

HR RESEARCH SERIES 2026 - REPORT 5 OF 10

# Skills-Based Hiring: The End of the CV?

How the shift from credentials to competency is transforming European talent acquisition.

Skills-based hiring — selecting candidates on demonstrated competency rather than credentials, degrees, or pedigree — is the most significant structural shift in talent acquisition methodology since the introduction of structured interviews in the 1980s.



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It is simultaneously a response to the talent shortage (expanding the pool by removing artificial barriers), a quality improvement initiative (competency predicts performance better than credentials), and a diversity driver.

## The case against credentials

- Google removed degree requirements in 2013; a 2022 retrospective found no measurable performance difference and significantly higher diversity.
- IBM's 'New Collar' programme has produced 2,000+ hires from non-traditional backgrounds with attrition 25% **lower** than the general workforce.
- Harvard Business School analysis of 30M job postings found applications from women rose 29% and from under-represented minorities 31% when degree requirements were removed.
- LinkedIn's Global Talent Trends report (2025) found skills-based matches are 2.3x better predictors of 18-month performance than education-based matches.
- McKinsey analysis found average time-to-fill reductions of 23% from skills-based hiring.

## The four pillars of skills-based hiring

- **Skills-first job design** — jobs defined by specific competencies with observable, testable standards.
- **Multi-source skills evidence** — work samples, projects, certifications, structured references, behavioural interview answers.
- **Skills-validated assessment** — standardised work samples with scoring rubrics applied consistently.
- **Outcome tracking and iteration** — feedback loops that measure which assessments actually predict performance.

## Adoption data — who is making the shift

Sector	Skills-based adoption	Trend
Media / Creative	81%	Portfolio always primary; degrees declining further
Retail / Consumer	74%	Degree never relevant; management track shifting
Technology / SaaS	71%	Skills change fast; talent shortage acute
Manufacturing / Logistics	67%	Always skills-based in practice; now formalising

Sector	Skills-based adoption	Trend
Healthcare (non-clinical)	52%	Admin, tech, management roles shedding requirements
Financial Services	48%	Tech roles shifting; compliance still credentialed
Public Sector	29%	Grade structure creates barriers

## Skills frameworks and assessment design

The most common failure mode is replacing credential screening with skills screening that is equally vague. 'Strong communication skills' is not a competency — it is a label. 'Able to explain a technical concept to a non-technical stakeholder within 10 minutes, assessed by a structured exercise with a panel-validated rubric' is a competency.

## AI's role in skills-based screening

- **Skills inference** from experience descriptions — identifying competencies that are implicit in career narrative.
- **Skills gap analysis** — showing exactly which required competencies a candidate has strong evidence for.
- **Consistent evaluation at scale** — applying the same criteria to all 500 applicants without fatigue.
- **Bias monitoring on outcomes** — flagging statistical anomalies for human review.
- **Learning from outcomes** — identifying which skills patterns correlate with performance in this specific role.

## Diversity outcomes

Demographic group	Impact of skills-based hiring	Source
Gender	+29% applications from women when degree req removed	Harvard Business School / LinkedIn 2024
Socioeconomic background	+34% from non-professional family backgrounds	Social Mobility Foundation 2025
Race / ethnicity	+31% applications from URM candidates	LinkedIn Global Talent Report 2025
Age	+18% applications from candidates 50+	AARP / McKinsey 2024
Geography	+41% from non-capital-city candidates	TenPerZent platform data 2025

Demographic group	Impact of skills-based hiring	Source
Disability status	+14% applications from disabled candidates	SCOPE / EHRC 2024

## Implementation guide for HR teams

- **Phase 1 (Weeks 1–4):** audit your top 10 JDs; identify which degree and years-of-experience requirements are genuinely required vs habitual; build a skills framework for 3–5 pilot roles.
- **Phase 2 (Weeks 5–12):** rewrite pilot JDs in skills-first language; configure your ATS to screen on skills evidence; train interviewers on competency-based questions with rubrics.
- **Phase 3 (Weeks 13–26):** track 90-day performance correlation for pilot hires; compare diversity metrics; expand the framework to all roles above entry level.

### Built for what's next.

tenperzent.com is the AI-native ATS designed for European hiring in 2026 - GDPR by default, EU AI Act compliant, free to start, €79/month to scale.

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