



# SKILLS-BASED HIRING AND ADVANCEMENT BRIEF

## ALIGNING INNOVATIONS FOR EMPLOYERS AND CANDIDATES

Employers are facing major challenges in closing their skills gaps, diversifying their workforces, and remaining agile in a rapidly changing global economy. As a result, many employers are pursuing skills-based hiring and advancement strategies. They are starting to right-size their requirements by asking for only their most critical specific skills while reducing their use of more indirect indicators of skills such as traditional college degrees and work experience that prevent them from tapping into a broader and more diverse pool of candidates pursuing alternative pathways. They also are exploring new recruitment and hiring practices enabled through advanced data analytics. However there remain many barriers to adoption and scaling. Candidates also are facing major challenges in navigating this dynamic talent marketplace. These challenges can be addressed through a new generation of resumes and learning and employment records (LERs) and new analytics-based guidance services and initiatives, but adoption strategies are needed. This project provides a framework and forum for aligning and scaling innovative employer practices and initiatives with related learner and worker-centered initiatives designed to empower workers that together have the potential to create significant value for both employers and learners/workers.

### **Skills-Based Hiring and Advancement (SBHA)**

is the process by which employers and their HR service providers identify, recruit, hire, and advance candidates based on the match between a work opportunity's skill requirements and a candidate's skills. SBHA processes produce well-crafted and debiased job requirements and trustworthy candidate information backed by evidence. This candidate information is communicated through new types of resumes and learning and employment records (LERs) that embed proof of their accuracy to accelerate verification. **SBHA reduces reliance on indirect indicators of skills (e.g., four-year college degrees, years of experience) that traditionally do not provide evidence of specific skills and can create barriers for candidates qualified through alternative means (e.g. microcredentials, life experiences, and endorsements).** Candidates also benefit by using skills-powered guidance services and technologies which recommend opportunities, support decision making, and provide fairer hiring and advancement experiences.

# THE T3 NETWORK SUPPORTS DIGITAL TRANSFORMATION

The U.S. Chamber of Commerce Foundation's T3 Network is supporting the digital transformation of the talent marketplace to (1) make all learning count; (2) enable competencies and skills to function like currency; and (3) empower learners and workers with data. The T3 Jobs and Workforce Data Network (JWDN) is one of four T3 networks dedicated to improving the development and use of jobs and workforce data. The JWDN launched the Skills-Based Hiring and Advancement (SBHA) project to:

- Develop a comprehensive set of end-to-end use cases for skills-based hiring and advancement with success metrics; and
- Explore their implications for T3 Networks and their ongoing workgroups and projects and the work of T3 Network partners and other stakeholders.

These use cases encompass the talent acquisition process; determining relevant skills, recruiting/seeking work, applications, onboarding and development, and evaluation and improvement. The solutions in the future state we envision are coupled with potential failure points to encourage proactive solutions. Interested implementers can take advantage of the accompanying success metrics to connect solutions with their goals. The project also explores implications for other T3 Network initiatives and the broader community.



# THE VISION: ASPIRATIONAL USE CASES

		USER TYPES	
		EMPLOYER	INTERNAL AND EXTERNAL CANDIDATES
CATEGORIES	Critical Skills Determination	1.1 Employer Determines Critical Skill Requirements	2.1 Candidate Develops Critical Skills
	Recruitment / Identifying Opportunities	1.2 Employer Shares Job Opportunities and Recruits Candidates	2.2 Candidate Identifies Job Opportunities
	Application, Screening, Selection, and Development	1.3 Employer Screens, Selects, and Develops Candidate	2.3 Candidate Participates in Employer Screening, Selection, and Development
	Evaluation and Improvement	1.4 Employer Evaluates and Improves Outcomes	2.4 Candidate Evaluates and Improves Outcomes

