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# The future of recruiting and skills-based hiring

is your organisation missing out on critical talent?

# Introduction

**At NFP, we want to encourage our clients to challenge the status quo and look at skills, rather than purely experience, tenure, sector specialisms or seniority.**

Despite the recent recruitment difficulties caused by the pandemic, we see many organisations that are potentially restricting an already limited talent pool even further. We know that post-pandemic workers are keen to try new things, broaden their knowledge and diversify their skillset - nearly half (48%) of UK people that left their roles between 2020 and 2022 got a job in a new industry (McKinsey, 2022). However, still among the most common requirements outlined as 'essential or desirable' for roles today is previous industry experience. By focusing only on candidates with a certain employment history, you risk neglecting engaged potential candidates with key transferable skills that could make them just as much of an asset.

This has coincided with the latest trend of businesses rushing to implement technology (more specifically, AI) into the recruitment process. These AI solutions are often set to automatically disregard applications without the desired experience, so to stay ahead of the curve and save time, businesses may unknowingly be filtering out promising applicants with the very skills they need!

While many are praising AI and its potential – and while we recognise that it has its place – we want to encourage businesses to think twice about how and where they involve technology in their recruitment process. In this guide, we will explore the advantages of 'opening up' and optimising the human element of your recruitment strategy, to help incorporate people with 'high demand' skills and improve your ability to attract the talent and skillsets your business needs to grow.



## Key learning outcomes:

- ✓ How you can open up your recruitment process to become more skills-based
- ✓ How to treat all employees with dignity and respect
- ✓ The importance of a fully formed Employee Value Proposition (EVP) that dovetails with a skills-based hiring approach
- ✓ How AI can potentially hinder a skills-based hiring strategy and the value of maintaining the 'human touch'
- ✓ Practical advice and recommended next steps

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*“The changing nature of the requirement for new and diverse skills within the workplace is moving at a pace, the sands are shifting for businesses and organisations faster than they arguably have ever. Employers need to design agile recruitment, training and development processes for their teams to adapt to the changes they need to futureproof their organisations”*

**Jon Sleightholme, Director of Talent Acquisition Solutions**

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# Future skills and how to attract, assess and recruit for them

Do you have the necessary skills to futureproof your organisation, and do you know what those skills are? Do you need to look wider than your sector for those skills and candidates?

The World Economic Forum (WEF) estimates that, by 2025, 85 million jobs may be displaced by the adoption of AI and automation. This isn't necessarily a cause for concern, however, even more jobs are predicted to emerge (97 million) as a result of AI. Greater adoption of technology will mean in-demand skills across jobs change over the next five years, and skill gaps will continue to be high. 3 Critical thinking and problem-solving top the list of skills that employers believe will grow in prominence in the next five years, which have been consistent since the first report in 2016. However, new skills have recently emerged that revolve around selfmanagement, such as active learning, resilience, stress tolerance, and flexibility.

It's interesting to note that none of the top ten skills (WEF) for the future of work are industry-specific:

- ✓ Analytical thinking and innovation
- ✓ Active learning and learning strategies
- ✓ Complex problem solving
- ✓ Leadership and social influence
- ✓ Resilience, stress tolerance and flexibility
- ✓ Tech use, monitoring, and control
- ✓ Tech design and programming
- ✓ Creativity, originality, and initiative
- ✓ Critical thinking and analysis
- ✓ Reasoning, problem solving and ideas



Practical actions	How NFP can help
Review your organisation's current balance of skills and identify any gaps	Our People Development team can run a diagnostic assessment to assess your current skills situation, as well as identify any areas where you are lacking the skills needed to futureproof your organisation.
Aim to fill any skill gaps identified	Where they currently exist in your workforce, our specialist team can help you nurture and develop these futureproof skills to help plug any gaps identified by our assessment.
Optimise your recruitment strategy to target talent that possess the skills your organisation needs	We have the capability, capacity and experience, and can step in rapidly, to help you redesign your recruitment and attraction strategy to target candidates with these skills. Our PeopleFirst approach to recruitment will help you assess candidates for these vital skills in more detail during screening.



# Diversity of experience

By adopting a skills-based approach to hiring, you can broaden the diversity of experiences and backgrounds of candidates in your organisation. It may be useful to ask yourself, why is specific previous experience so critical in your recruitment process? Is it unnecessarily creating an even narrower talent pool in an already challenging recruitment landscape?

