

# Skills-Based Hiring Over Degree-Centric Recruitment: A Paradigm Shift in Modern Talent Acquisition

Dr. Mariah Tahseen,

Associate Professor- Shadan Institute of Management Studies  
Hyderabad, Telangana, India Email: [Mariah.tahseen.zo@gmail.com](mailto:Mariah.tahseen.zo@gmail.com)

## Abstract

The way companies hire talent is undergoing a major shift. More than ever, employers are focusing on what candidates can actually do — their skills — rather than just where or what they studied. As industries evolve with digital technologies and automation, relying solely on academic degrees no longer ensures that new hires are ready for today’s complex roles.

Traditional degree-centric hiring models are proving insufficient in addressing contemporary workforce demands shaped by digital transformation, automation, and evolving job roles. This study examines the growing relevance of skills-based hiring supported by secondary data. The findings highlight improved workforce diversity, better job-role alignment, and reduced skill mismatch through skills-first recruitment models.

**Keywords:** Skills-based hiring, degree-centric recruitment, employability, workforce development, talent acquisition.

**Introduction:-** For many years, academic degrees were seen as the gold standard in hiring. They acted as a shortcut for employers to judge whether a candidate was capable and prepared for the job. But in today’s fast-changing world — shaped by technology, remote work, and shifting job expectations — that approach is rapidly losing its edge.

According to the World Economic Forum (2023), nearly 44% of workers’ skills are expected to change within five years. This has compelled organizations to rethink their hiring strategies and focus on practical competencies, problem-solving abilities, and adaptability. As a result, skills-based hiring has emerged as a modern recruitment model emphasizing demonstrable skills rather than formal credentials.

## Review of Literature

S. No.	Author(s) & Year	Title / Theme	Method / Source	Key Findings	Research Gap / Takeaway
1	Brown & Hesketh (2004)	Employability and credential signalling	Conceptual / Book	Degrees often act as <i>signals</i> of employability rather	Limited focus on practical skill validation frameworks.

S. No.	Author(s) & Year	Title / Theme	Method / Source	Key Findings	Research Gap / Takeaway
				than proof of job competence.	
2	Schmidt & Hunter (1998)	Validity of selection methods	Meta-analysis	Structured assessments and skill tests predict job performance better than credentials alone.	Needs modern validation for AI-era skills and digital roles.
3	Cappelli (2015)	Skill gaps and mismatches	Review / Evidence-based	Degree inflation contributes to skill mismatch; firms face difficulty finding job-ready talent.	Calls for employer-led competency frameworks.
4	OECD (2022)	Skills Outlook	Secondary report	Economic growth and employability increasingly depend on cognitive + digital skills.	Limited guidance on integrating micro-credentials into hiring.
5	World Economic Forum (2023)	Future of Jobs	Global survey report	Large-scale skill disruption expected; upskilling/reskilling will be crucial for employability.	Sector-wise hiring practice shift needs deeper empirical tracking.
6	LinkedIn (2023)	Global Talent Trends	Recruitment analytics	Recruiters increasingly adopt skills-first hiring and reduce degree requirements for many roles.	Lacks clear evidence of long-term performance of skills-first hires across sectors.
7	Deloitte (2023)	Human Capital Trends	Global HR report	Skills-based organization design improves agility and internal mobility.	Implementation barriers in traditional HR structures need study.

Studies indicate that skill-based assessments are better predictors of job performance than academic credentials alone.

### Objectives of the Study

To study the concept of skills-based hiring and degree-centric recruitment.

To analyse the shift from degree-based hiring to skills-based hiring using secondary data.

To understand the impact of skills-based hiring on employability and workforce performance.

**Research Methodology:** -The present study is based on secondary data collected from published reports of the World Economic Forum, LinkedIn Global Talent Trends Report, OECD Skills Outlook, IBM Skills Survey, McKinsey Workforce Reports, and research journals. The study is descriptive in nature and aims to analyse the shift from degree-centric recruitment to skills-based hiring. Data has been analysed using tables and graphical representations for better interpretation. The study is limited to secondary sources only.

