



Hire Skills for Higher Returns

Embracing a Skills-First Mindset

A summary of research insights from hiring managers by OneTen in partnership with Bully Pulpit Interactive



Executive Summary

In pursuit of our mission, OneTen has worked with dozens of America's top employers to help them hire or promote over 100,000 people without 4-year degrees into family-sustaining wage paying careers. To do so, we've helped companies in our coalition advance a skills-first talent strategy. The pioneering Harvard Business School report, *Dismissed by Degrees*,^[1] found that college degree requirements have been increasingly applied to middle-skill positions that had traditionally required more than a high school diploma but less than a college degree. Middle-skills jobs that have been drivers of economic mobility, like support specialists, supervisors, sales representatives, inspectors, testers, and clerks, have become increasingly harder to access for those without college degrees. While a college education plays a vital role in helping talent and companies reach their full potential, the nearly two-thirds of American workers without a 4-year degree have been losing access to quality middle-skills careers that had previously been available to them. And companies have been missing out on their talent, skills, and expertise.

In today's competitive hiring environment, more and more companies are embracing a skills-first talent strategy as an effective way to attract and retain talent.^[2] Quickly gaining momentum, the skills-first approach prioritizes demonstrated skills for the job and, for appropriate middle-skills positions, eliminates degree requirements that can sometimes act as a barrier to skilled candidates. OneTen has worked with coalition members across industries to embrace skills-first hiring practices to expand their talent pools and create pipelines to brilliant but often overlooked candidates. In addition, creating new career pathways helps solve another emerging workforce issue: shortages of skilled talent. Demand for skilled workers is set to outstrip supply by 2030, resulting in a talent shortage that could cause U.S. companies to miss out on \$1.748 trillion in revenue, according to global organizational consulting firm [Korn Ferry](#). For companies looking to fully unlock the value of a skills-first approach, empowering and supporting hiring managers to embrace it is vital to their success.

^[1] Fuller, Joseph B, Manjari, Raman et al. "[Dismissed By Degrees](#)." Accenture, *Grads of Life*, Harvard Business School, October 2017.

^[2] Fuller, Joseph B., Christina Langer, Julia Nitschke, Layla O'Kane, Matthew Sigelman, and Bledi Taska. "[The Emerging Degree Reset: How the Shift to Skills-Based Hiring Holds the Keys to Growing the U.S. Workforce at a Time of Talent Shortage](#)." Burning Glass Institute, February 2022.

Research Objectives

OneTen worked with Bully Pulpit Interactive (BPI) to conduct a quantitative survey of 500 U.S.-based hiring managers to gain a more comprehensive understanding of current benefits and barriers to adopting and prioritizing skills-first hiring. The survey was conducted online from June 21 to July 2, 2023.

Key Findings

We have found that hiring managers clearly see the benefits and potential of skills-first hiring:

- Previous studies have found substantial retention benefits from adopting a skills-first approach. Our survey found retention benefits to be the most convincing argument for hiring managers to adopt or expand skills-first hiring for appropriate roles.
- While 77% of hiring managers surveyed report difficulty sourcing qualified candidates, those applying a skills-first hiring approach found it 2x as easy to identify qualified candidates than hiring managers who do not.
- Hiring managers reported that skills-first practices help increase the pool of qualified and motivated talent they have access to.

However, there is an apparent gap between those who recognize the benefit of removing degree requirements for certain roles, and those actively deploying the practice. While many hiring managers report having adopted skills-first hiring in some capacity, many continue to prefer talent with four-year degrees. Less than a third report having removed the bachelor's degree requirement from job descriptions, and nearly half may associate higher proficiencies in "soft skills" with candidates with a traditional four-year degree.

Barriers to adoption: While 56% of hiring managers surveyed said that removing four-year degree requirements would have a positive impact on their company's hiring practices, only 31% of hiring managers report actively doing so. Attracting candidates with weaker soft skills or inaccurate work histories are the top concerns hiring managers report about adopting a skills-first approach.

Current State of Skills-First Hiring

A majority of hiring managers at large companies say they practice skills-first hiring,^[3] but a gap in wider adoption still exists.

Current Practice of Skills-First Hiring

79% of hiring managers report using skills-first hiring for at least some positions, while 19% say they adopt skills-first hiring practices for all or almost all positions.



Where Skills-First Hiring Leads and Lags

While it is encouraging that human capital management professionals are beginning to adopt a skills-first hiring approach, the extent to which these practices are being used is greatly dependent on industry and types of roles, as well as on the characteristics of the hiring manager themselves.

