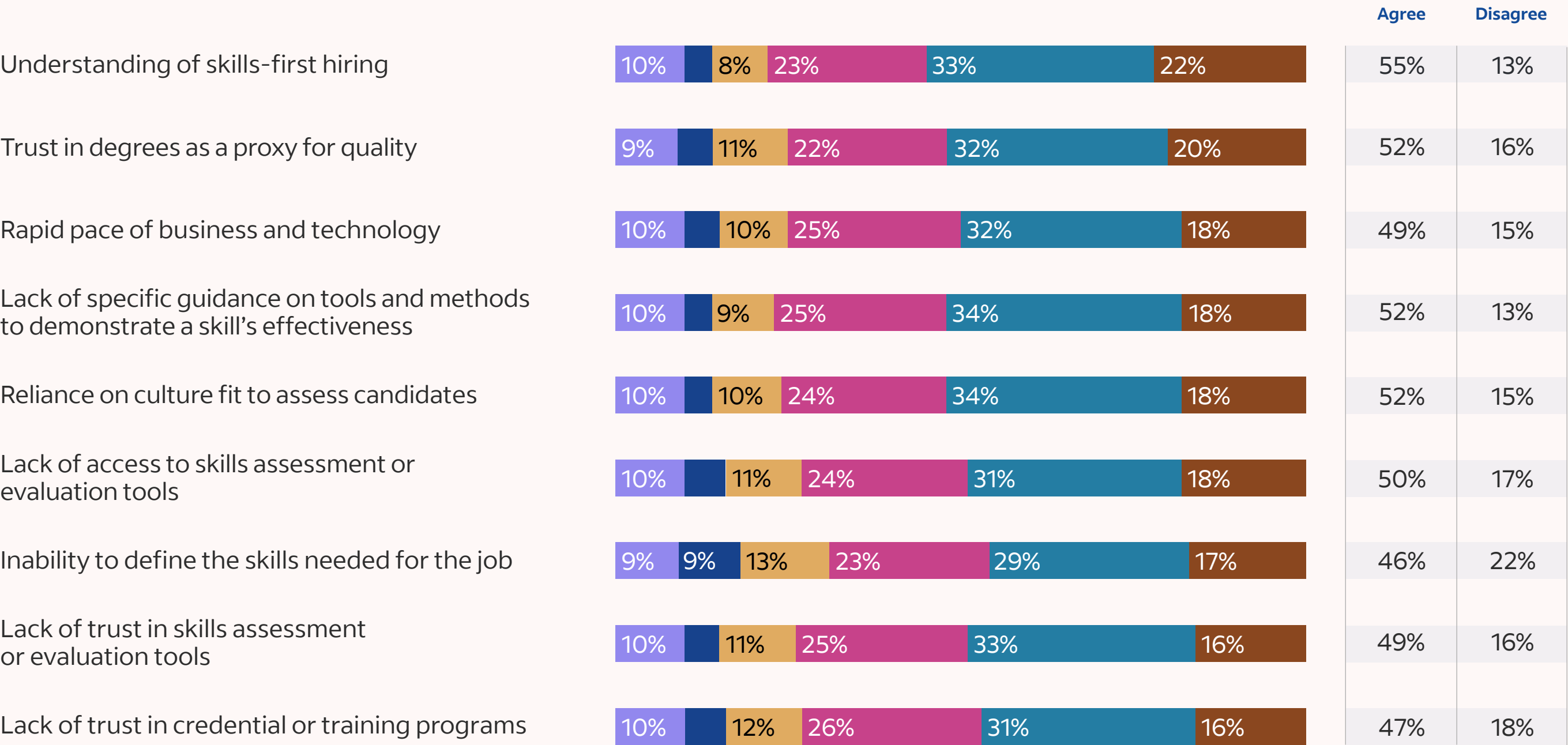
What is skills-first hiring, and why is it good for business?

Skills-first hiring, often referred to as skills-based hiring, entails sourcing and evaluating candidates based on their skills, regardless of where or how they gained those skills. “Skills” vary by role, but they refer to all abilities that can apply to a work setting—from programming and data analytics to adaptability and effective communication. A skills-first approach acknowledges that a formal education and certifications are required for some roles, but it also recognizes that they are not always necessary to succeed in other roles.