For example, Gen Z; by the time they are in their early thirties, many will have had several roles within different sectors and developed a diverse range of skills as a result – just maybe not in your specific sector. Embrace the fact that candidates move roles and organisations more regularly now than previous generations – this isn't necessarily a negative trait! Sometimes, employees hit a ceiling in terms of career growth within certain organisations and moving on shows initiative and an ability to prioritise their own professional growth and development.

Look at the examples of roles currently growing in numbers in the market below; most did not exist 10 years ago. What does the future hold?

- |                           |                          |
|---------------------------|--------------------------|
| ✓ AI Engineer             | ✓ Digital Strategist     |
| ✓ Driverless Car Engineer | ✓ Head of Culture        |
| ✓ Data Scientist          | ✓ SEO Analyst            |
| ✓ Cloud Architect         | ✓ Podcast Producer       |
| ✓ DEIB Specialist         | ✓ Sustainability Manager |

Opening up the pool of candidates can allow you to attract greater diversity of thought, background, and abilities; for example, you will be able to consider people who have had a career break, or older workers who may have acquired the right skills just in a different industry. You will also be in a better position to attract underrepresented demographics in your current workforce, for example increasing the number of female applicants (if you are in a heavily male-dominated industry). This allows you to broaden the perspectives, knowledge and experience in your skillset, all things that have been shown to positively impact your bottom line.

# The importance of an effective Employee Value Proposition (EVP) sitting alongside a skills-based approach

The pandemic may have meant that many businesses need to do more than ever before to attract the best talent, but this doesn't necessarily mean financially. Of course, while investing in greater support throughout the employee lifecycle and other enticing benefits won't harm your ability to attract and recruit, focusing on less 'tangible' benefits and incentives will help differentiate you in the market and help attract the best talent:

- ✓ Company culture and core values
- ✓ ESG (environmental, social and governance) commitments
- ✓ Business identity and reputation
- ✓ Learning and Development, Reward and Wellbeing strategies

A robust and sustainable **Employee Value Proposition** (EVP) can be much less costly to develop and even more effective at encouraging candidates to buy into your business.

These elements all feed into your EVP, which essentially lets candidates know what your business stands for and what they would experience as an employee. With the current workforce shortage, the recruitment process has become much more two-way; the emphasis is no longer just on what a candidate can offer your company, but on why they would want to work for your business in the first place.

Once you have thought about these intangible benefits that can help your business stand out to the right talent, you can then look to reinforce these with HR policies and employee benefits, for example:

EVP statement example	Supporting benefits and policies
<p>“My company has a PeopleFirst culture; the welfare of our stakeholders is our main priority”</p>	<ul style="list-style-type: none"> <li>• Flexible working and hours</li> <li>• Access to mental, physical and financial wellbeing support</li> <li>• Easy and discreet process to raise and resolve workplace issues</li> <li>• Practical financial support such as mortgage and benefits advice</li> <li>• Well-developed line managers who actively support their teams</li> </ul>
<p>“My company cares about making a positive impact on the environment and other social causes”</p>	<ul style="list-style-type: none"> <li>• DEIB educational activities and events</li> <li>• Add blind hiring to the recruitment process</li> <li>• Donate and volunteer time to charities and community projects</li> <li>• DEIB initiatives</li> <li>• Cycle to work scheme</li> </ul>
<p>“My company has a great reputation as an employer and our leavers always have good things to say”</p>	<ul style="list-style-type: none"> <li>• Invest in the coaching and development of your people</li> <li>• Invest in outplacement support</li> <li>• Deliver on your promises</li> <li>• Family friendly policies</li> </ul>



Plan of action	How NFP can help
Create a strong EVP for your business	We will work with you to define all the elements that make up an attractive EVP; what culture and values do you want your business and people to embody?
Use your EVP to enhance your recruitment strategy	We will help you understand where and how to use your EVP to attract the right talent, as well as help you develop a recruitment strategy that showcases your EVP in the market.
Nominate people to oversee the consistent delivery of your EVP	We will help you identify 'EVP champions' within your organisation to help market and socialise your EVP, as well as keep key content up to date.
Reinforce your EVP with authentic HR policies and employee benefits	We will work with you to develop HR policies and procedures that complement and help deliver your EVP strategy. Our employee benefits specialists can also ensure that your benefits offering reinforces your EVP and delivers optimum value to your people.
Demonstrate your EVP across the entire employee lifecycle	Our Coaching for Everyone solution can help your people with onboarding, parental and career development, and our outplacement support can help to revolutionise your exit strategy by providing industry-leading support to your leavers.

