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Beyond Degrees: Analysis of Skills-Based versus Credential-Based Hiring on Employee Performance and Internal Mobility

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ABSTRACT

As technological change accelerates, the very definition of a "qualified candidate" is being rewritten. This research assesses the rising demand for skills-based hiring among fast-paced companies and examines the specific employer needs driving this trend, as well as the broader implications of implementing such hiring processes. In contrast to previous research, which has largely focused on educational credentials or fixed job requirements, this study frames skills-based hiring as an adaptive strategy shaped by technological disruption and labour market fluidity. Specifically, this study investigated three key questions regarding the effectiveness of skills-based hiring over credentials-based hiring approaches, structured as follows: (i) To what extent do credential hiring and skills-based hiring differ in terms of employees' performance and internal mobility? (ii) What factors are driving the prioritisation of skills-based competencies over credentials? (iii) Why and how does skills-based hiring outperform credential-based hiring in performance and internal mobility? We synthesised findings from 167 empirical credentials and skills-based studies published between 2005 and 2024. Results indicate that the initial focus on skills versus credentials creates different pathways throughout an employee's lifecycle within an organisation, impacting performance measurement and opportunities for career growth in opposite ways. Additionally, this study revealed that the shift toward prioritising skills-based competencies over traditional credential-based talent hiring is driven by several key factors, namely the rapid pace of technological change, persistent talent shortages, the push for greater diversity and inclusion, and the need for better job-performance predictors. Furthermore, findings showed that skills-based talent hiring is significantly more effective than credential-based hiring in terms of staff performance, resulting in better hires, higher retention rates, and improved internal mobility. This review provides actionable insights for hiring organisations, human resources professionals, and policymakers who aim to future-proof their workforce strategies while aligning them with today's digital age.

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1.0 Introduction

Driven by rapid technological advancements, today's global market is evolving at an unprecedented pace, with changing organisational demands and shifting workforce characteristics (Dongre & Kanchan, 2025). Thus, today's changing labour market creates a pressing need to recheck, rethink, redefine, and realign hiring methods in light of the rapidly shifting global economy. This phenomenon is because hiring approaches have an impact on subsequent employee performance by ensuring that employees' skills, competencies, and job fit align with organisational needs (Chalutz-Ben Gal, 2023). Specifically, an effective hiring approach influences how well employees perform once onboarded, as it helps secure individuals whose abilities match job and organisational requirements (Sisneros, 2025). Thus, by aligning hiring practices with real-world skills, organisations can cultivate a more agile, innovative, and inclusive workforce (Apelehin *et al.*, 2025).

In the modern labour market, reliance on formal educational credentials in hiring processes is increasingly becoming outdated and ill-suited to address the complexities and intertwined challenges of current economic trends (Brown & Green, 2019; Bone *et al.,* 2025). This approach often overlooks capable candidates who, despite lacking conventional credentials, possess the skills needed for specific and crucial roles (Dongre & Kanchan, 2025). The situation creates a systemic bias, limiting employee performance in a highly unpredictable macroenvironment, which ultimately hinders organisations' ability to innovate and adapt to changing market demands. In today's global shift, organisations increasingly need employees who can deliver innovative products with superior value, as they strive to become more innovative in order to remain competitive and relevant. However, it would be a mirage without the human capital with expertise, talents, and efforts to keep a sustained move and trend within the organisation (Apelehin *et al.,* 2025). Existing literature indicates that hiring decisions still emphasise credentials rather than competencies, even though skills-based hiring has notable strengths relative to credential-based hiring (Bello, 2025). Generally, skills-based hiring provides a more adaptive, inclusive, and competitive workforce (Dongre & Kanchan, 2025). This tendency remains at the heart of the problem, as it emphasises formal qualifications over demonstrated abilities (Matimbwa & Ochumbo, 2019), leading to skill mismatches, talent shortages, and a lack of opportunities for inclusion (Apelehin *et al.,* 2025). In this regard, despite its limitations, credentials-based hiring continues to be prioritised over skills-based hiring. However, existing studies provide limited theoretical insight into how and why skills-based hiring may be more effective than credential-based hiring in enhancing employee performance. Consequently, there remains a gap in the literature concerning a systematic theoretical examination of the comparative effectiveness of skills-based versus credential-based hiring on employee performance, which this study seeks to address. Thus, this study is tilted towards theoretically examining the effectiveness of skills-based hiring versus credential-based hiring on employee performance. This understanding will inform organisations about adopting hiring approaches that better predict job performance, productivity, and adaptability.