What Makes It Difficult for Managers to Embrace Skills-First Hiring?

A lack of familiarity with the strategy is the most commonly cited challenge among six key markets.

Don't know Strongly disagree Slightly disagree Neither agree nor disagree Slightly agree Strongly agree



Employer question: To what extent, if at all, do you agree or disagree that each of the following are a barrier preventing managers from embracing and implementing skills-first hiring?
Percentages not shown are less than 7%.

Most job seekers (60%) say they're unfamiliar with the term "skills-first hiring," and most employers (61%) say, although they grasp the concept, they're unclear on what the strategy entails. However, both groups understand the value of a skills-first approach: 67% of job seekers and 51% of hiring managers believe that relevant on-the-job experience is the most important indicator of a quality hire—more important than degrees, job titles, and years of experience.

Multiple studies show that skills-first hiring is a win for both job seekers *and* employers—and there's already momentum behind the idea. Here are its key benefits:

- **Easier talent acquisition.** Hiring managers who practice skills-first hiring in the US say it's [twice as easy to find qualified candidates](#) than hiring managers who do not.
- **More quality hires and fewer mis-hires.** In one US study, [three-quarters of hiring managers](#) reported hiring more motivated candidates and reducing mis-hiring,

or hiring someone who is a poor fit. Indeed research found that one of the most cited benefits among employers who use a skills-first strategy was attracting quality candidates.

- **An expanded talent pool and diversified workforce.** Sixty-four percent of employers who have adopted skills-first hiring say that it has improved diversity at their organization, and 59% say it has improved equity.
- **Improved retention.** In a US study, employees without degrees who companies hired into roles for which educational requirements were dropped have been found to stay in a position [20% longer](#) than their college-educated counterparts.
- **Cost savings.** Hiring is expensive. A SHRM study in the US found that properly matching skills to roles can save on the [high costs of turnover](#).

“
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LaFawn Davis
Chief People & Sustainability
Officer, Indeed

If I remove degree requirements, will I end up hiring less qualified candidates?