# AI and skillsbased recruitment: help or hindrance?

Artificial Intelligence (AI) has very much been the recent 'hot topic' in terms of technological advancements. The boom of software like ChatGPT propelled it to the forefront, with conversations constantly being had across the globe about the implications and applications of this technology as it matures and becomes even more sophisticated. While there is no doubting the usefulness of AI in certain areas, here at NFP we suggest whether it's worth stopping and thinking before adding AI throughout your recruitment process.

## Adding the human element back into your recruitment

While businesses are frequently thinking about how technology can make their lives easier, as people specialists we are naturally passionate about the value that humans can bring. No technology can replace the friendly face in your hiring team, infectious enthusiasm, or a great personality, all of which are amazing at conveying who you are as a business and the types of people you hire, helping you encourage talent through your recruitment process.

It helps a 2-way process, enables a better candidate experience, gives recruitment managers chance to explore wider skillsets and opportunities and starts to build a relationship, which if objective and clear can help the hiring process or even the decline process.

Imagine you're a candidate; would you feel encouraged by an application and interview process where you communicate solely with a computer program from start to finish? Or would you be more reassured by a process that puts you in front of real people, having real conversations and building a real rapport? Furthermore, as we have mentioned, a strong and effectively communicated EVP can be a great way to win over talent – could AI really communicate your EVP better than one of your people?

## Missing valuable talent

One of the most common business uses of AI is to help scan CVs and applications; the AI is instructed to look for key words, phrases and work experience to advance only those candidates that tick all of the boxes. We know this will likely save your company time and resources, but at what cost?

The risk of having such a 'black and white' approval policy is that it leaves no room for taking into account whether someone has the potential and skills to thrive in a certain role. While a candidate may not have experience in your specific industry, they may well have developed and demonstrated the necessary skills to perform just as well as someone who has – and can also bring a different perspective. A human may pick up on this, while an AI tool that is programmed to look specifically for industry experience may move this promising CV to the 'no' pile before you ever get a chance to see it.

While hiring from the same industry can lower the risk of the candidate being a bad fit for the position and reduce the need for additional training, by broadening your candidate search and reducing the involvement of technology in your recruitment process, you could:

1. Gain access to top talent that your industry competitors may not be fighting for	2. Diversify the thinking and perspectives within your team
3. Widen your talent pool and increase applications	4. Fill your vacancies more quickly and just as effectively

By taking an alternative approach you are tapping into a pool of talent that is being rejected by other short-sighted businesses, focused on process, speed and not taking personal ownership for hiring the best person for the role, with the right long-term skills.

Plan of action	How NFP can help
Make sure AI is supporting your recruitment strategy, not getting in the way	We will work with you to optimise your AI filtering process to ensure you're not missing talent with key transferable skills.
Appropriately screen candidates to match them up with your organisation's identified needs	We can support you to screen candidates based on how well their skills match the needs of your organisation. We can also advise on looking beyond the CV and how this can help you find talent that can grow your organisation.
Communicate your filtering and screening process to necessary members of staff	We can provide coaching and support for your hiring managers to equip them with the interview skills needed to spot the talent your business needs.
Strengthen and develop candidate skills throughout their time with you	We will help you provide coaching as part of your onboarding process and identify development opportunities to upskill candidates from outside your sector.

# Key takeaways



## Review

- Audit your organisation and identify the skills that it needs more of to grow – do these skills already exist in your organisation and need to be developed? Or do you need to look at bringing in new talent?



## Attract

- Create a strong EVP that people with these skills will find value in; communicate why you're a company they would want to work for
- Reinforce your EVP with complementary HR policies and employee benefits
- Ensure each candidate touchpoint is authentic and congruent with what's been portrayed externally



## Recruit

- Look beyond industry experience and implement a skills-based approach to candidate filtering and screening
- Apply an appropriate balance of human and AI involvement to better match candidates to your organisation's needs
- Communicate this process to your hiring managers to ensure the consistency of your strategy
- Where talent is hired from outside your sector, look for opportunities to educate and develop their skills



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# How we can help

If you want a true partner, experienced in attraction, retention, and people support, contact us today

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