

STATS REPORT

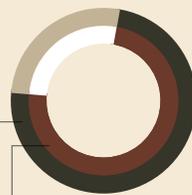
Skills-Based Hiring: What Recruiters Need To Know



The State of Skills-Based Hiring



The World Economic Forum's Future Jobs Report 2025 predicts that **39% of core worker skills** will become outdated by 2030.



71% of U.S. employers report **difficulty finding skilled talent**, 74% worldwide.

71% U.S Employees
75% Worldwide



Skills gaps block business transformations for **63% of employers**.



70% of companies are now using skills-based hiring.

Skills-focused orgs outperform peers across key metrics.



Attraction and retention:
+1.4x better



Productivity:
+2.0x improvement



Key Talent Retention:
+1.5x stronger



Financial Performance:
+1.7x higher

Why Traditional Hiring Is Failing

Traditional hiring is built around resumes and degrees, but in today's labor market, skills are changing faster than job descriptions. Recruiters are filling jobs as they're evolving, often without clear visibility into the skills that actually drive performance in the role. At the same time, labor shortages persist.



Nearly three in four U.S. employers report difficulty finding skilled talent in 2025, compared to just 32% in 2015.



40% of hiring managers said finding qualified talent is their biggest hiring concern.



LinkedIn's 2025 Workplace Learning Report shows that almost half of L&D leaders said there's a growing gap between the skills employees have and those the business needs.



Talent scarcity spans industries, with sectors like manufacturing and healthcare facing talent shortages numbering in the millions.

When employees don't have the right skills, it gets harder and harder for organizations to execute on transformation and growth. This means skills gaps have become a business problem, not just an HR problem.

The Pain Points Recruiters Face Today

Recruiters are working in a paradox: their companies urgently need critical skills, but processes are slow, resources are stretched, and the expectations on talent acquisition teams keep rising.

The pressure is on, and it's leading to some clear pain points.

Time-to-fill is long, and getting longer.



94% of managers say hiring time has increased over the past few years.

SHRM research shows that the **average time-to-fill is around 44 days**, with some specialist and large-company roles taking more than 60 days to fill. Manual work doesn't make things more efficient: interview scheduling eats up **35% of recruiters' time**.

Bad hires = big costs.



Replacing a bad hire costs between **50%-4x the employee's salary**, including recruiting and lost productivity.

The costs aren't just financial — recognizing bad hires takes an **average of four weeks and wastes over 15 hours of productivity** per week.

Everyone is feeling the burn(out).



64% of employees report feeling burnt out, impacting productivity and turnover.

HR isn't immune, either. In fact, **HR pros report higher rates of depression, anxiety, and burnout** compared to other employees.

Recruiting is no longer the only top priority.



Developing Your People > Hiring New Employees

For the past several years, companies have been fiercely competing for top talent. Now, **employee experience, career growth, and skill development are taking top priority** as leaders look for ways to close gaps beyond external hiring.

Recruiting teams are being expected to move faster, improve quality of hire, and contribute to retention, often without a clear, skills-based view of their talent pools.

What Skills-Based Hiring Delivers

Embracing skills-first hiring processes and linking skills to job frameworks is delivering real results.



Faster time-to-fill

Skills-based hiring **reduced time spent looking** for the right candidate by 82%.



Reduces Hiring Costs

Focusing on skills reduced hiring-related costs by 74%.



Expands access to talent

Skills-first recruitment can produce **16x the number of qualified candidates** in the U.S.



Improves retention

90% of companies saw a **drop in mis-hires**, and they were nearly twice as likely to retain key talent and attract more.



Increases diversity

84% of companies that removed degree requirements said it's been successful, leading to **more applicants and a more diverse talent pool**.



Easier hiring decisions

94% of orgs said skills-based hiring was a better predictor of on-the-job performance than resumes.



Better business outcomes

Skills-focused organizations report 2x higher employee productivity and 1.7x stronger overall financial performance compared with peers.