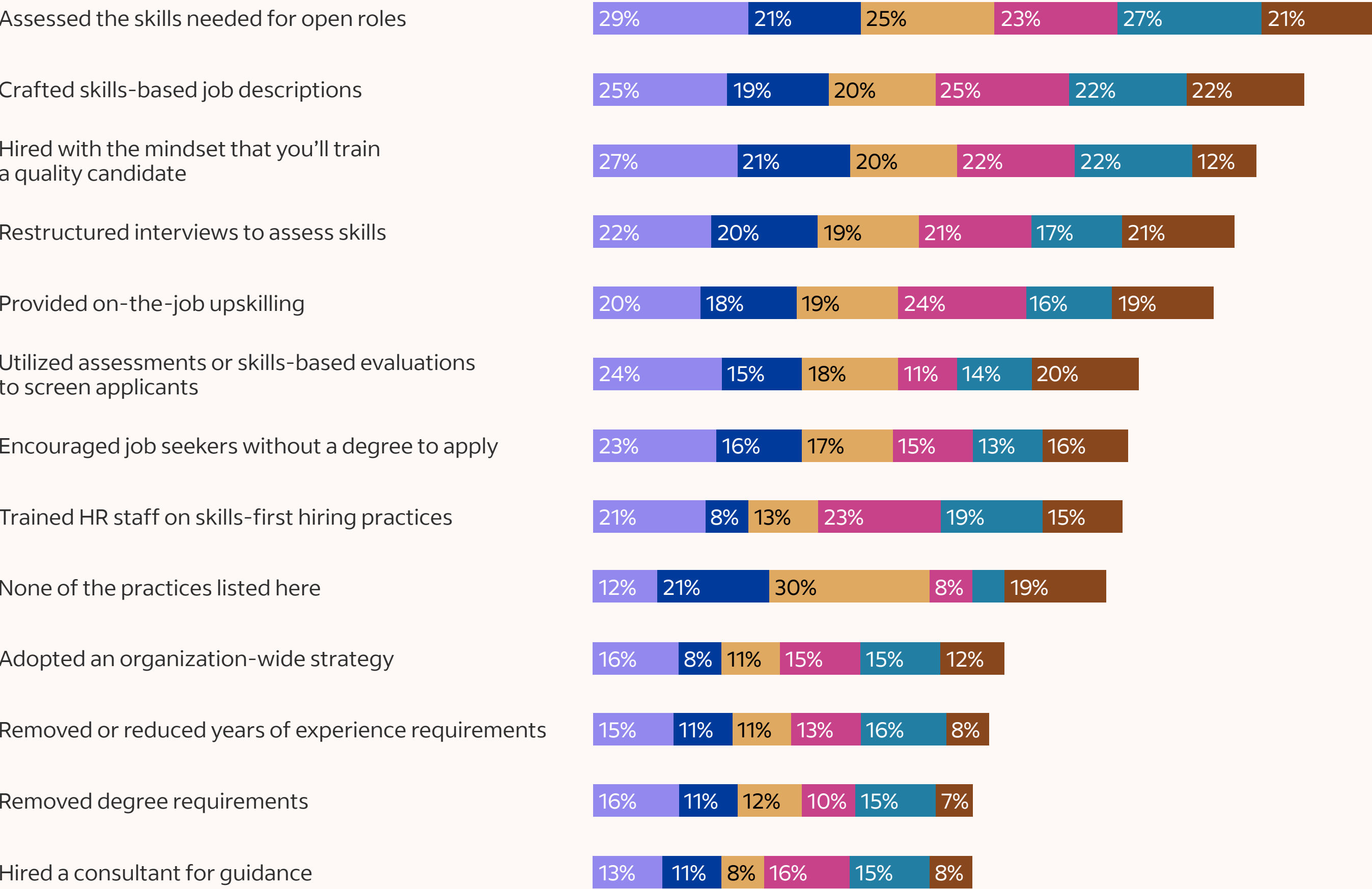
Candidates who don't have traditional indicators of quality on their resumes may still have the skills needed to succeed in a role. And increasingly, both employers and job seekers agree that degrees don't always predict job performance. Most say that the most valuable skills a candidate can possess are transferable skills, like the ability to work well with different people (90%), the ability to think critically and problem solve (90%), and the ability to learn the job quickly (89%). All of these skills can be developed outside of a classroom setting.

However, while nearly half of the employers we surveyed across six countries have defined a skills-first hiring strategy, only 13% have removed or reduced years of experience requirements, and the same percentage have removed degree requirements. Removing education requirements doesn't mean sacrificing candidate quality—it means eliminating barriers to reach applicants with sought-after skills.

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.

US Canada UK Germany France Netherlands



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

What if I don't have the tools and resources to implement skills-first hiring?

More than a quarter of employers who don't have a skills-first strategy say that a lack of access to the right assessments or evaluation tools, difficulty writing skills-based job descriptions, and not understanding how to assess skills for a job are all barriers to implementing a skills-first strategy.

AI and other technology can bridge the gap.