2.0 Literature Review

In the human capital theory perspective, employee hiring is not merely a staffing activity but also a strategic investment decision aimed at acquiring human capital that will generate long-term returns for the organisation. In hiring, organisations seek candidates with high potential human capital (Lin *et al.*, 2017). The assumption is that individuals who possess greater or more relevant competencies will perform better, adapt faster, and contribute more effectively to organisational goals (Shet *et al.,* 2019). With the primary aim of staffing organisations with high-performing employees, hiring has traditionally been credential-based. Several benefits have been associated with credential-based hiring, including verifiability, formal recognition and cross-institution portability (Pratiwi, 2025), objectivity in candidates' screening (Bills, 2003), reducing recruitment time and costs (Cappelli, 2015) and compliance with professional and legal standards, especially in regulated professions like medicine, engineering, law, and accounting (Kleiner, 2015).

Additionally, studies by Bills (2003) and Kleiner (2015) associate credential-hiring with employee performance.

Other studies, on the other hand, say that credentials alone are not good enough to predict how well an employee will do. For example, Cappelli (2015) argues that overreliance on credentials may eliminate capable candidates with relevant skills. Deming and Noray (2020) add that rapidly changing job skill requirements reduce the long-term performance value of educational credentials. This point of view is the genesis of the rise of skills-based hiring in recent years, which refers to hiring based on demonstrated skills and competencies (Fuller *et al.,* 2022). The approach is widely supported for the flexibility and value it adds to today's evolving work environments. In particular, existing literature concludes that skills-based hiring is superior to credential-based hiring in predicting employee performance (Fuller *et al.*, 2022; Goel *et al.,* 2023; Prabowo *et al.,* 2025).

Therefore, past studies have examined credential-based hiring and skills-based hiring in relation to employee performance (Deming & Noray, 2020; Kleiner, 2015), while others conclude that skills-based hiring is superior to credential-based hiring (Fuller *et al.,* 2022; Goel *et al.,* 2023; Prabowo *et al.,* 2025). Despite the contribution of previous studies, there is limited theoretical insight into the comparative effectiveness of skills-based versus credential-based hiring on employee performance, which this study seeks to address.

Although previous research has offered important insights, there is still insufficient theoretical evidence regarding the comparative effectiveness of skills-based versus credential-based hiring on employee performance, which this study seeks to address.

3.0 Methodology

This study employed a structured research design (Dongre & Kanchan, 2025), involving a comprehensive review of peer-reviewed articles and industry reports from the past two decades (2005-2024), indexed in Google Scholar, Crossref, and Semantic Scholar. Using specific inclusion and exclusion criteria and keywords like "skills-based hiring", "credential-based hiring", "staff performance", and "internal staff mobility", the review identified high-quality, relevant studies (Dongre & Kanchan, 2025), ensuring robust, transparent, reliable, and replicable results (Mir, 2024). The selected data were organised into four key themes: skills-based hiring versus credential-based hiring, AI and staff performance, staff retention, and mobility (Dongre & Kanchan, 2025). Various critical hiring strategies were analysed to evaluate their strengths, limitations, and impacts on staff acquisition, retention, performance, and mobility in the industry (Bezrukova *et al.,* 2003; Yusof and Ahmad, 2024).

Using systematic methods (Major, 2010), insights were summarised into theoretical models and practical frameworks, validated through qualitative analysis, and illustrated in schematic representations. The study concludes with recommendations for efficiently evolving hiring practices and continuous workforce development anchored in the global shift to skills-first work.

In Google Scholar databases, the search strings were as follows: <skills-based hiring> AND <credential-based hiring>.

In Semantic Scholar databases, the following descriptors were used: <AI in recruitment>.

In Crossref databases, the following descriptors were used: <Skills-based hiring, staff performance, and internal mobility>.