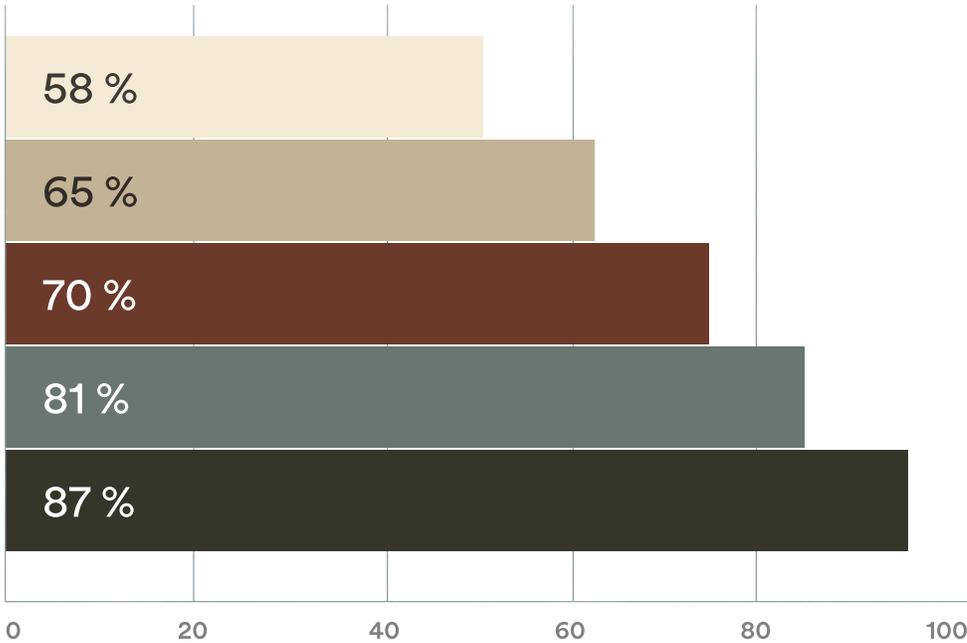


The (Slow) Switch To Skills-Based Hiring

Skills-based hiring delivers results by focusing on what candidates can do, not just where they've worked or what credentials they hold. A growing number of employers are building skills into their recruiting processes, but most still see themselves at the beginning of this shift.

Where skills show up in hiring today

Adoption Rate



Skills-Based Recruiting Process

- Creating interview rubrics
- Candidate screening
- Entry-level hiring
- Writing job descriptions
- Interviewing

Companies may be switching their focus to skills, but there's lots of room to grow.



Just **12% of companies** believe they're successfully evaluating skills.



Only **30%** said they're leveraging skills data effectively.



53% of employers reported they lack the time or resources needed to implement new hiring practices.

Skills Across the Talent Lifecycle

Skills-based hiring doesn't end at the offer letter — it's the starting point for a talent strategy that spans the entire employee journey. When you define and assess skills upfront, you create a foundation that makes every other HR process more effective and connected.



New hire onboarding

Skills data from the recruiting process helps inform onboarding strategies. New hires get the right training and ramp-up support from day one, reducing time to productivity.



Performance and development

WTW research found that orgs using skills in performance management and learning programs are 2x more likely to report higher employee productivity. 49% of leading organizations use internal skills data to identify gaps and build personalized learning paths.



Internal mobility and retention

Skills make it easier to match employees to new roles or projects internally. SHRM research notes HR leaders are prioritizing career growth and skill development to retain talent and close gaps without external hires. Skills-focused organizations are 1.5x more effective at retaining key talent.



Rewards and long-term strategy

Skills are emerging as a key indicator for promotions, pay, and workforce planning, helping companies align people decisions with business needs.

Key Takeaway: Starting with clear, validated skills in hiring creates visibility and momentum that flows through the entire employee lifecycle, making your hires more likely to succeed and stay.



The Bottom Line: Make Skills Your Default Lens

The data spells it out for us: skills-based hiring isn't a trend, but a tool for organizations to break through long time-to-fill, high mis-hire costs, and persistent skills gaps. Skills-focused employers are already seeing faster hiring, better retention, and stronger business performance, even though most still consider themselves early in their skills journey.

Recruiters have clear marching orders to keep up:

- Use skills to tighten your process:**
Define the critical skills for each role and bake them into job descriptions, screening criteria, and interview rubrics.

- Expand who you consider:**
De-emphasize degrees and years of experience so you can tap into underused and non-traditional talent pools.

- Close the loop with performance:**
Track which skills actually predict success in the role and use that data to refine your profiles over time.

- Partner across HR:**
Work with L&D and HR leadership so skills data informs internal mobility, development, and retention, not just external hiring.

Get our checklist and start making skills the default lens for every hiring decision.

[Get the Checklist](#)