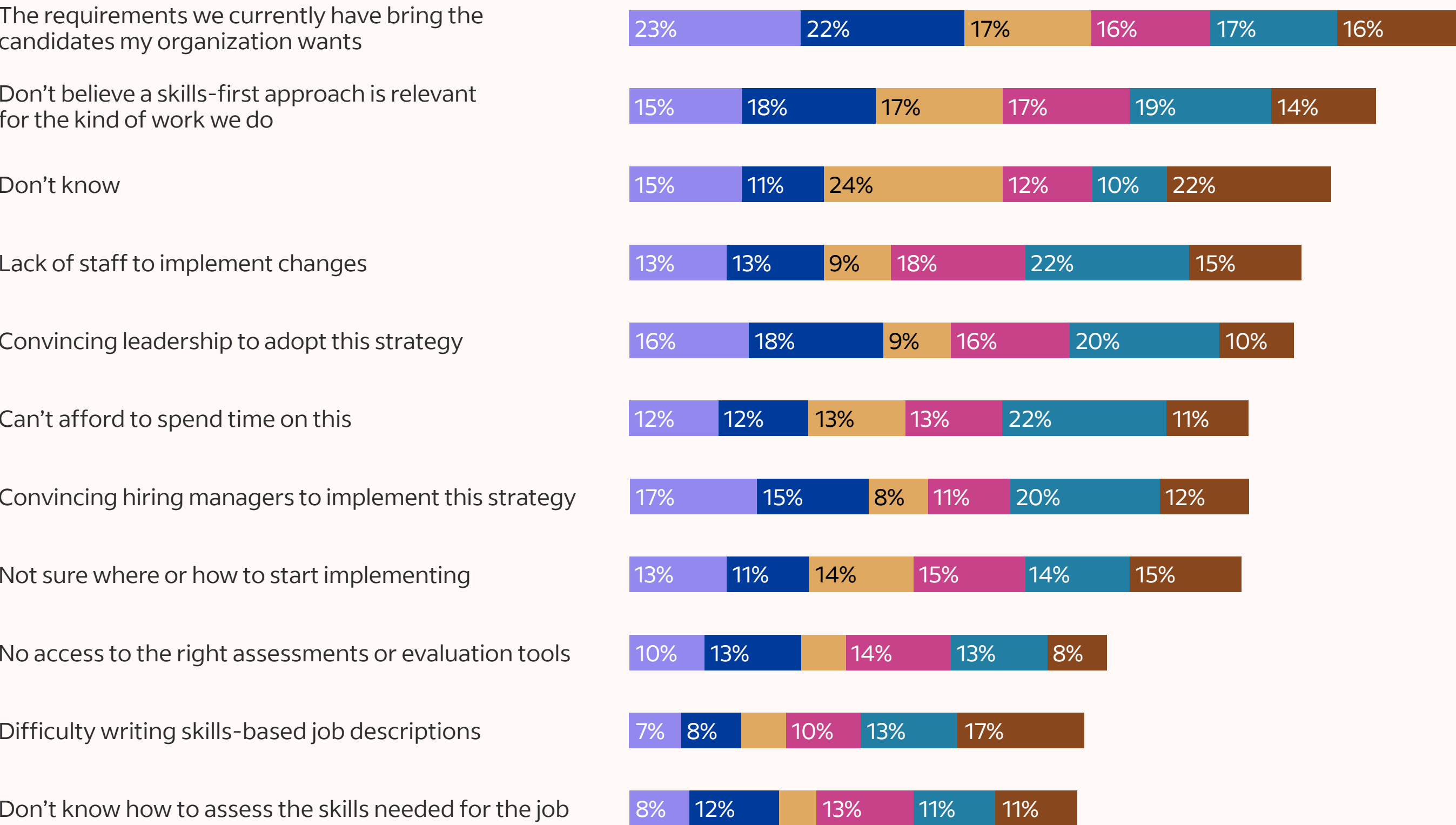
It can also aid in personalizing the hiring process by helping recruiters discern relevant skills in applicants' unique backgrounds.

With the right focus and appropriate safeguards, AI can actually help decrease bias and connect employers with qualified candidates based on skills. "AI amplifies intentions—it doesn't set its own objectives," Auguste says. "If you are trying to find the best fit and skills, regardless of how those skills were acquired, AI will help you do that."

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

In each of our six key markets, many employers believe their current hiring strategies are sufficient. However, they also cite a lack of time, resources, and knowledge as barriers.

US Canada UK Germany France Netherlands



Employer question: From your perspective, what is holding 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: UK 6%; Difficulty writing skills-based job descriptions: UK 6%; Don't know how to assess the skills needed for the job: UK 5%.

Here's how AI can support skills-first hiring:

- **Analyze resumes:** “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,” says Hannah Calhoon, Vice President of AI at Indeed. For example, an applicant might note their background “working the register” at a cafe while an employer is looking for “retail point-of-sale” experience. AI can help discern relevant skills, even when employers and candidates are not using the same language. “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,” Calhoon says.
- **Help build job descriptions:** [Indeed’s AI Job Description Generator](#) leverages OpenAI’s GPT to deliver editable descriptions tailored to your needs within a matter of seconds. If a hiring manager is intentional about focusing on the skills needed for success, the generator will focus on that too.
- **Develop effective Screener Questions:** Only 18% of employers who have defined a skills-first hiring strategy are using assessments or skills-based evaluations to screen applicants. AI can generate drafts of Screener Questions—and even interview questions—based on the skills each job requires.