After searching for the search strings described in the foregoing sections in the respective databases, a total of 2,080 published collections appeared in the results. Crossref, Semantic Scholar, and Google Scholar databases were used as the key literature sources because they are considered accessible and reputable databases that contain peer-reviewed articles, in contrast to others that have accessibility restrictions, such as API (Application Programming Interface) keys to access the database (Table 1).

Table 1
Search Results

Search items	Database	Search limiters	Hits
Skills-based hiring and credential-based hiring	Google Scholar	Peer-reviewed journals: 2005-2024	80
AI in recruitment	Semantic Scholar	Peer-reviewed journals: 2005-2024	1,000

Search items	Database	Search limiters	Hits
Skills-based hiring, staff performance, and internal mobility	Crossref	Peer-reviewed journals: 2005-2024	1,000
Total articles before screening			2,080
Articles after removing duplicates			1,101
Articles after title and abstract screening			979
Articles excluded based on quality assessment			812
Final articles included in the review			167

Publications that were analysed comprised those written in English only by reason of authors' fluency in the English language and to cover a larger range of publications' coverage, excluding works corresponding to the following types of works: (a) systematic reviews, (b) bibliometric reviews, (c) meta-analyses, and (d) editorial material (Ntawuruhunga *et al.,* 2023). Studies that presented quantitative and qualitative findings out of the scope of this review (credentialed hiring, skills-based hiring) were also excluded (Table 2).

Table 2
Article Inclusion and Exclusion Criteria in this Analysis

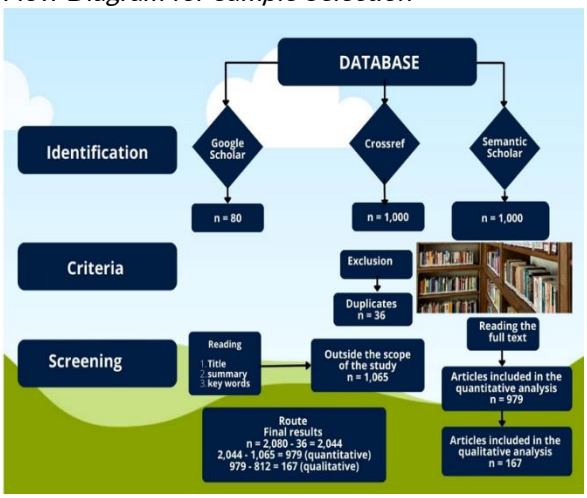
Criteria	Included	Excluded	Justification for criteria application
Year of publication	2005-2024	Before 2005	Used collections from carefully chosen databases to identify the latest research on our subject of inquiry
Language of publication	Collections published in English	Articles not written in English	To increase the audience's readability, and due to the co-authors' knowledge of English as their professional language
Field of study	Human resource management	Articles outside the field of study	
Types of documents	Peer-reviewed research journal articles	Conference abstracts, unavailable book chapters, review papers, and bibliometric reviews, and meta-analyses	Interested in available peer-reviewed empirical or original research
De-duplication	Retain unique reports	Duplicates removed (identical records of the same paper)	Prevent redundant work, ensuring each unique study is assessed only once
Publication with a title page	Article with title, abstract, and keywords	Publication without a title page	To allow a quick grasp of the essence of the research and help decide if need be to delve deeper
Publication content	The direct relation with the subject of the study. Publications on credential hiring and skills-based hiring	Studies outside the scope of the staff hiring approach	To keep studies that align with the objectives of our review. The studies reviewed analyzed the credential-based recruiting approach versus the skill-based recruiting approach
Availability of the article	Fully available open-access articles	Complete articles not available	Due to not being open access, thereby requiring purchasing

From the total generated results (2,080 publications), 36 duplicate articles were identified and excluded with the support of CADIMA version 2.2.3 software. We employed the inclusion and exclusion protocols (Table 2) to select studies that align with the objectives of our review. The studies reviewed analysed the credential-based recruiting approach versus the skill-based recruiting approach, the use of AI-assisted recruiting approaches in the modern economic era, and their implications for staff performance and mobility.

As shown in Figure 1, among the 2,080 publications initially obtained (80 from the Google Scholar database and 1,000 from Crossref and Semantic Scholar, respectively), 36 were rejected as duplicates. This resulted in 2,044 valid publications for the study. Further, references without abstracts (1,065) were eliminated, resulting in 979 publications. Subsequently, the titles, abstracts, and keywords of 979 publications were reviewed, and a total of 812 articles were excluded from the review because they did not fall within the scope of this study. Finally, the total number of publications included in the quantitative analysis of this study was 167, equivalent to 8.03% of the initial publications. It is worth noting that the 167 publications that comprise the final sample

were all thoroughly read in their entirety (Figure 1).

