

6

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 jobseekers and employers will help unlock better recruitment 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 jobseekers are questioning how artificial intelligence

(AI) will change the skills that jobs require across industries, and how it will transform the application and recruitment process.

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

We found that jobseekers 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 recruitment.

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 jobseekers 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 recruitment – and better work – for everyone.

# Methodology

The Indeed Quality in hiring annual report is based on an online survey conducted from 21 June – 12 July 2024.

#### Respondents included:

- 9,671 jobseekers, 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 organisation.

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

- Jobseekers: US (1,027), Canada (1,003), UK (1,066), Germany (1,014), France (1,033), Netherlands (507).
- Employers: US (1,003), Canada (252), UK (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 jobseekers and 3,651 employers

### Table of contents

<u>Introduction</u>	02
About Indeed	04
Section 1: Hiring is getting harder	05
Section 2: Defining quality in hiring	80
Section 3: An ideological shift	12
Section 4: From a skills-first mentality to a new hiring strategy	16
Section 5: Al and skills-first hiring	21
Section 6: Learning and development	28
Conclusion	33
<u>Key takeaways</u>	34

#### **About Indeed**

Indeed is the No. 1 job site in the world<sup>1</sup> with over 580M jobseeker profiles.<sup>2</sup> Indeed strives to put jobseekers first, while providing quality matches for employers, fast, to support their recruitment 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 judgement and connection.

# 580M+ jobseeker profiles

Indeed data (worldwide), jobseeker accounts that have a unique, verified email address

No. 1 job search app on iPhone or Android in 25+ countries

Business Category, SimilarWeb,

32.5M total jobs on Indeed

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 US

Indeed data

60+ countries have Indeed sites serving people worldwide



# Hiring is getting harder

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



#### Missed connections

Indeed asked jobseekers and employers across key markets to evaluate their hiring experiences, and respondents say it's hard and getting harder: 45% of jobseekers say getting hired has become more difficult over the past three years, and 58% of employers say recruitment has become more challenging over the same time period.

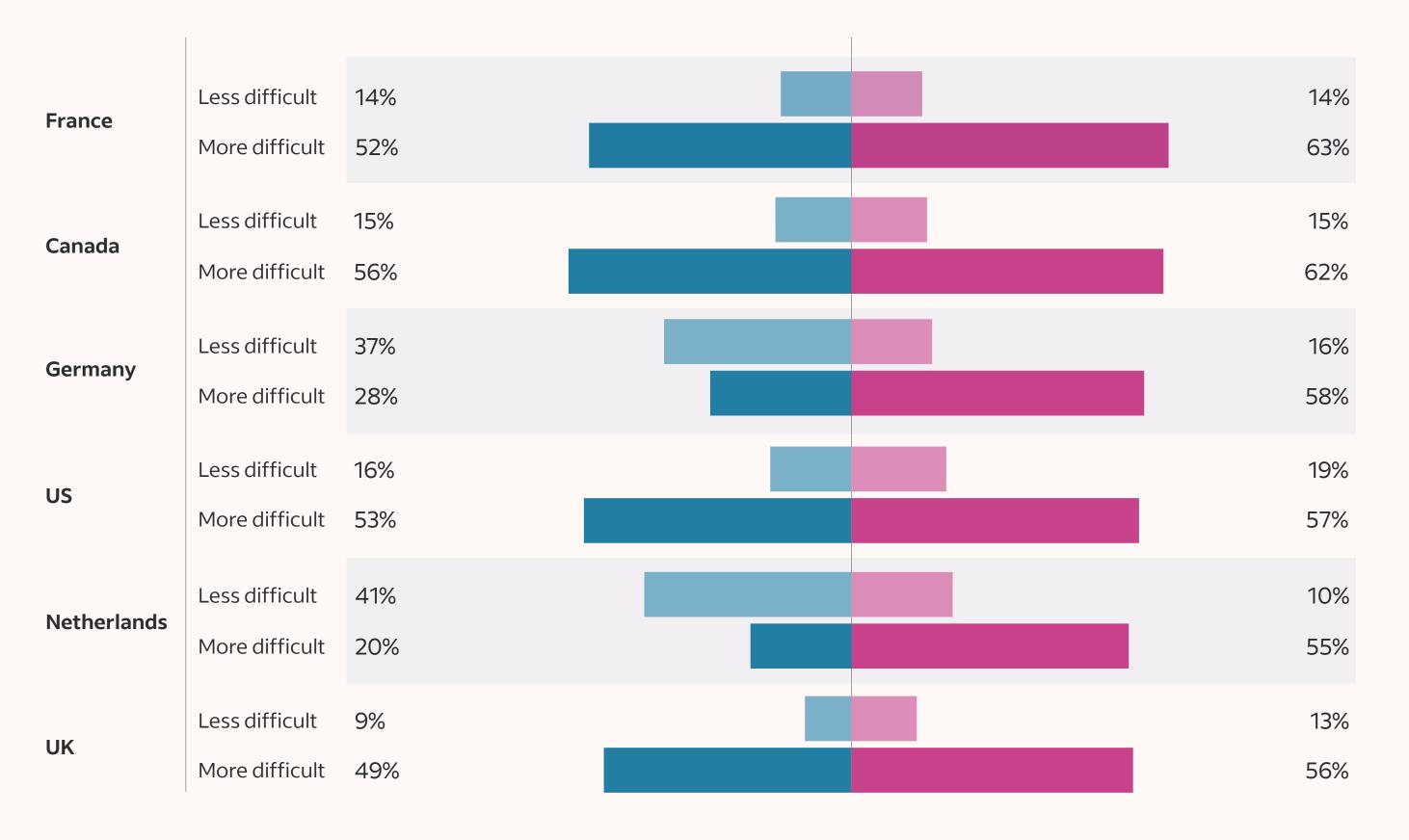
Some areas emerged as hot spots: both jobseekers and employers in France, Canada and the US were most likely to say that recruitment is increasingly challenging.

The survey responses revealed a paradox as to why hiring has gotten harder: jobseekers say their biggest challenge is a lack 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 organisation.

#### Is the hiring process becoming more difficult?

Jobseekers and employers say it is, and the challenges are most acute in France, Canada, and the US.





Jobseeker 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.

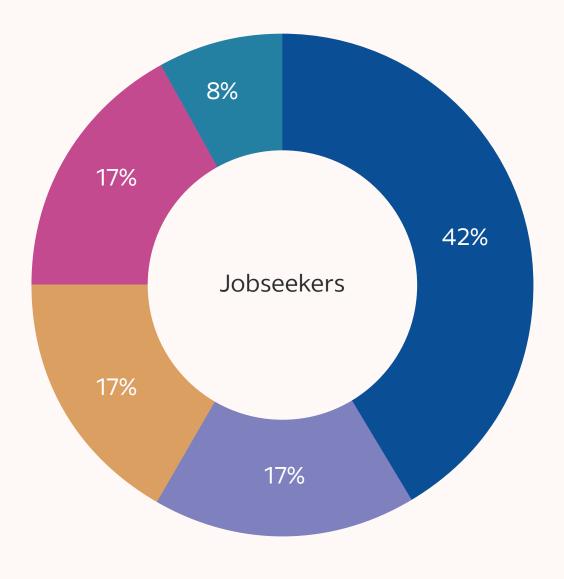
#### **Quantity vs Quality**

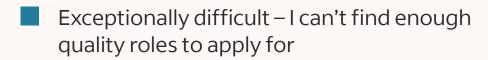
Jobseekers believe the main reason they miss out on roles is that they're in competition with an overwhelming number of qualified candidates for an underwhelming selection of jobs. So, many aim for efficiency over selectivity when applying for jobs, casting a wide net. As a result, employers are being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

Employers report that they're scrutinising 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 jobseekers are sending low-quality applications.<sup>2</sup>

#### How difficult is it to find quality in hiring?

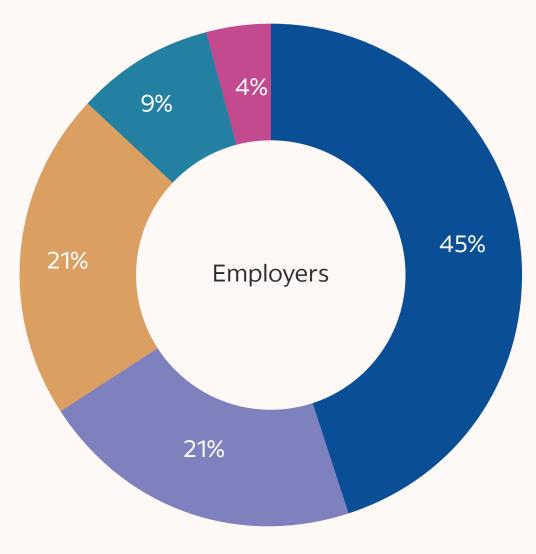
Jobseekers and employers are struggling to find what they're looking for.