“It’s like having a great brainstorming partner who can give you really tactical suggestions very quickly,” Calhoon says. “Creating a standardized set of interview questions and having AI check whether or not you’ve asked every candidate the same set of questions is another place where it can help with bias or incompleteness in the process.”

- **Surface candidates with the right skills.** [Indeed’s Smart Sourcing tool](#) can filter millions of active profiles to find qualified candidates. Employers can review candidate summaries, send customized messages, and invite candidates to apply.

A Matched Candidate is 20 times more likely to apply if they are invited than if they only saw the job in search results.⁴ “Instead of creating a job description, targeting potential applicants, hoping they click and apply, and then screening them all over again, Smart Sourcing lets you skip that,” says Thomas Bergman, Senior Director of Product for Matching at Indeed. “Imagine being able to review candidates before they even apply, choosing the ones you want to interview, and then reaching out directly.”

Like Indeed’s AI Job Description Generator, Smart Sourcing won’t independently drive a skills-first approach, but for employers who identify and prioritize the skills needed for a role, Smart Sourcing can reveal qualified candidates who might otherwise be overlooked.

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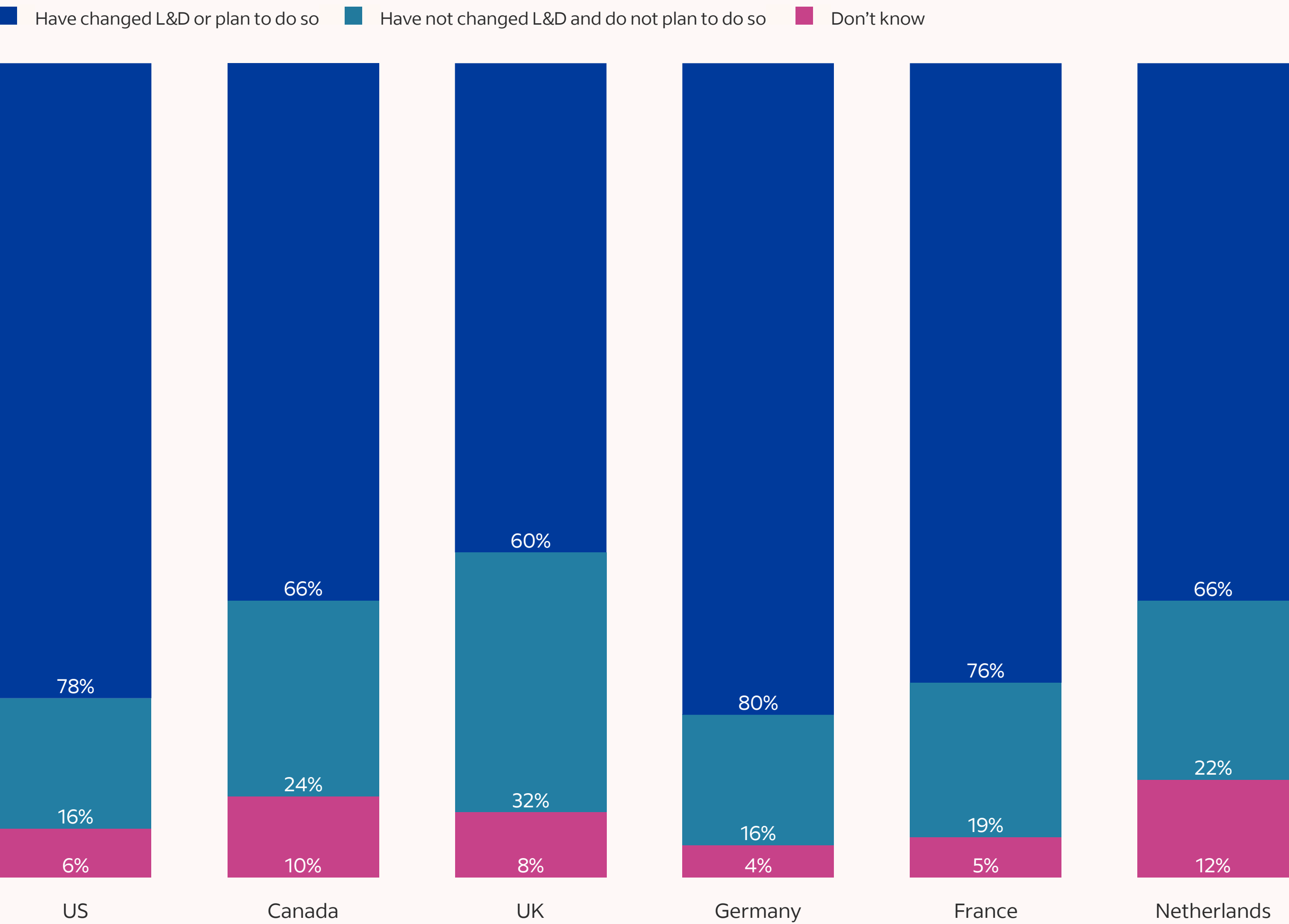
⁴Indeed data (CA), April 2024–September 2024