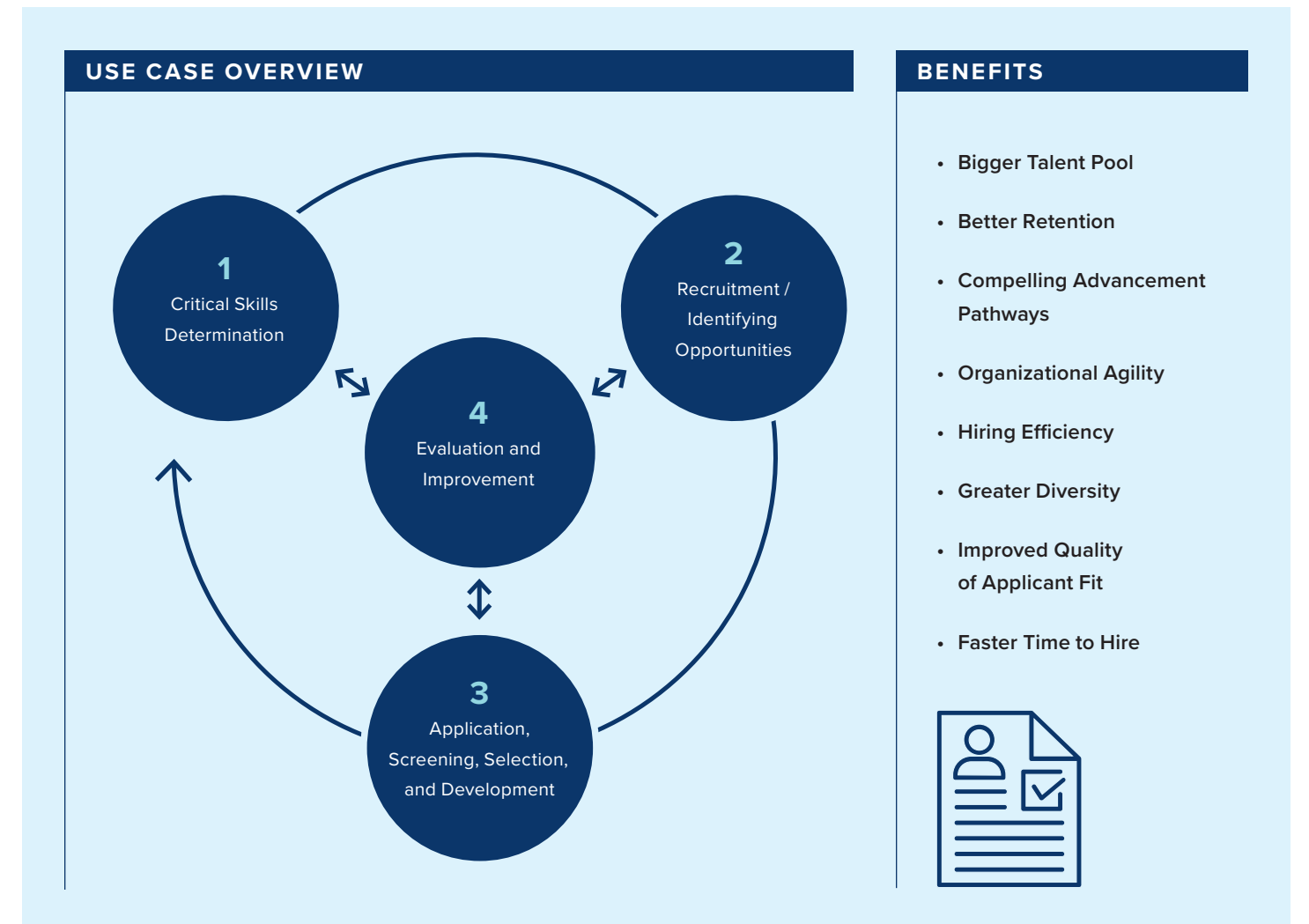
These use cases describe a future state of interactions between employers, candidates, and the systems they utilize based on leading guidance and practices. While some innovative employers, HR service providers, candidates, and tech platforms are implementing these leading practices, the set of steps outlined here taken together are largely aspirational. Many barriers exist to their implementation, including employer and candidate capacity, time and resource commitments, and the state of available data, technology, and standards.

# BALANCED SUCCESS METRICS: WHAT CAN BE ACHIEVED FOR EMPLOYERS AND CANDIDATES

Individuals will be empowered to manage their own learning and employment records through digital wallets and compatible applications including a new generation of resumes and guidance and search tools. Employers will develop machine-readable job descriptions with well-defined skill requirements that can be more easily compared with skills communicated in these resumes and records to determine matches. Since the improvements outlined in this project propose an expansive foundation for data analytics and artificial intelligence (AI) applications, this project attempts to highlight where actions can perpetuate existing biases or introduce new ones unintentionally while focusing on areas of greatest potential impact. The eight overarching use cases apply to both active and passive candidates and both new hires and current workers seeking advancement.