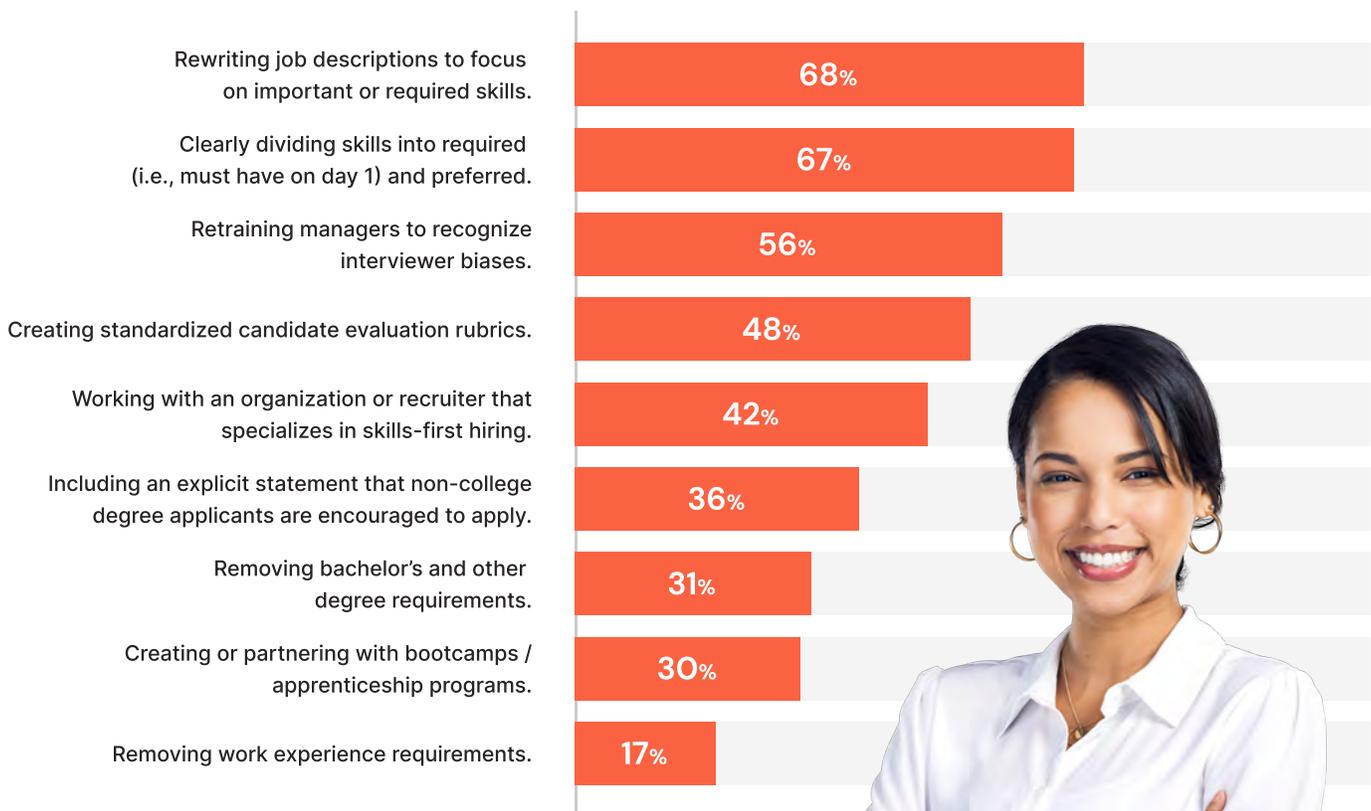
More often adopted in certain industries, such as retail, skills-first hiring is also more likely to be used to fill positions that pay hourly wages, as well as entry-level positions. Positions that pay annual salary were less likely to be considered for the practice. Hiring managers without a college degree themselves are also more open to the practice, while those with degrees and who earn more than \$200,000 annually in household income are less likely to adopt the practice.

^[3] Skills-first hiring is defined as “the practice of evaluating a candidate’s abilities and knowledge based on their specific skills and expertise, while also removing degree requirements for relevant positions.”

	Where Skill-First Hiring Leads	Where Skills-First Hiring Lags
Industry	Retail	Construction / Manufacturing
Type of Role	Hourly Positions Entry-level Positions	Salaried Positions
Hiring Manager Characteristics	Those without college degree themselves	Those with degrees and who earn more than \$200k annually

While 68% of hiring managers say they have rewritten job descriptions to emphasize skills, just 31% of hiring managers have removed degree requirements from job descriptions. Only 36% of hiring managers have included an explicit statement encouraging applicants without college degrees to apply.