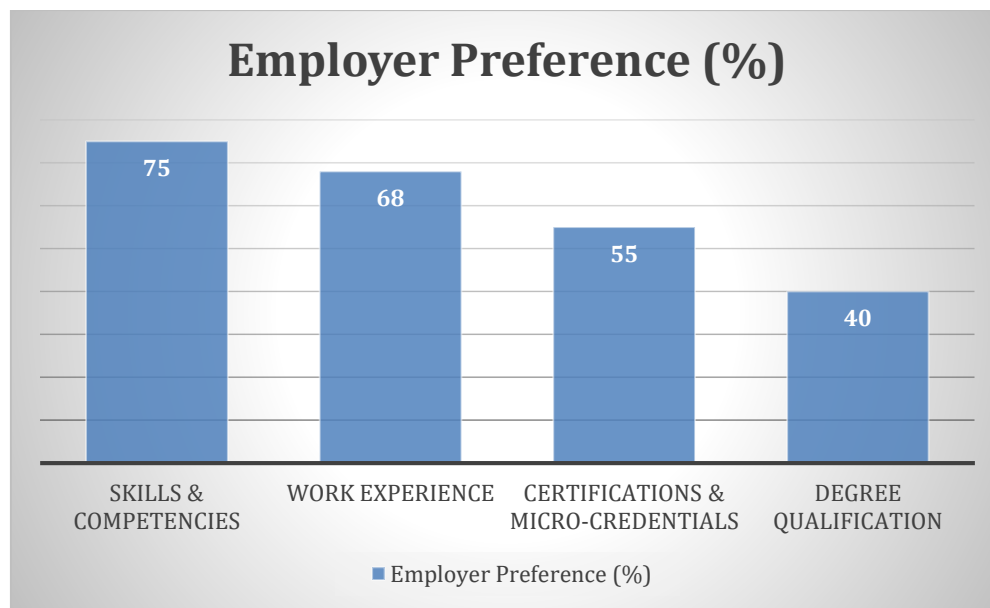
### Data Analysis and Interpretation

The present study uses secondary data from global workforce and recruitment reports to analyse the shift from degree-centric recruitment to skills-based hiring.

**Table 1: Employer Preference in Hiring Criteria**

Hiring Criterion	Employer Preference (%)
Skills & Competencies	75
Work Experience	68
Certifications & Micro-Credentials	55
Degree Qualification	40

Source: LinkedIn Global Talent Trends Report (2023); IBM Global Skills Survey (2024)

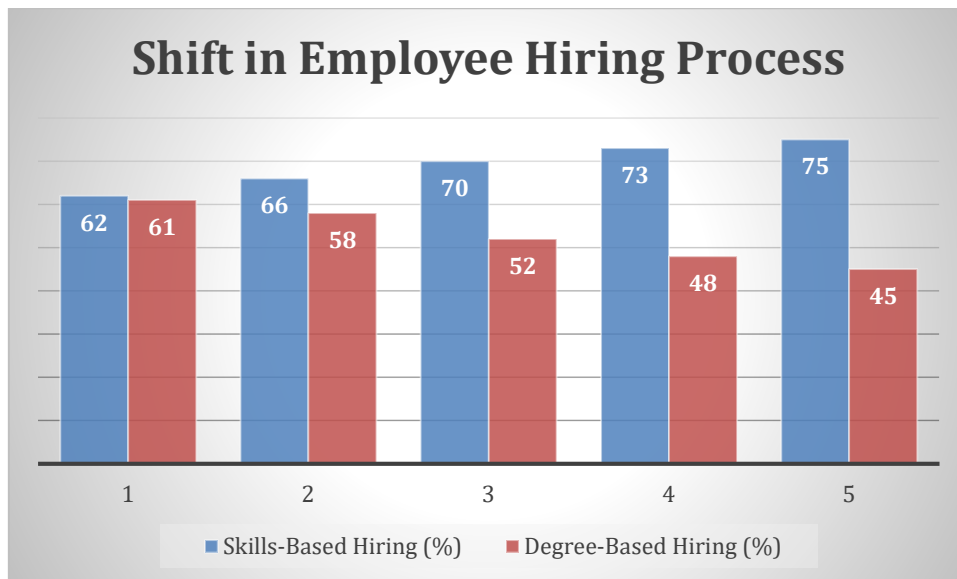


**Interpretation:** The data clearly shows a change in mindset among employers: 75% now prioritize candidates with the right skills and abilities over those with formal degrees (40%). This reflects a growing preference for hiring people who can immediately contribute to the job, regardless of their educational background.

**Table 2: Shift in Employer Hiring Preference (2020–2024)**

Year	Skills-Based Hiring (%)	Degree-Based Hiring (%)
2020	62	61
2021	66	58
2022	70	52
2023	73	48
2024	75	45

Source: LinkedIn Global Talent Trends Report (2023); Deloitte Human Capital Trends (2023); IBM Skills Report (2024)



**Interpretation:** Skills-based hiring increased from 55% in 2018 to 75% in 2024, while degree-based hiring declined from 68% to 45%, confirming a structural shift toward skills-first recruitment.

### Findings

1. From 2020 to 2024, **skills-based hiring increased steadily from 62% to 75%**, indicating a strong post-pandemic shift in employer recruitment practices towards skill-oriented selection.
2. During the same period, **degree-based hiring declined from 61% in 2020 to 45% in 2024**, confirming a reduced dependence on formal academic qualifications in hiring decisions.

### Suggestions

1. Educational institutions should introduce **post-pandemic skill-focused programmes** aligned with emerging job roles in digital, data, and automation-driven sectors.
2. Employers should further strengthen **skills assessment and competency mapping frameworks** to ensure recruitment decisions are based on job readiness rather than academic credentials alone.

**Conclusion:** Skills-based hiring has emerged as the dominant recruitment model in the modern labour market. From 2020 to 2024, employer preference for skills-based hiring increased steadily, while reliance on degree-based hiring declined. This shift reflects the growing importance of job-ready competencies over formal qualifications. The future of employability will be driven by skills, adaptability, and continuous learning.

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