What does learning and development have to do with skills-first hiring?

Learning and development (L&D) initiatives have existed for a while, but the majority of employers say that they have changed, or plan to change, their programs to help new hires acquire necessary skills. These programs enable organizations to hire for the skills they deem most important, like critical thinking, working in a team, and learning quickly. “Having a really strong L&D focus helps make sure that employees are set up for success, which enables company success,” says Aline Eastwick-Field, Vice President of Learning and Development at Indeed.

Are Employers Upgrading Learning and Development Programs?

Most say they’re rethinking their training programs to help new hires acquire necessary skills.



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?

Forty-six percent of employers say they're relying on L&D to build the workforce they need, and that's not limited to new hires. "When we think about skills-first hiring, we typically think of hiring externally, but that's just the beginning," Eastwick-Field says. The next step is looking at how to upskill your current organization through L&D programs like mentorships, apprenticeships, and tuition assistance. "People feel compelled to stay at an organization long term when they have career and growth opportunities."

Finally, employers recognize the need for robust L&D programs to keep up with the demands of the workforce: 57% of job seekers Indeed surveyed said they would choose a job with a less competitive salary that provided learning and development opportunities over a job with a competitive salary but no opportunity for upward growth. And 75% of job seekers globally say L&D opportunities are important to them when deciding to apply to a role.

Learning and development opportunities are an important piece of a skills-first strategy. They can help employers fill talent needs and stay agile in an evolving hiring landscape and, for job seekers, they can help underrepresented candidates reach their full potential. Read how [three workers with nontraditional backgrounds](#) successfully followed new career paths through learning and development and skills-first opportunities.

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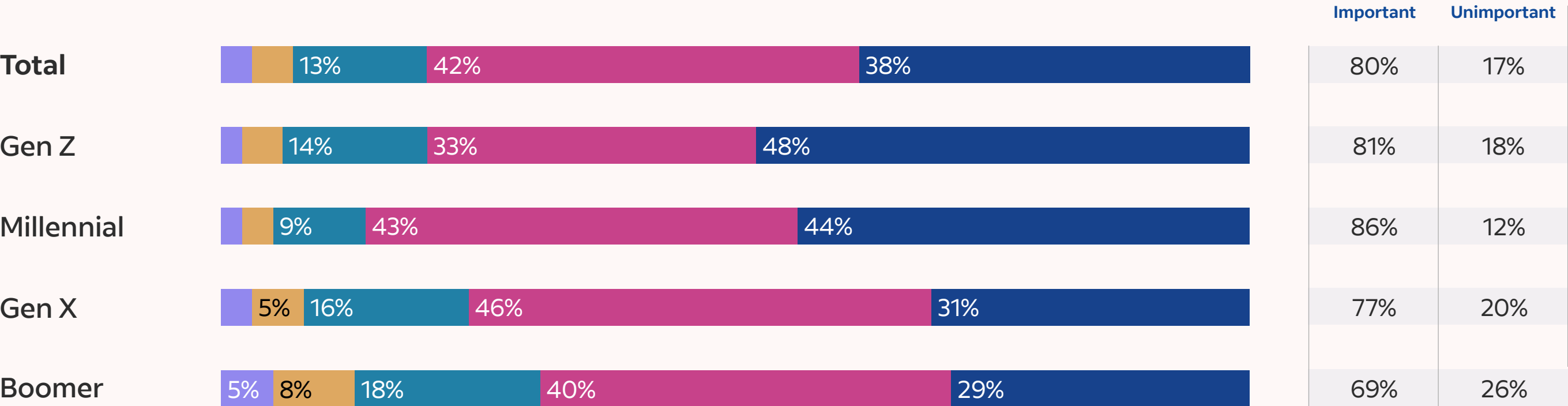
How does skills-first hiring tie into employer branding?