% of actions taken that reflect skills-first hiring practices*



* Regardless of how much hiring managers report using skills-first hiring.

The Perceived Benefits of Skills-First Hiring

It's important to note that significantly more hiring managers report seeing a benefit in removing degree requirements than those who actually are. There is an opportunity to grow this practice by emphasizing the potential business benefits of eliminating degree requirements for certain roles.

While there is a gap in adopting a skills-first hiring approach, hiring managers recognize the benefits of such an approach for their hiring practices:

- 56% of hiring managers surveyed report that removing bachelor's and other degree requirements would have a positive impact on their company's hiring practices.
- 68% report the same for encouraging non-degreed candidates to apply.
- 91% of hiring managers using skills-first hiring report being able to expand their talent pool with more candidates and 82% report that skills-first hiring results in finding an increase in motivated candidates.
- 86% of hiring managers using skills-first hiring have seen this approach enable more selectivity in hiring practices and 79% report experiencing a reduction in the number of mis-hires, saving time and resources.

While the current labor market still poses many challenges for hiring managers, embracing skills-first hiring can make it easier to find candidates. **While 77% of hiring managers surveyed report it being difficult to find qualified candidates, those practicing skills-first hiring find it 2x as easy to find qualified candidates.**

Benefit of Skills-first Hiring	% of hiring managers who reported experiencing the benefit
Hires more qualified candidates.	91%
Can be more selective in hiring.	86%
Hires more motivated candidates.	82%
More efficient / less time to fill positions.	80%
Reduces mis-hiring.	79%
Creates a stronger culture of promotions / retention.	75%
Creates a more diverse and inclusive workforce.	62%
Can find less-expensive talent.	45%



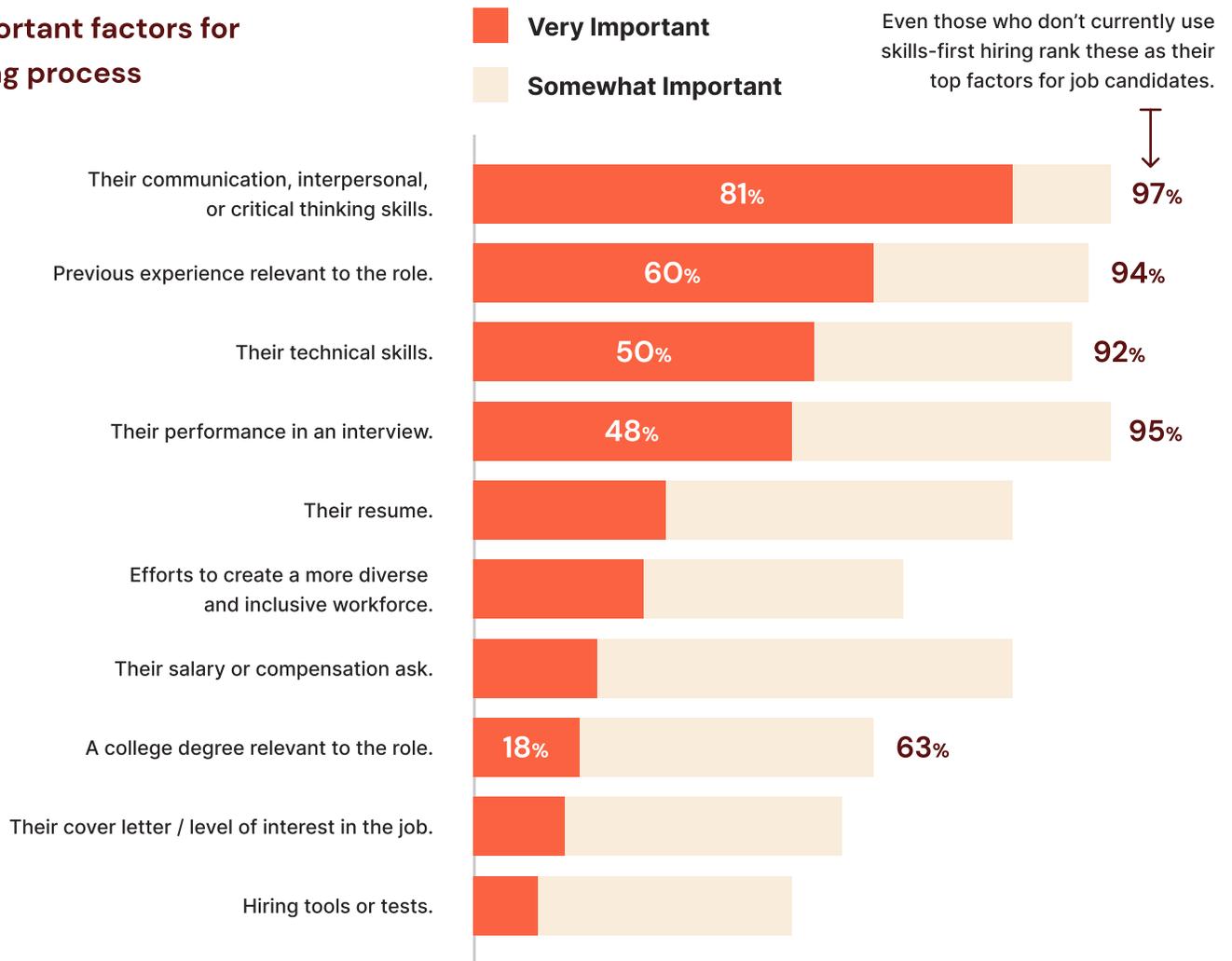
The Barriers to Skills-First Hiring Adoption