- 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

Jobseeker 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 organisation?



- 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



# Defining quality in hiring

Which attributes matter most?



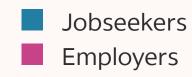
# Skills are key to quality

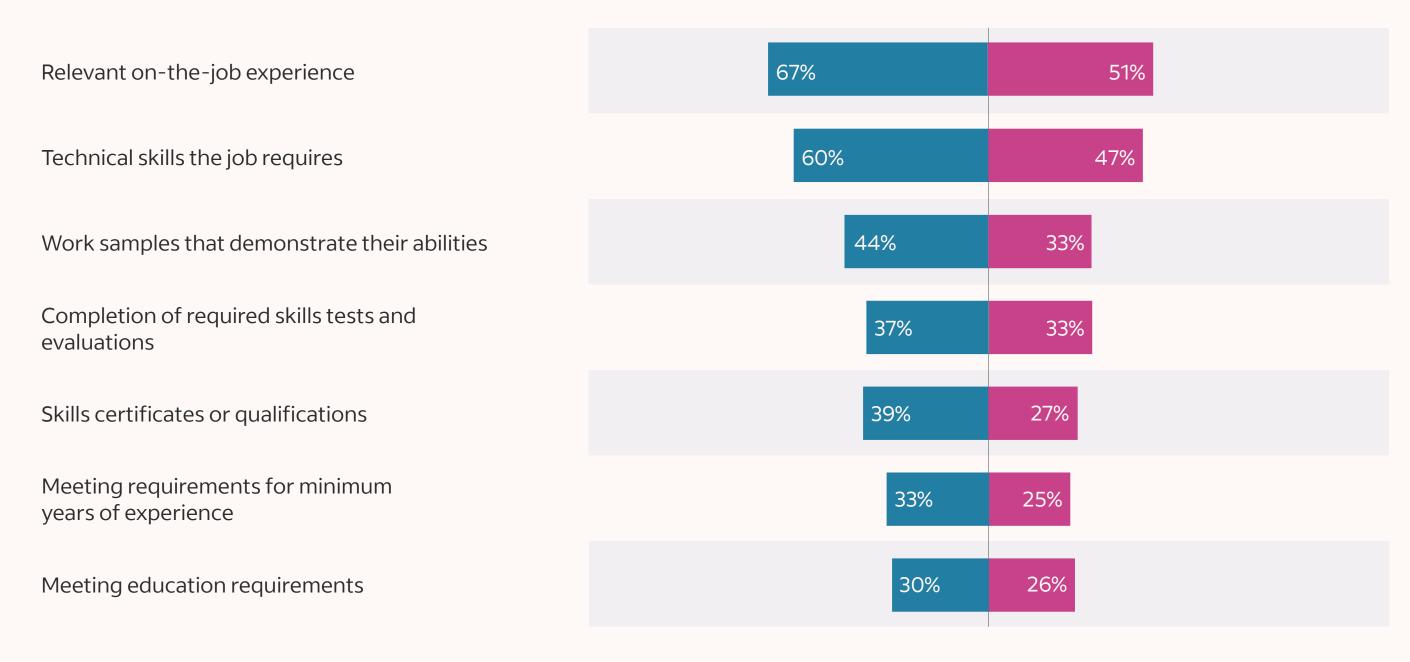
Jobseekers and employers have different perspectives on today's hiring challenges, but the two groups are surprisingly well aligned on how to define a 'quality' candidate.

The majority of jobseekers (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 jobseekers and employers say that on-the-job experience is the top priority when assessing candidate quality – and that education requirements are least important.





Jobseeker 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 jobseekers 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 jobseekers' prioritisation of these skills and rank educational degrees as the least important criteria when evaluating candidates.

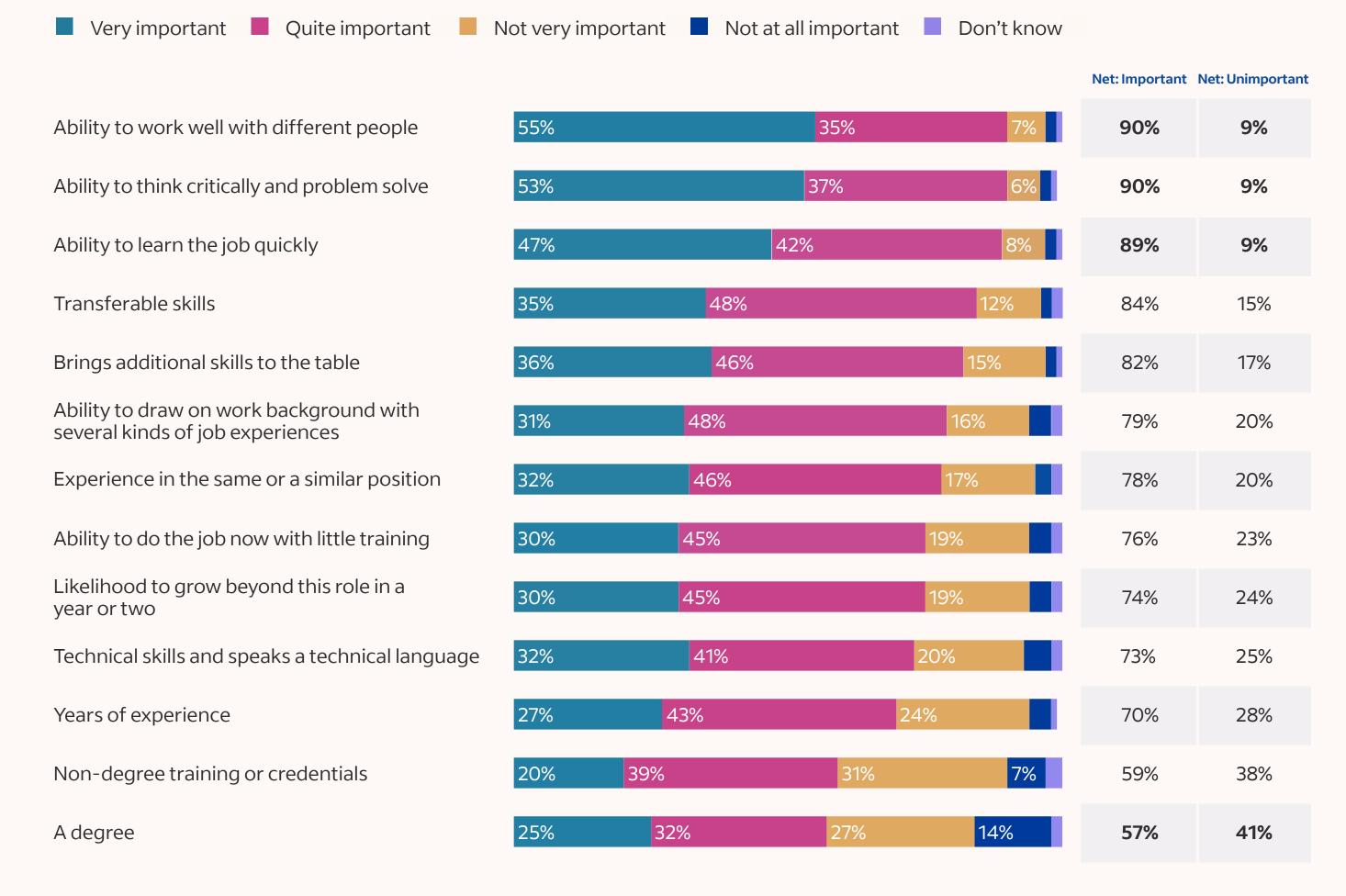
#### **Reducing requirements**

Indeed Hiring Lab data for the US supports a larger trend toward de-emphasising these traditional indicators of quality. In April 2023, less than a third of US 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 the majority (52%) of US job postings on Indeed did not mention any formal education requirement as of January 2024, up from 48% in 2019. The share of US job postings requiring at least a college degree fell from 20.4% to 17.8% over the past five years.1

<sup>1</sup>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.



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

# 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 jobseekers (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 candidate to 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.'



'The candidate with a degree is more likely to bring innovation to the company.'



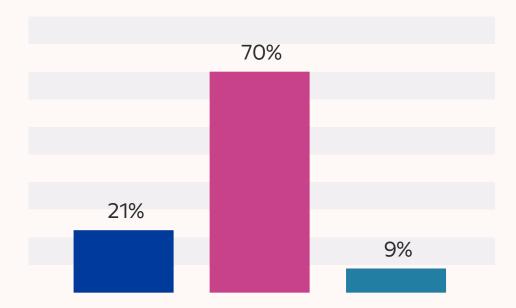
'You can trust them to be responsible, on time, and able to work towards a deadline.'