Leading practices in skills-based hiring and advancement as described in the eight priority use cases have the potential to achieve results on four key areas:

1. **Time: including reducing time to hire and advancement for improving agility and responsiveness for both employers and candidates**
2. **Cost of hiring and advancement: which can be decreased for both employers and candidates**
3. **Quality of matches: which can improve retention, job performance, and satisfaction**
4. **Improved equity and diversity through reduction of bias and disparate impacts**



# CHALLENGES AHEAD

These aspirational general use cases are designed to identify potential points of failure – where things are likely to go wrong – that will have major impacts on success metrics across the use cases. This table summarizes the main barriers to skills-based hiring, and potential solutions.

	POINT OF FAILURE	POTENTIAL SOLUTIONS
A	<b>Job Data:</b> Limited Access to and Use of High Quality Job Benchmark Data	Promote open access to structured data on jobs and job openings as well as related industry data.
B	<b>Skill Frameworks:</b> Limited Access to and Use of High Quality and Dynamic Open Competency and Skill Frameworks	Create tools for search and discovery for relevant competency and skill frameworks available through open networks.
C	<b>Structured Data:</b> Lack of Machine-Readable Structured Data Including Skills Data	Develop, align, and use standards to create machine-readable job descriptions/postings, resumes, LERs, and education/training program descriptions. Create resources, tutorials, and awareness campaigns so that professionals are aware and able to link unstructured resources to structured skills data.
D	<b>Skill Descriptions:</b> Skill Descriptions are Inadequate	Develop awareness and training resources that leverage standard recommended practices for well-defined competency definition including writing in standard formats that aid in computer processing and use of online skills networks and tools. While there will be no “common skills language,” people writing competencies can choose which standard recommended practices and formats work best for them.
E	<b>Algorithms:</b> Limited Development and Use of Translation and Analysis Algorithms	Improve algorithm and AI development and use for skills translation and analysis, particularly for the determination of matches between employer requirements and candidate skills, and related applications.
F	<b>Interoperability:</b> Lack of Data Interoperability and Sharing for More Effective Feedback and Advanced Data Analytics	Promote data interoperability and sharing for improving feedback cycles for employers and candidates and advanced data analytics while protecting privacy.
G	<b>Assessments:</b> Lack of Reliable, Valid, and Aligned Assessments for Evaluation and Feedback	Improve the validity, reliability, and alignment of assessments and how they may be better used for evaluation and feedback for employers and job candidates
H	<b>Employer Capacity:</b> Limited Employer Leadership Commitment and HR Process Design & Management	Provide guidance and promote leading employer practices in skills-based hiring and advancement.
I	<b>Candidate Capacity:</b> Limited Capacity of Job Candidates and Guidance Services and Systems	Promote leading practices in career guidance services and systems and build the capacity of job candidates to utilize them.

## PROPOSED NEXT STEPS

Based on the analysis of the challenges ahead, the T3 Network and its partners should explore at least four priorities in developing solutions for improving skills-based hiring and advancement. The JWDC will explore and promote leading practices in the first proposed priority—Employer and Skill Requirement Development, Validation and Effective Communication—and will work with other T3 networks and partners in exploring the other priorities. To see the use cases, failure analysis, and next steps, read the Skills-Based Hiring and Advancement Project Report.

### Employer Skill Requirement Development, Validation, and Effective Communication

Effective skills-based hiring and advancement depends on employers developing, validating, and effectively communicating to job candidates the most critical skill requirements at the right proficiency levels.

### Developing and Using Algorithms for Skill Comparisons

The skills-based hiring and advancement process from both the employer and candidate perspectives increasingly uses the assistance of AI-driven algorithms, but work is needed to shape and monitor them.

### Career Guidance and Job Search Assistance Services and Systems

Job candidates will increasingly require career guidance and job search services and systems that utilize more, better data and advanced algorithms for making recommendations based on their inputted records and preferences and help them apply to positions ideally with the assistance of a career coach. These systems must be designed with high usability for all.

### Developing the Standards-Based Data Infrastructure

This infrastructure supports all of the above categories of focus by making it easier to create and share data, particularly skills data which is a fundamental aspect of skills-based hiring and advancement. It also makes sure that the outcomes data can be used by employer and job candidate systems and tools and to improve their operation long term.