While 56% of hiring managers surveyed said that removing four-year degree requirements would have a positive impact on their company's hiring practices, only 31% of hiring managers report actively doing so.

While the benefits of skills-first hiring are clear, there are several barriers that hiring managers still need to overcome, such as concerns about soft skills and accurate work history.

Nearly every hiring manager surveyed (97%) noted that soft skills like communication, interpersonal, or critical thinking skills are the most important factors that they consider when looking to fill a role, followed closely by their relevant experience.

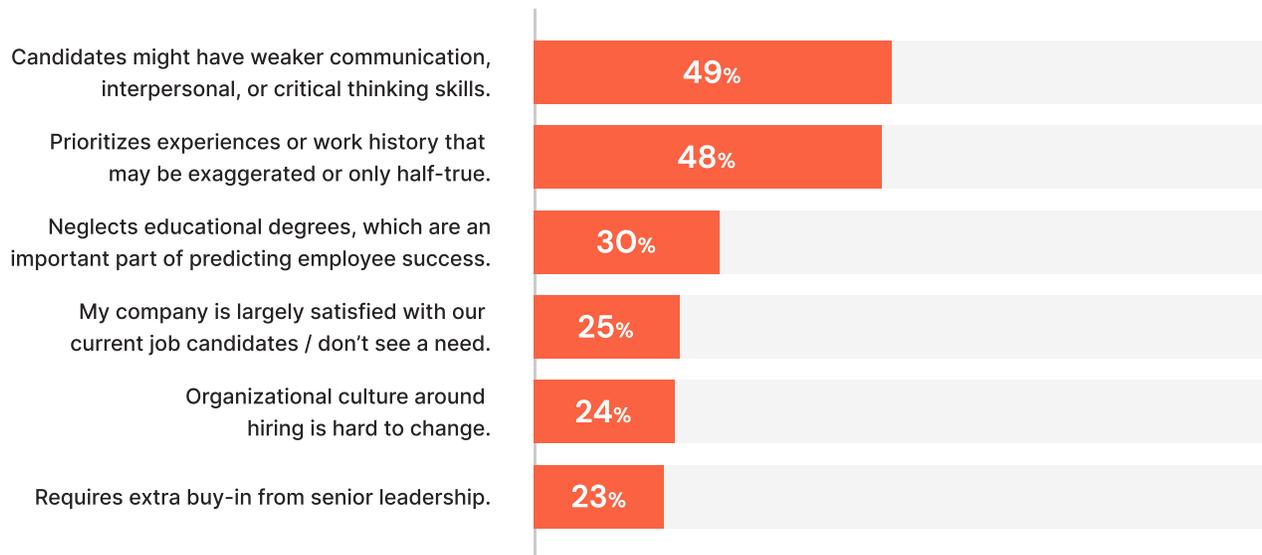
Important factors for hiring process



It is not surprising that hiring managers would value skills and experience when considering an applicant, however, when asked about their concerns about removing degree requirements from relevant positions, it becomes clear that a significant segment of hiring managers view degrees as a proxy for soft skills and credible work history.



Concern about adopting skills-first hiring



In their own words, hiring managers suggested that a college degree was a strong indicator of soft skills:

- “A college degree will indicate they have some of the skills needed for the job including interpersonal skills, decision making and good communication skills,” one said.
- Another hiring manager noted that “for an entry level position, the candidates will not always have experience in real life settings, so in that case a college degree will help.”
- As AI and other technology threatens to automate many jobs, particularly in service sectors, “a degree shows that someone is able to think outside the box.”



