

Skills-First Hiring: The Basics, Examples, and Benefits

Traditional hiring is an exclusive process. Determining an individual's fit for a role often begins with the university they went to, the degree they earned, and the professional titles they later held. This mindset may have filled office seats in the past, but it is an outdated luxury today as businesses struggle to find critical talent.

Skills-first hiring is the modern way of filling roles based on a person's capabilities rather than their cachet.

The approach democratizes job opportunities, which widens talent pools. Focusing on capabilities also results in better matches, which improves performance, job satisfaction, and retention rates.

What is skills-first hiring?

Skills-first hiring centers on a person's capabilities and potential. Instead of filtering out people based solely on their resume, you consider talent by asking, Do they have skills that can transfer to the job? Do they have work experience that demonstrates their ability to do the job? Do they have the soft skills to grow into future roles?

In contrast, traditional hiring emphasizes the person's background by asking questions like Do they have a four-year degree? Did they intern at a major firm? Did they have this job title?

Of course, skills-first hiring includes necessary hard requirements too. If you were looking for a head nurse, you'd ensure they were licensed. The difference is instead of only considering nursing candidates with a college degree and at least five years of experience, you might also consider someone with three years of experience who is a skilled communicator, leader, and seasoned in handling challenging situations.

Skills-first vs. traditional hiring practices

Both hiring models aim to find the best person for a job. But a skills-first approach widens your talent pool and helps you make more accurate hiring decisions that are both good for the individual and the organization.

Skills-first examples in the real world

The more you practice skills-first hiring through the business, the more resilient your workforce becomes. But you can also realize business benefits by starting small.

IT rethinks roles

An easy way to start skills-first hiring is by updating the requirements for specific roles. Take a software quality-assurance engineer for example. Many companies still demand a four-year degree, but 74% of Accenture's and 71% of IBM's postings for the role don't.

Google gets general

When Google reviews applicants, their past roles have less sway over whether they're good problem-solvers and have a "general cognitive ability."

Concentrating on skills works best in Google's fast-changing environment. In a podcast, Lisa Haynes, Global Head of Candidate Experience at Google, explained, "If you just hire someone to do one specific job but then our company needs change, we need to be rest assured that that person is going to find something else to do at Google. That comes back to hiring smart generalists."

Crownpeak uses freelancers

You can also apply a skills-first approach to leverage the benefits of hiring freelancers. Upwork calls this practice skill sourcing.

Skill sourcing is an ideal solution for Crownpeak, a digital experience platform (DXP). The company often needs specific skills for a limited time and their traditional role-based recruiting process took weeks. By skill-sourcing talent through Upwork's global marketplace, Crownpeak finds its talent within nine days on average, no matter how unique the skills required.

"There have been multiple instances where a hiring manager has believed a skillset was too niche—or too critical to success—to source except through direct recruitment," said Alfie Callan-Shropshall, Head of Talent Acquisition, Crownpeak. "We believe differently, and we've consistently been able to fill those requirements."

Core principles of the skills-first approach

Following these core principles both expands your talent pool, while also preventing managers from overlooking someone great.

Value abilities over fluff

When filling an open role, ignore all of the old requirements and then ask yourself, What are the underlying skills required to succeed in this job? If certain certifications and licenses are required, then include them. But don't put a college degree on the list when a degree isn't necessary.

If you're looking for a sales rep, don't limit your talent pool by only considering people with prior sales experience.

Article continues at link below

Source: Upwork (03/08/2024)
<https://bit.ly/nova-wr-20240325>

UNEMPLOYMENT

Region	February 2023	January 2024	February 2024	Percentage Point Change	
				1 month	12 months
San José–Sunnyvale MSA	3.2%	4.4%	4.4%	0.0	+ 1.2
San Francisco MD	2.9%	3.9%	3.8%	- 0.1	+ 0.9
California	4.8%	5.7%	5.6%	- 0.1	+ 0.8
United States	3.9%	4.1%	4.2%	+ 0.1	+ 0.3

INDUSTRY EMPLOYMENT

Sector — February 2024	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
				1 month	12 months
Total Nonfarm	1,150,300	1,152,600	2,302,900	+ 0.2%	- 1.0%
Construction	50,400	39,600	90,000	- 1.2%	- 4.3%
Manufacturing	175,700	34,800	210,500	- 0.6%	- 2.3%
Retail Trade	72,900	64,000	136,900	- 0.9%	- 0.7%
Information	92,800	109,900	202,700	- 1.2%	- 9.8%
Professional & Business Services	244,400	292,200	536,600	+ 0.6%	- 3.1%
Educational Services	97,100	85,800	182,900	+ 2.4%	+ 2.4%
Health Care & Social Assistance	152,900	129,000	281,900	+ 0.4%	+ 5.7%
Leisure & Hospitality	99,400	124,000	223,400	+ 0.4%	+ 2.9%
Government	99,700	140,900	240,600	0.0%	+ 2.5%

Note: San José MSA (San José–Sunnyvale–Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties
 San Francisco MD (San Francisco–Redwood City–South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMIID

LABOR FORCE & ANNUAL CHANGE

Labor Force by NOVA Jurisdiction — Santa Clara County (partial) + San Mateo County (complete)

	LABOR FORCE			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	February 2023	February 2024	Change	February 2023	February 2024	Change	February 2023	February 2024	Change
• San Mateo County	451,000	442,200	- 2.0%	12,500	16,300	+ 30.4%	2.8%	3.7%	+ 0.9
• Santa Clara County	1,044,300	1,034,000	- 1.0%	32,300	44,700	+ 38.4%	3.1%	4.3%	+ 1.2
Cupertino	29,400	29,000	- 1.4%	900	1,300	+ 44.4%	3.1%	4.4%	+ 1.3
Los Altos	14,900	14,700	- 1.3%	500	600	+ 20.0%	3.1%	4.2%	+ 1.1
Milpitas	41,400	40,700	- 1.7%	1,400	1,900	+ 35.7%	3.4%	4.7%	+ 1.3
Mountain View	51,600	50,500	- 2.1%	1,300	1,700	+ 30.8%	2.5%	3.4%	+ 0.9
Palo Alto	36,500	35,900	- 1.6%	1,000	1,300	+ 30.0%	2.6%	3.6%	+ 1.0
Santa Clara	73,700	72,400	- 1.8%	2,100	2,900	+ 38.1%	2.9%	4.0%	+ 1.1
Sunnyvale	88,500	86,700	- 2.0%	2,400	3,200	+ 33.3%	2.7%	3.7%	+ 1.0
NOVAworks Region	787,000	772,100	- 1.9%	22,100	29,200	+ 32.1%	2.8%	3.8%	+ 1.0

Note: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMIID

REGIONAL LAYOFF ACTIVITY

February 2024 Layoff Events

Company	Location	# Affected
Carbon, Inc.	Redwood City	60
Cepheid	Multiple cities	85
Juniper Networks	Sunnyvale	51
Maxar Space, LLC	Multiple cities	63
PacPizza (Pizza Hut)	Multiple cities	6
Pfizer	South San Francisco	52
Snap, Inc.	Multiple cities	174
Total		491

WARN SUMMARY	
Events YTD [†] :	30
Individuals Affected YTD :	2,495
Individuals Previous YTD [‡] :	3,852

* **WARN: Worker Adjustment and Retraining Notification** (notice of mass layoff or closure)
[†] **YTD: Year to Date** (Calendar year: January 1–Present)
[‡] **Previous YTD:** (Same date range as YTD, one year prior)

Note: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: California EDD, CalJOBS: WARN data