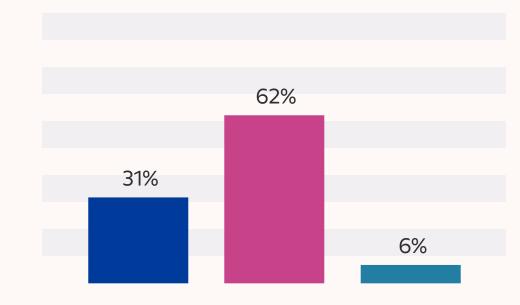
'A college degree shows qualifications and a willingness to continue learning.'



The candidate jobseekers think employers would hire



The candidate employers would hire



- 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

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.'



'Too much importance is placed on diplomas. Many people do not have the opportunity to study.'



'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.'



'Specific experience and demonstrable success is more valuable than generic academic qualifications.'



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



# Anideological shift

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



## The evolution of hiring

Respondents believe that a quality recruitment 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 organisations, calls this concept 'skills-first recruitment'.

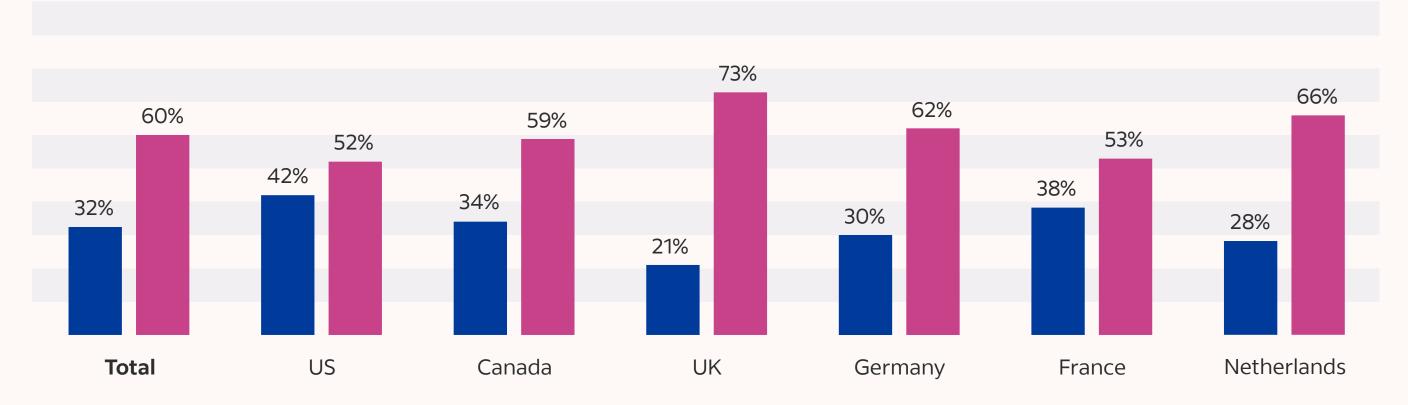
Skills-first recruitment means sourcing and evaluating candidates based on skills, regardless of where or how they gained those skills.

Interestingly, while the majority of jobseekers (60%) say they're not familiar with the term 'skills-first recruitment', responses revealed that people intuitively understand the concept. When asked to identify the main practices associated with a skills-first recruitment strategy, the majority of jobseekers 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 recruitment?

Even though jobseekers' definition of quality aligns with a skills-first approach, most aren't aware that it's a formal strategy.

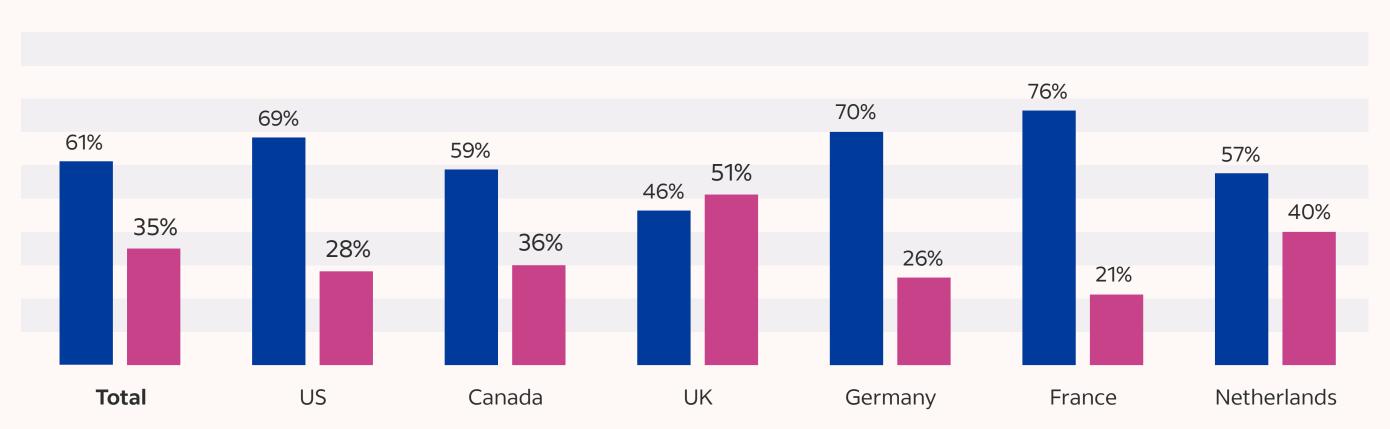




Jobseeker question: To what extent, if at all, are you familiar with the concept of 'skills-first hiring'? Please select all that apply.

In most regions, the majority of employers are familiar with the strategy, though employers in the UK are less aware than peers in other countries.





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

So why this rise in skills-first recruitment? Simply put, skills-first recruitment 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 recruitment is also a powerful driver of diversity, equity, inclusion and belonging (DEIB). Sixtyfour percent of employers who have adopted skillsfirst recruitment say it has improved diversity at their organisation, 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.

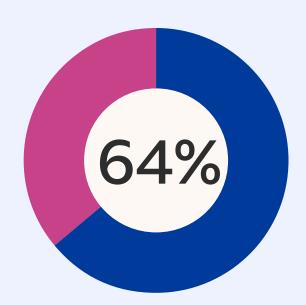
#### **Rising STARs**

By de-emphasising proxies, a skills-first approach breaks down barriers for jobseekers with non-traditional backgrounds. Removing or reducing educational requirements opens the talent pool to include STARs, an acronym coined by the US-based non-profit social enterprise Opportunity@Work that stands for 'skilled through alternative routes', such as military service, community college or on-thejob experience. In the US, the majority of Black, Hispanic, rural and veteran workers are STARs. Over 12 million monthly jobseekers on Indeed are STARs. 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 recruitment 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
- Employees being more interested in upskilling and education
- 20% More diversity in my labour force
- **19%** Better retention of newly hired candidates
- **19%** Happier workforce
- More equitably distributed opportunities for jobseekers
- Reduced time to hire



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

Employer questions: You say you have implemented a skills-first recruitment 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 organisation? What effect, if any, has skills-first hiring had on equity at your organisation?

# Better connections with skills-first recruitment

Skills-first recruitment has the potential to differentiate employers. Though 31% of jobseekers say the biggest challenge in finding quality roles is a lack of pay transparency, a focus on skills addresses many of the other difficulties jobseekers mention: unrealistic role requirements (30%), too much emphasis on formal education (20%), ineffective employment agencies or recruiters (18%) and poorly written job ads (18%). Jobseekers 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 jobseekers in France, Germany and the Netherlands, where jobseekers 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 jobseekers' biggest frustrations?

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

	US	Canada	UK	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 organisation'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%

Jobseeker 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 organisational practices, standards and cultural norms.