Making the Case

Studies by Deloitte and McKinsey have shown that companies that practice skills-first hiring see stronger retention—a convincing proof point for hiring managers to adopt these practices more widely. Retention statistics could be particularly important in situations where hiring has slowed.

Of 10 proof messages tested, these were the two arguments hiring managers found most convincing for adopting or expanding skills-first hiring.

“ Attract and Retain: According to a recent Deloitte study, 66% of workers say they would be more attracted to and likely to remain at an organization that values and makes decisions based on their skills rather than on previous jobs and degrees.



46% Found Very Convincing

77% Found Convincing

“ Retain Longer: Skills-based practices allow employers to not only find the best workers but also retain them. According to McKinsey, workers without degrees tend to stay in their jobs 34% longer than workers with degrees.



35% Found Very Convincing

77% Found Convincing

Even if organizations are not quite ready to adopt a full-scale, skills-first hiring approach, adopting individual skills-first hiring practices has an almost unanimous positive impact: **96% of hiring managers who have included an explicit statement that non-college degree applicants are encouraged to apply have seen a positive impact at their company, as have 93% of hiring managers who have rewritten job descriptions to focus on important or required skills.**

% hiring managers seeing positive impact of adopted practices



Included an explicit statement that non-college degree applicants are encouraged to apply.



Clearly divided skills into required (i.e., must have on day one) and preferred.



Rewrote job descriptions to focus on important or required skills.



Removed bachelor's and other degree requirements.

Whether through individual components or by holistically adopting skills-first hiring, there is a large opportunity to unlock more positions by removing college degree requirements from appropriate roles. This practice will not only contribute to higher retention and business performance, but also plays a crucial role in creating a more equitable and inclusive workforce.



Recommendations for Expanding the Use of Skills-First Hiring

To help expand hiring manager adoption of skills-first hiring, companies might consider expanding the use of soft skills assessments and solutions to alleviate concerns about inaccurate work histories.

As shown in the table below, the sample of hiring managers surveyed showed a significant demographic gap between those with hiring authority and the broader general workforce.

Demographic	Hiring Managers Surveyed	General Workforce*
50+	41%	34%
Male	65%	53%
White	78%	73%
College-educated	76%	38%

* General workforce includes employed and underemployed Americans looking for work; data via Census Bureau.

As a result, companies may also benefit from more training to reduce reliance on a degree as a proxy for soft skills and experience. Just over half (56%) of hiring managers have been involved in retraining managers to recognize interviewer biases.

Conclusion

It's clear that more hiring managers see and understand the benefits of skills-first hiring than are currently deploying the practice. Expanding the use of skills-first hiring could help teams expand talent pools and increase access to quality candidates. Though hiring managers will need support to make this shift, there are clear, company-wide benefits that make this extra effort a worthwhile investment for organizations.

For companies interested in advancing skills-first practices across their organizations, this research highlights a potential pathway for success. To encourage hiring managers to expand skills-first hiring, leaders and organizations should:

- Highlight the retention benefits of a skills-first approach.
- Highlight the ability to attract more qualified candidates.
- Explore ways to expand testing or assessing softer skills as part of the hiring process.
- Develop and provide training for hiring managers on the benefits and techniques of skills-first hiring to help overcome preferences for college degrees for middle-skills positions.

Methodology

OneTen worked with Bully Pulpit Interactive (BPI) to conduct a quantitative survey of 500 U.S. based hiring managers. The survey was conducted online from June 21-July 2, 2023. Hiring managers were defined as those who work at companies of 500+ people and have some say or the final say in hiring decisions. The margin of error on a truly random total sample is +/- 4.4 percentage points; it is higher among subgroups.



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About OneTen

Founded in 2020, OneTen is a coalition of leading chief executives and their companies who are coming together to upskill, hire and promote one million Black individuals and others who do not yet have a four-year degree into family-sustaining jobs with opportunities for advancement over ten years. OneTen connects employers with talent developers and other skill-credentialing organizations, leading nonprofits and community-based partners who support the development of diverse talent. By creating more equitable and inclusive workforces, we believe we can reach our full potential as a nation of united citizens. OneTen recognizes the unique potential in everyone—every individual, every business, every community—to change the arc of America's story with qualified, skilled talent who have been left on the sidelines. Join us at OneTen.org, where one can be the difference.