After your company has built out a successful skills-first hiring strategy, what comes next? Letting job seekers know all about it through employer branding. Two-thirds of job seekers, especially from younger generations, say that an organization’s brand is important when considering whether to apply for a role. And while job seekers value learning and development opportunities, Indeed data shows that most don’t find out about those opportunities until after they’ve submitted an application.

Does Branding Matter in Attracting Candidates?

A strong majority of employers from all generations believe that their organization’s brand is important to attracting talent, with younger employers more likely to say this.

Don’t know Not at all important Not very important Quite important Very important



Job seeker question: How important is an organization’s brand when you consider it as a potential employer?
Percentages not shown are less than 5%.

Here are a couple of considerations for tying in a skills-first mindset to your employer brand:

- **Think outside the box:** Websites are where most job seekers evaluate employer quality, and employers can share skills-first hiring stories on social media. Aidan McLaughlin, Global Director of ESG Marketing at Indeed, encourages employers to get creative with these platforms.

For example, FedEx’s career site includes a portal where veterans can enter their military occupation code and be matched to open roles with aligning skills. “What’s incredible about this is the ease of skill articulation,” McLaughlin says. “Not only are they showing how much they value military experience, but then they make it easy for applicants.”

- [Indeed’s Employer Branding Hub](#), where employers can customize their company profile and select featured employee reviews, is another useful tool to help you shape your brand story. Employers who use the Employer Branding Hub see an average 27% increase in started applications per job across Indeed and Glassdoor.⁵ “Your hub provides you with resources to help you craft job descriptions and social content that will emphasize skills and growth, but it also helps you make the commitment clear from the very first interaction with any candidate that skills and learning and development are at the heart of the company,” McLaughlin says.

The importance of employer branding cannot be understated when it comes to expanding your reach. However, simply promoting skills-first hiring isn’t a substitute for doing the work—your employer branding should be authentic to your employees’ experiences. “Communicating a skills-first mindset is not just about words, it’s about action,” McLaughlin says. “Employers should focus on skills-first branding only after they’ve built a foundation of measurable skills-based practices. Once this groundwork is laid, it’s time to share the real employee stories and examples that highlight how skills—not backgrounds, privilege, and prestige—open doors within your company.”

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Aidan McLaughlin,
Global Director of ESG
Marketing, Indeed

⁵ Indeed and Glassdoor Data (worldwide), Feb. 2022–Feb. 2023. Results may vary.

“
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

The Top Five Takeaways for a Successful Skills-First Hiring Strategy

1) Skills-first hiring is not only good for people; it's good for business. By implementing skills-first practices, employers can find quality candidates more easily, expand and diversify their talent pool, increase retention, and avoid the costs of high employee turnover.

2) Rethinking job requirements is the first step. Think of the skills that an individual uses every day at work. The person may have picked them up at school, on a job, or on their own. Barring industries that require specific education and certifications, it doesn't really matter, right? What matters is that the employee has them. The same goes for the people you hire.

3) AI and technology can help craft effective job descriptions, draft Screener Questions, and surface potential applicants based on relevant skills. Indeed's Job Description Generator and Smart Sourcing are just a couple of AI-driven products that are available to help employers bridge the gap between pursuing a skills-first strategy and implementing one.

4) Learning and development programs are an important piece of a skills-first hiring strategy. They help employers acquire new talent and upskill current employees.

5) An employer brand that values skills-first strategies is attractive to job seekers. However, incorporating skills-first into your company's branding should happen only after fully implementing skills-first practices within the organization.

Our research on quality in hiring reveals an inflection point in labour 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," says Abbey Carlton, Vice President of Social Impact and Sustainability at Indeed. "It will help you engage and upskill your employees to future-proof their careers and your organization."



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