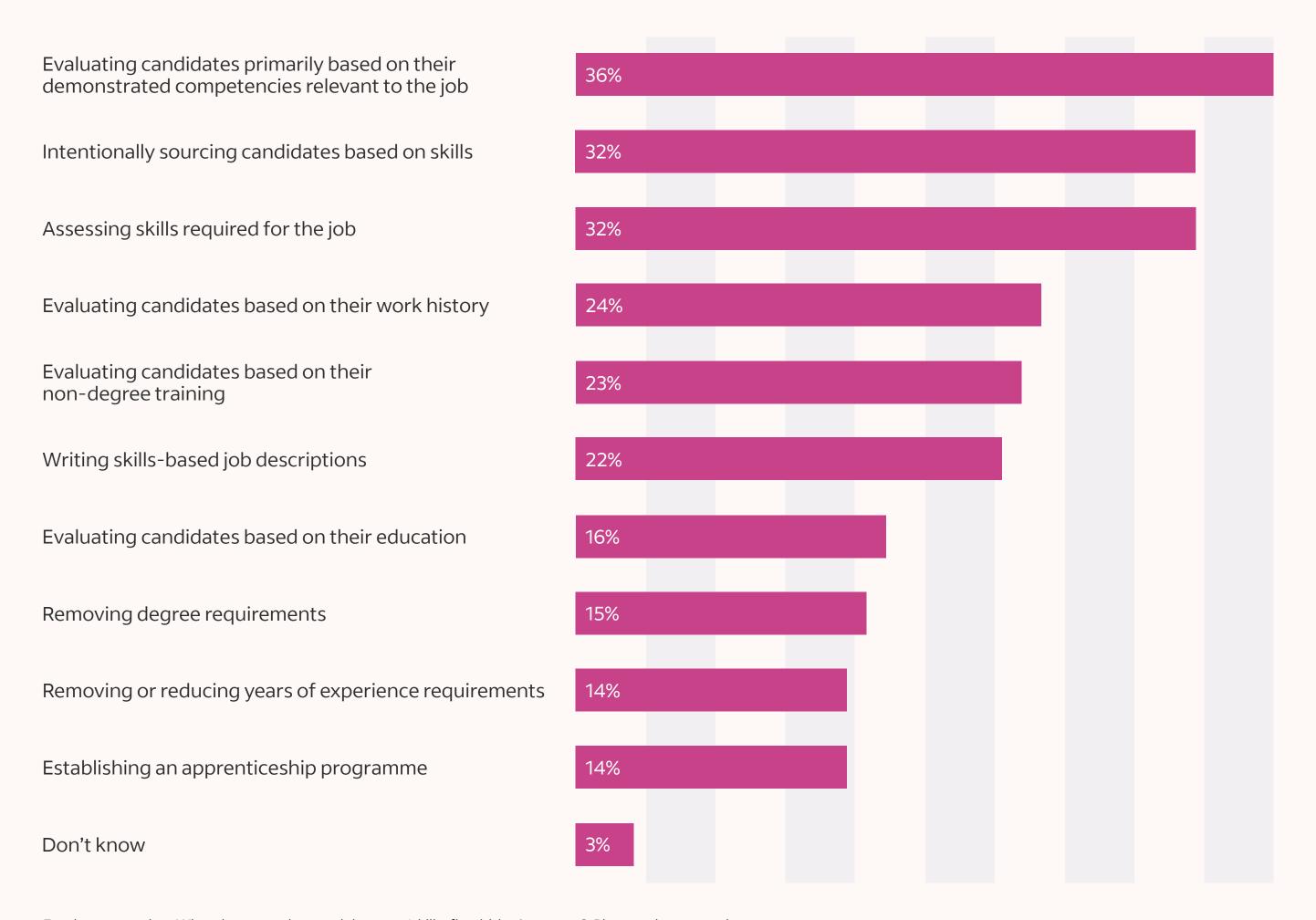
# Going deeper

The ideological shift to a skills-first approach is an important first step, but companies that want to adopt a complete skills-first recruitment strategy will need to rethink their organisational practices and norms. Most employers (61%) grasp the concept of skills-first recruitment, 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 recruitment mean to employers?

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



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

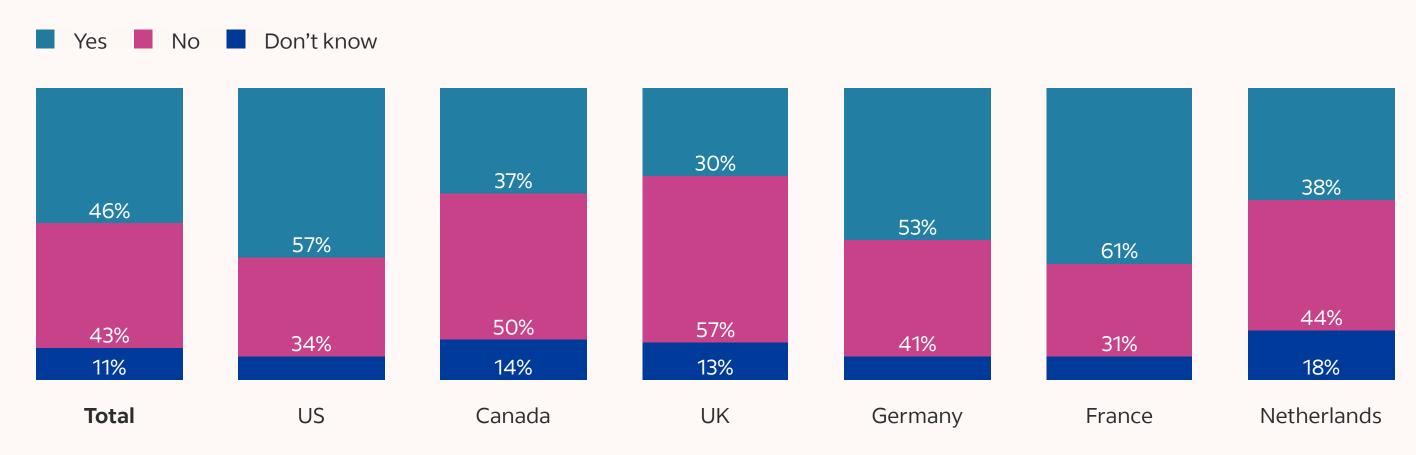
## **Establishing vs Implementing**

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

Those who have defined a skills-first recruitment 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%).

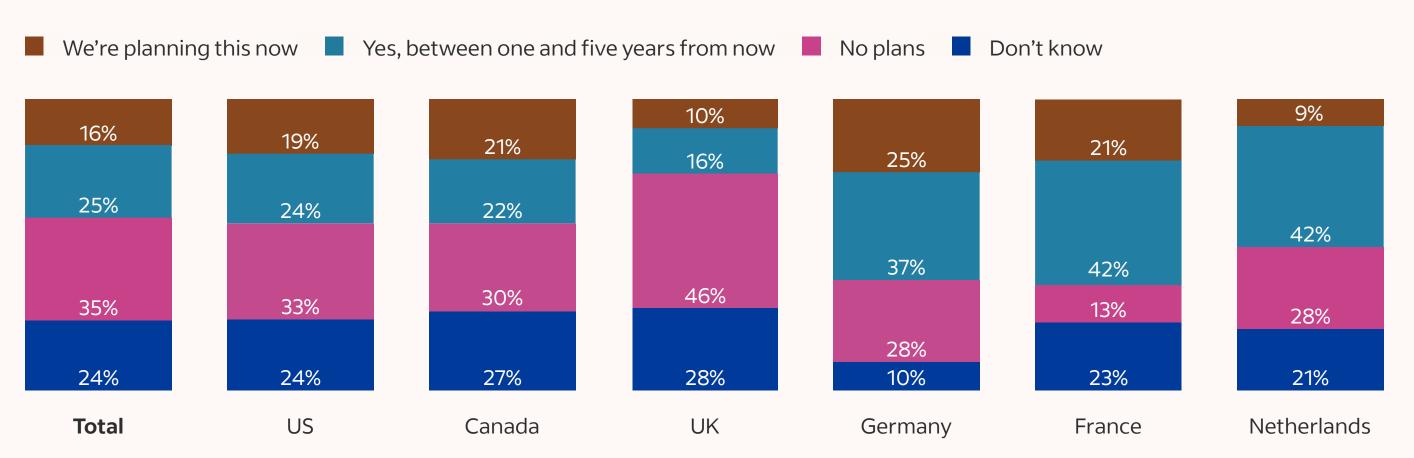
#### How quickly are employers adopting skills-first recruitment?

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



Employer question: Does your organisation have a defined skills-first recruitment 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 UK.



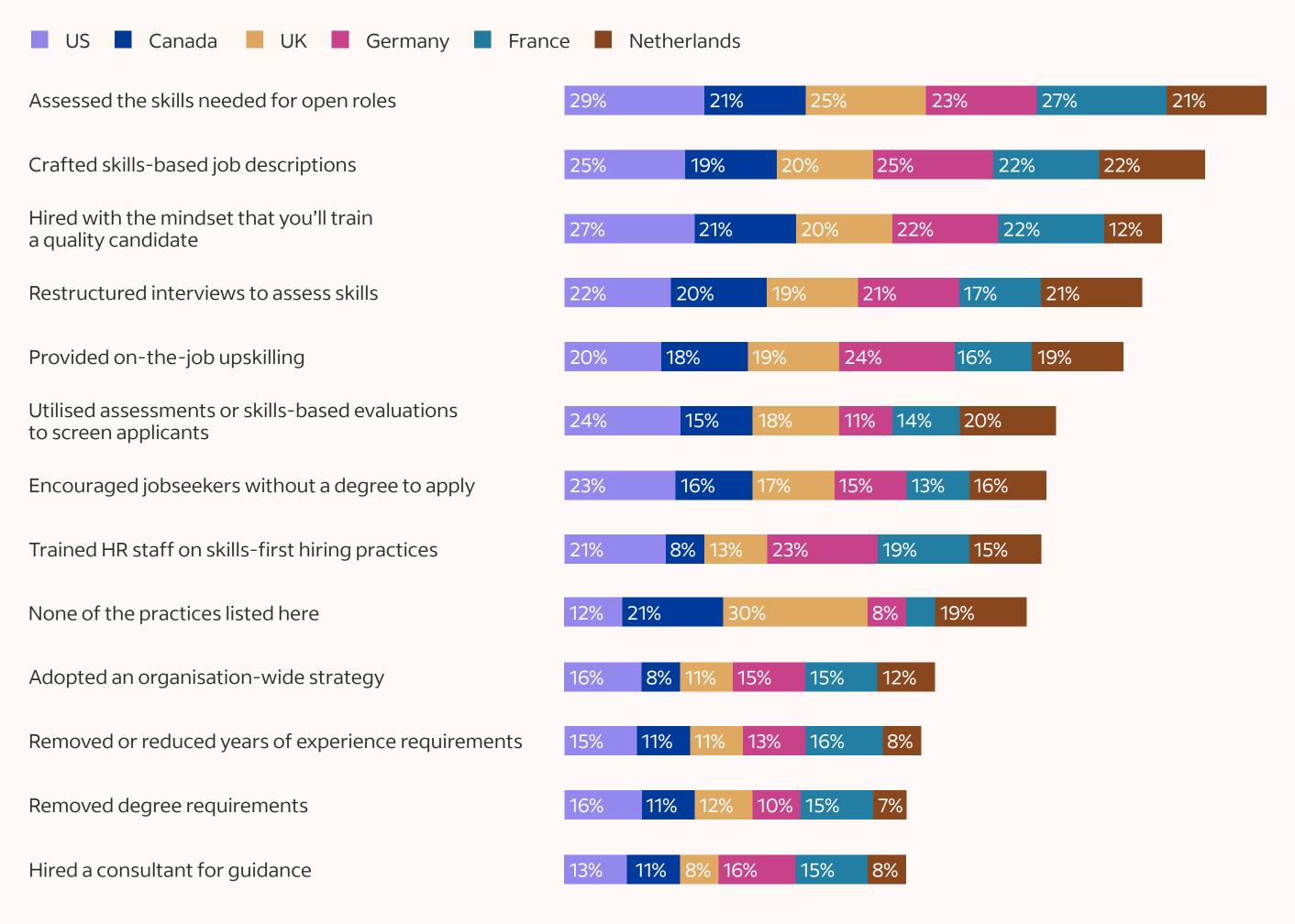
Employer question: If you're not currently adopting a skills-first recruitment strategy, do you anticipate doing so in the future?

While all of these practices are important, they're relatively small adjustments to the recruitment 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 skillsbased 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 organisation to support skillsfirst recruitment, such as using assessments or skillsbased evaluations to screen applicants (18%), training staff on skills-first recruitment practices (17%) and adopting an organisation-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 using skills-first recruitment, a significant percentage of employers who have a skills-first strategy say they're not taking any of the actions listed.



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

### **Understanding barriers**

Among employers who don't currently have a skillsfirst recruitment 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 skillsfirst recruitment if they're less familiar with the strategy.

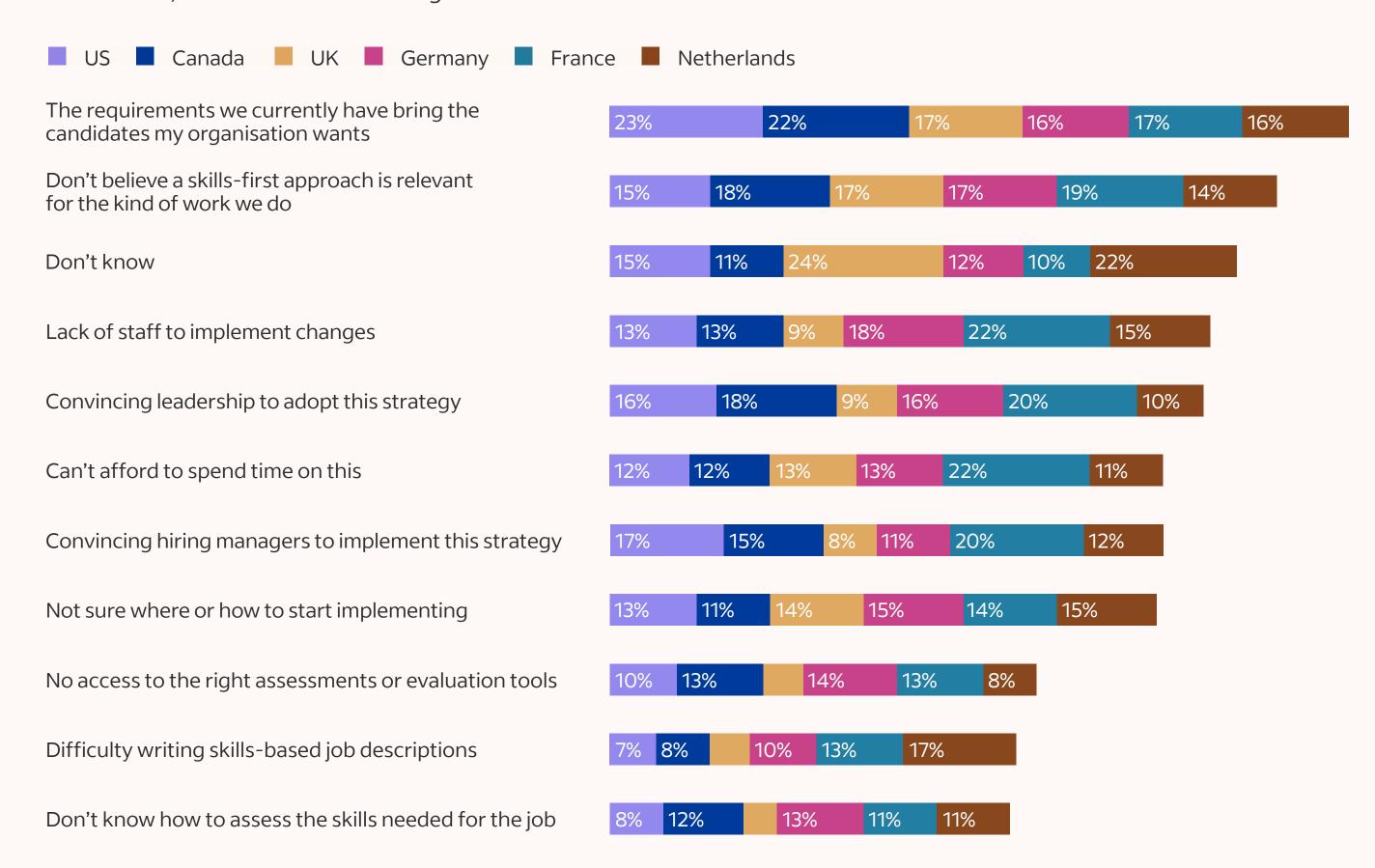
Employers in the UK are least familiar with skills-first recruitment, are the least likely to have defined a skillsfirst strategy, and are most likely to say they're satisfied with their current approach.

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 recruitment, 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 jobseekers. As organisations build their capacity for skills-first recruitment, 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 organisation doesn't need to adopt skills-first hiring, but they also say a lack of time, resources and knowledge is a barrier.



Employer question: From your perspective, what is holding your organisation back from adopting a skills-first recruitment 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%.



# Aland skills-first recruitment

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



# **Understanding individual** candidates

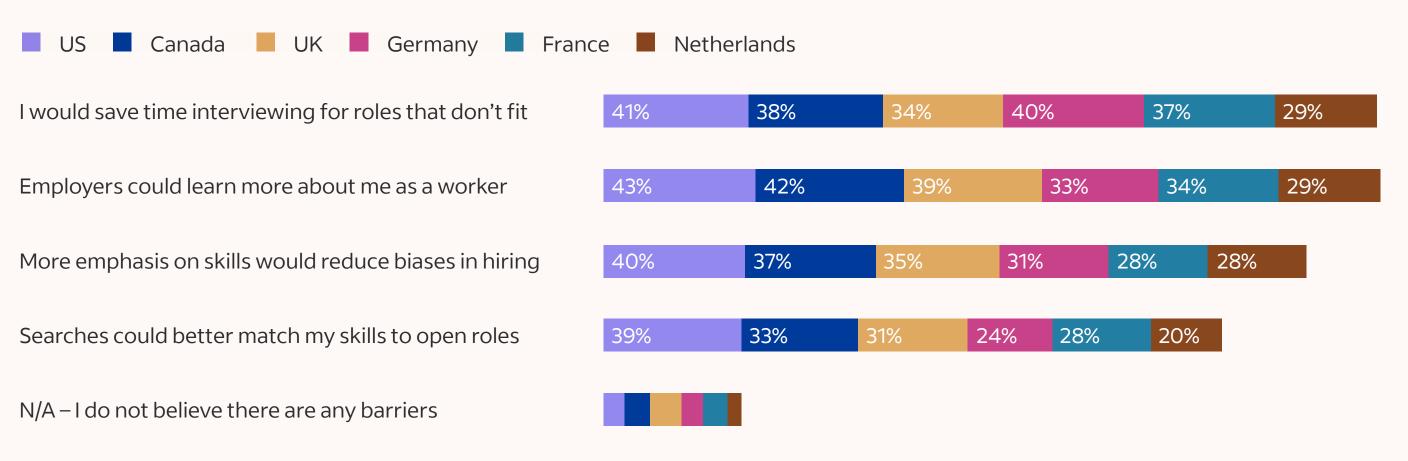
In an ever-evolving world, what role does technology and the rising application of artificial intelligence (AI) play in recruitment?

Employers often report struggling to balance the efficiency of automation while maintaining a personal touch. In the context of a skills-first recruitment strategy, however, Al-powered hiring tools can actually enable employers to take a more individualised approach, helping recruiters discern the relevant skills in applicants' unique backgrounds and skill sets.

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

#### What do jobseekers 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 recruitment.



Jobseeker 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%.

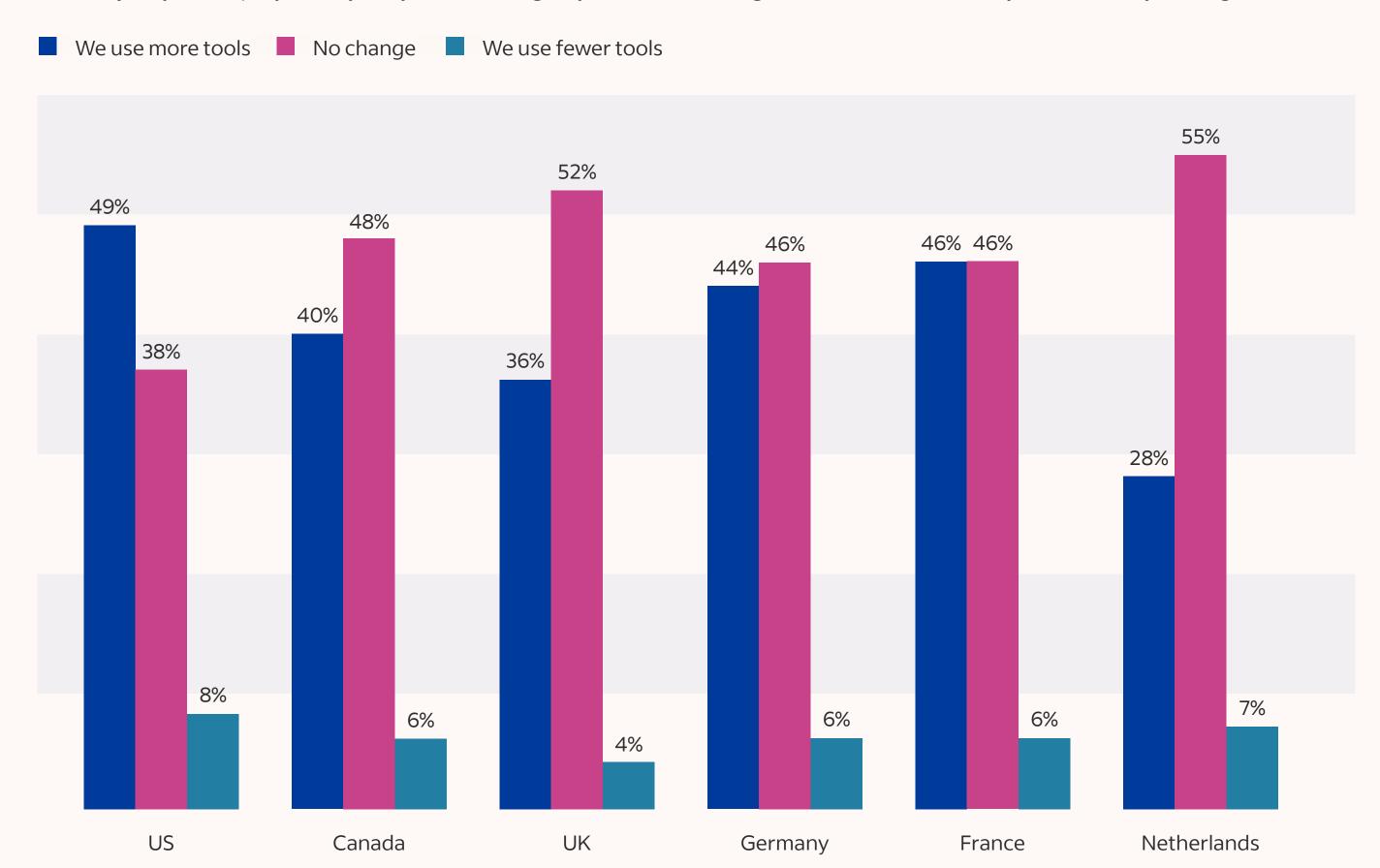
## An untapped resource

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 recruitment.

The US 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.



Employer question: When thinking about recruiting candidates, do you utilise 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 Al-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 CVs (33%), but that's only a fraction of Al's true potential in recruitment. Al tools can identify qualified candidates based on their skills with unprecedented precision, and these capabilities allow employers to effectively restructure their recruitment 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.

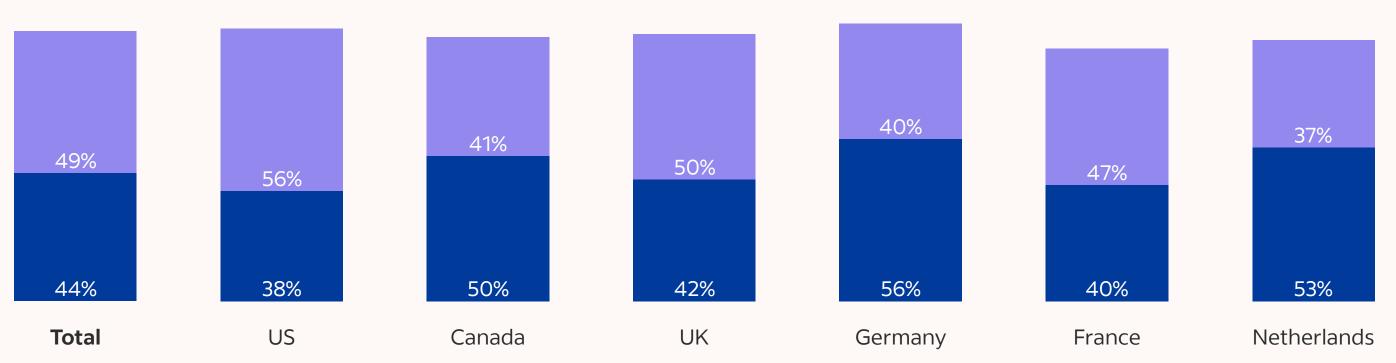




Employer question: Now thinking about artificial intelligence (AI). Have you ever used AI-powered tools in recruitment?

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.

- I would be willing to commit a lot of time to train Al hiring tools
- I would be willing to commit some time to train AI hiring tools



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

# When do employers drop candidates?

To better understand the importance of technology in quality and skills-first recruitment, let's look at another important disconnect between jobseekers and hiring managers: the drop.

Both jobseekers and employers believe the main reason for a candidate to progress to the interview round is that their CV or profile shows experience in the field. And most jobseekers (53%) rely on their CV 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 whether an applicant is a quality candidate during or after the interview stage.

If employers don't have effective tools to evaluate CVs for skills and experience, many talented candidates never get to the interview – and employers could miss out on hiring them.

Employers may not recognise 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 CV and interview

Jobseekers believe that employers are primarily evaluating skills based on CVs.

	Total	US	Canada	UK	Germany	France	Netherlands
On-the-job experience listed on CV	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 CV	31%	32%	31%	38%	31%	24%	33%
References from past employers	35%	32%	37%	30%	39%	31%	44%
Occupational/skills training listed on my CV	26%	30%	30%	25%	24%	24%	23%
Educational level listed on my CV	20%	23%	19%	21%	18%	15%	28%
Online profile on a hiring and matching platform	10%	13%	10%	8%	10%	12%	8%

Jobseeker 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	US	Canada	UK	Germany	France	Netherlands
Interviews	53%	49%	55%	65%	45%	41%	52%
On-the-job experience listed on CV	40%	40%	38%	39%	40%	43%	41%
Assessments or skills tests	35%	38%	31%	41%	28%	33%	23%
Occupational/skills training listed on CV	29%	34%	30%	24%	28%	34%	24%
Skills listed on CV	25%	27%	17%	23%	29%	29%	21%
References	33%	32%	42%	40%	26%	20%	40%
Educational level listed on CV	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 jobseekers don't describe skills on their CVs 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.

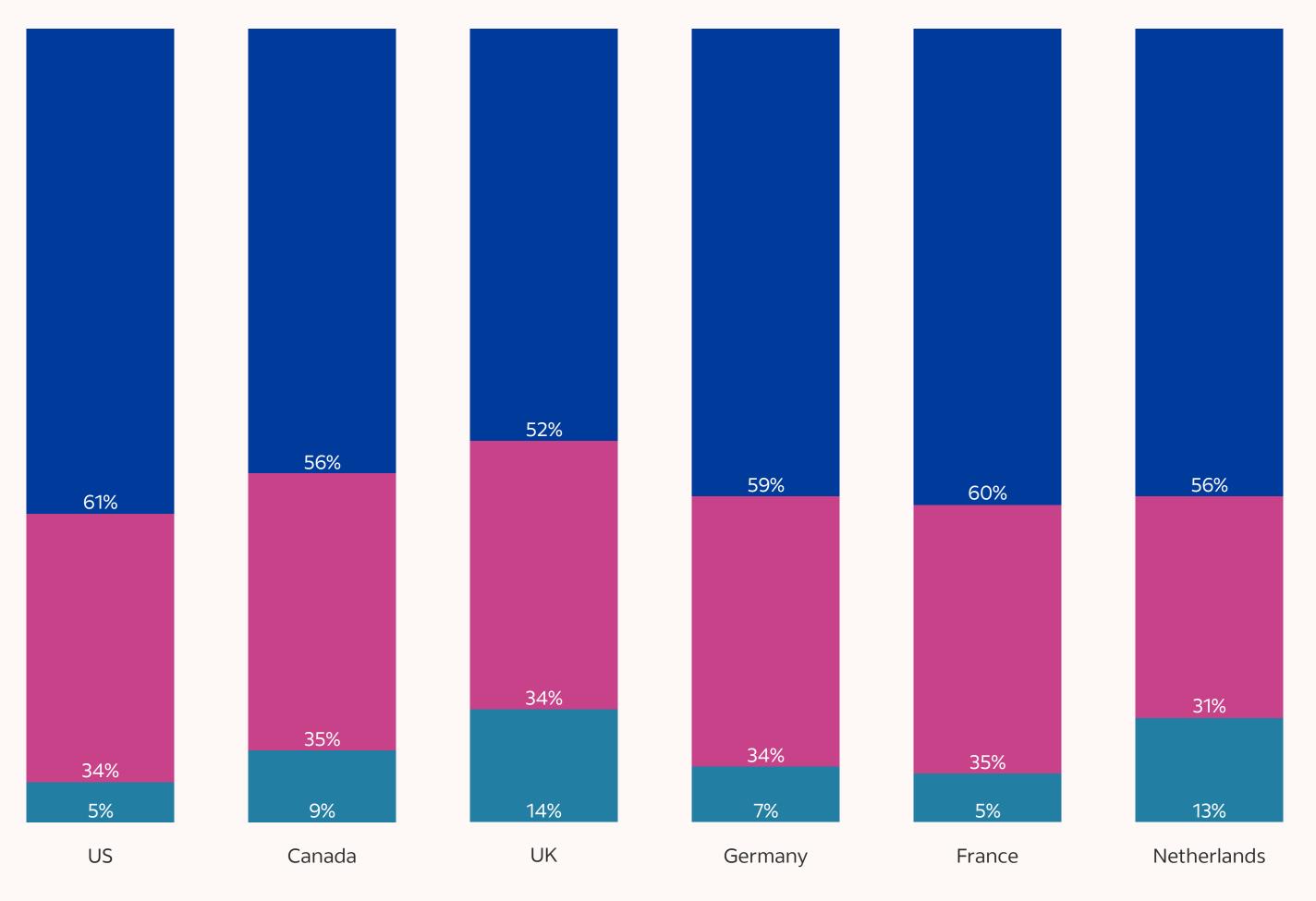
Employers may not recognise that this de facto screening diminishes their talent pool and overlooks potential candidates.

Employers and jobseekers 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 recruitment values soft skills such as teamwork, adaptability, communication and critical thinking over hard skills. And, as we'll explore in the next section, both jobseekers and employers believe that the ability to learn, grow and upskill on the job is a key element of a quality candidate. But both groups may be unaccustomed to and unsuccessful at communicating and evaluating these capabilities on a CV.

#### How do employers prioritise soft and hard skills in skills-first recruitment?

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



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 CVs and cover letters. Models can analyse both job descriptions and CVs to find out what skills are needed to succeed, and they can recognise 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 Al models can take a qualitative description of a jobseeker's experience and translate it into whatever skills taxonomy the employer is looking for. It creates a more level playing field for jobseekers 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 jobseekers' expectations

An important factor in talent attraction is emerging – an employee's opportunity for professional growth. The majority of jobseekers 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?

Jobseekers will sacrifice a higher salary for ongoing training opportunities.

Jobseekers who chose Organisation 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.'



'I would take the higher salary for a year or two and then change jobs.'

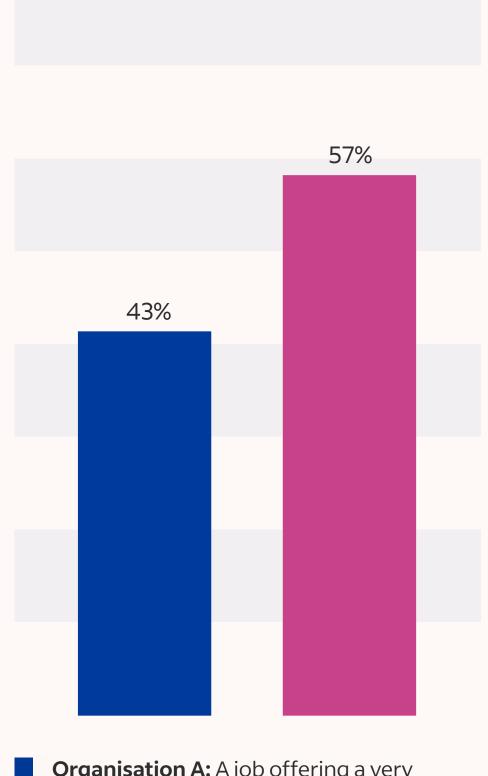


'I can acquire skills alone... I don't necessarily need the company.'



'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.'





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

Organisation B: A job offering a less competitive salary but offering opportunities to learn and develop my skills and career within the organisation

Jobseekers who chose Organisation B:

'Skills are permanent. Money isn't.'



'An opportunity to advance without changing companies is preferable to job hopping every few years.'



'I choose growth and a corporate culture that invests in employees.'



'It's clearly a company that cares about my wellbeing.'



'Training and further education will get you a job with a higher salary in the future.'

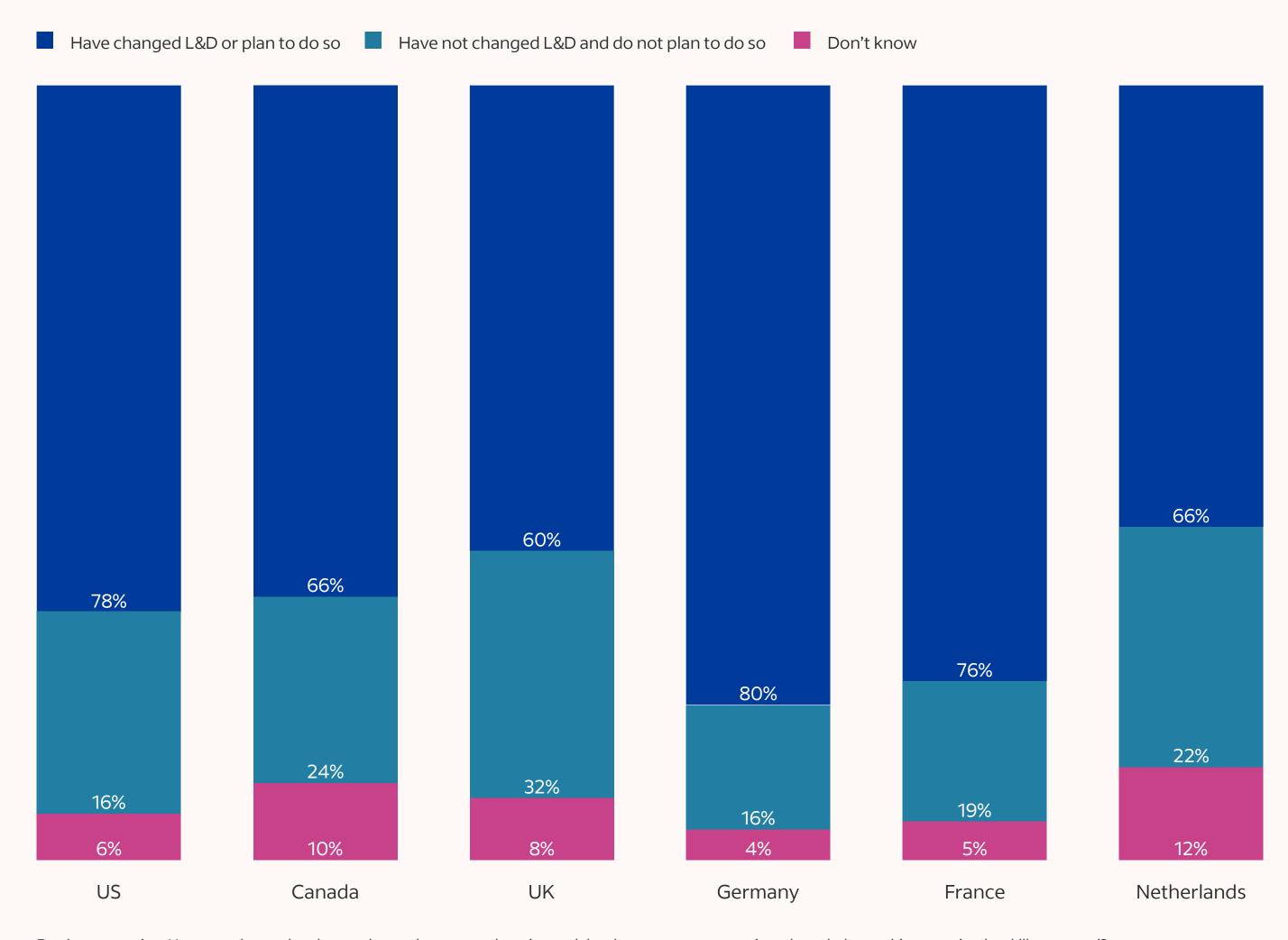


Jobseeker question: Which job offer are you most likely to accept: A job offering a very competitive salary but no opportunity for upskilling or upward growth, or a job offering a less competitive salary but offering opportunities to learn and develop your skills and career within the organisation?

Employers recognise 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 programmes to help newly hired candidates 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 jobseekers' 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 programmes?

Most say they're rethinking their training programmes to help newly hired candidates acquire necessary skills.



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

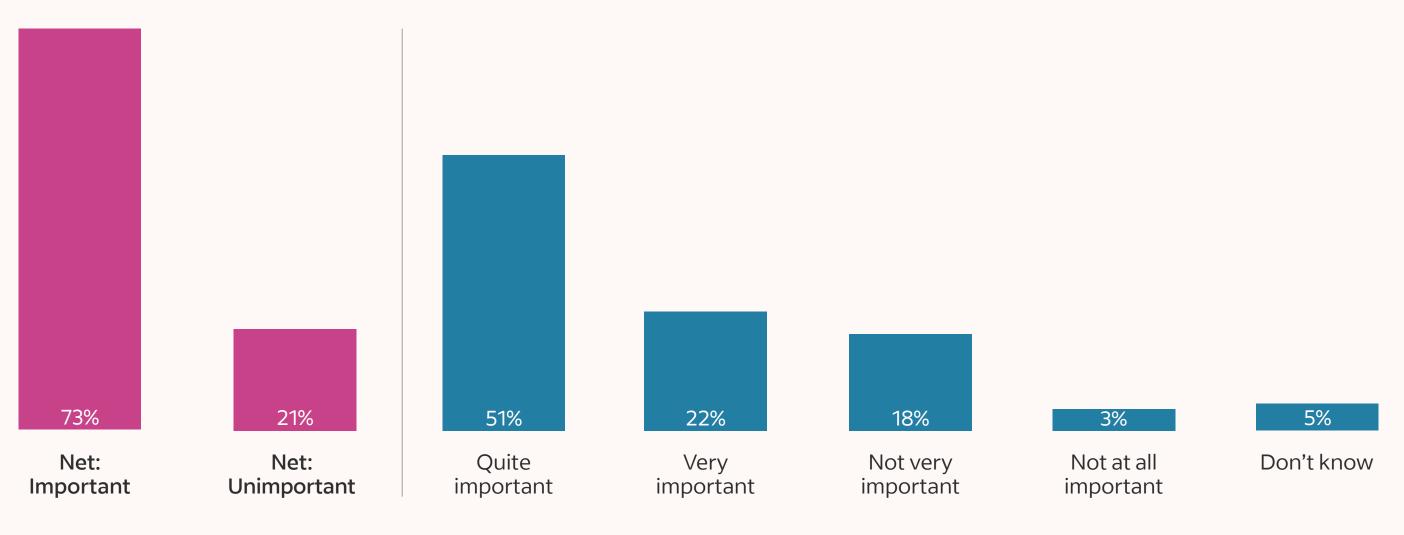
# Communicating development opportunities

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

If employers don't advertise their professional development programmes to potential applicants on company pages and websites, they're missing out on a key opportunity to attract talent.

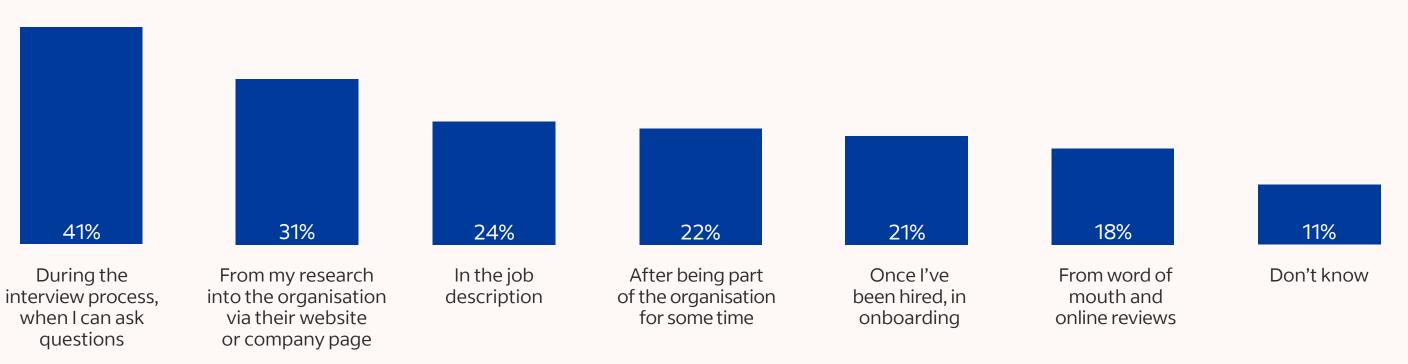
#### How important are learning and development opportunities to jobseekers?

The vast majority of jobseekers prioritise L&D opportunities when deciding whether they'll apply for a role.



Jobseeker question: How important are an organisation'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 jobseekers say they learn about L&D opportunities:



Jobseeker question: When do you usually learn about an organisation's learning and development opportunities?

# Building the workplace of the future

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

#### **Upskilling** is imperative

Learning and development is not just important to quality recruitment today. As the labour 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 recruitment, we typically think about hiring people externally, but a skills-based approach to internal recruitment makes sense for all the same reasons. If you're struggling to find talent, build learning and development programmes 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 organisation.'

Abbey Carlton Vice President of Social Impact and Sustainability, Indeed

#### Conclusion

Our research on quality in recruitment reveals an inflection point in labour markets across key regions worldwide.

Jobseekers and employers are more frustrated with recruitment 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 recruitment 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 organisation,' Abbey Carlton says.

As more employers begin to implement a skills-first recruitment 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 organisations. And they're improving retention as well: 19% of employers say better retention of newly hired candidates is a benefit of skills-first recruitment.

# /LEAD

## Key takeaways



**Employers need to prioritise learning and development to** strengthen a skills-first recruitment strategy and remain agile in a rapidly evolving labour 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, organisation-wide skills-first recruitment strategy, they have the opportunity to use AI tools to help identify quality talent based on skills rather than proxies.

Discover practical ways to <u>use AI to support skills-first</u> recruitment and upskill your teams.



Investing in skills-first recruitment speaks to jobseekers' values, addresses important pain points, and creates sought-after opportunities to learn and grow on the job.

Learn about the disconnect between what jobseekers want and what employers offer – and what to do about it – in the Great Disconnect series:

What jobseekers want vs what employers offer

Closing the gap between jobseekers and employers



This document is subject to copyright owned by Indeed, Inc. Any use, alteration, reproduction, retransmission, republication, in whole or in part, of all or part of the present document without Indeed's written consent is expressly prohibited. Indeed disclaims any liability from the use or application of the information contained herein or from the interpretations thereof.

Copyright © 2024 Indeed, Inc. All rights reserved.