Figure 1
Flow Diagram for Sample Selection



Based on the established inclusion and exclusion criteria, the data extracted from each reference were as follows: the journal and full reference, the authors and their affiliations, and the geographical locations. Additional extracted elements included the abstracts and keywords, the research methods, and the applied theoretical frameworks and reference theories. Further, the data comprised the main topic area, the research questions, and the conclusion of the study (Iden *et al.,* 2018).

The critical examination of the content of each article of the sample made it possible to establish three thematic clusters: credential-based hiring, skills-based hiring, staff performance, and staff mobility. An in-depth and rigorous systematic review of a topic reinforces both the theory in an area and the research methodology in that field. This was our purpose in conducting this study in the field of human resource recruitment in the era of rapid innovations. Insights were summarised into theoretical models and practical patterns, validated through reflective analysis, and supported by visual representations. The study concludes with actionable recommendations for evolving hiring practices (Dongre & Kanchan, 2025).

Ethically, this study utilised secondary data from publicly accessible databases and published reports, involving no direct contact with human subjects or handling of personally identifiable information. All data were accessed in compliance with each database's terms of service, and all sources are properly cited to ensure transparency and reproducibility. Due to the exclusive use of anonymised, aggregated data, formal ethical approval was deemed unnecessary, and the authors declare no conflicts of interest regarding the data collection process.

4.0 Findings and Discussion

This section analyses the effectiveness of skills-based talent hiring against credentials-based hiring, measured by employees' performance and internal mobility. Results are summarised in tables and flow charts.

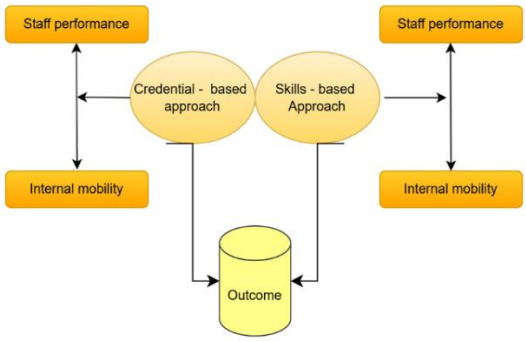
4.1 Credentials and Skills-Based Hiring as a Function of Employees' Performance and Internal Mobility

Figure 1 below highlights the differences between skills-based hiring and credentials-based hiring in terms of staff performance and internal mobility. It highlights how the initial focus on skills versus credentials creates different pathways throughout an employee's lifecycle within an organisation, impacting performance measurement differently and opportunities for career growth differently. The diagram shows that in terms of staff performance and development, credential-based talent hiring often measures performance against role-based competencies; development paths are often vertical (promotions). Conversely, for skills-based hiring, performance management focuses on how employees demonstrate and develop critical skills, encouraging a culture of continuous learning. In terms of internal staff mobility, credential-based talent hiring promotes career growth through defined, often vertical, promotional pathways with rigid requirements. In contrast, skills-based hiring promotes both vertical and lateral (cross-functional projects or transfers) moves within the company based on an employee's evolving skill set. In terms of outcome, credentials-based talent hiring runs the risk of mismatched hires, higher turnover, and limited diversity. Inversely, skills-based hiring entails improved job fit, higher retention rates, greater diversity, enhanced organisational agility, and better performance.

While individuals need the shortest path to opportunity, employers require the shortest path

to a skilled, diverse workforce (Demark & Kozyrev, 2021). For several decades, degree-based hiring methods, deeply rooted in traditional formal educational paradigms, have been a prerequisite for talent hiring within organisations. Nowadays, new market dynamics have compelled employers to reassess and revise their hiring paradigms (Sigelman *et al.,* 2024) to stay ahead in a competitive market. According to the analysis by Sigelman *et al.* (2024), skills-based hiring practices could be readily implemented in companies ranging from construction managers to web developers. Together with the growing recognition of the need to advance workforce equity, employers are shifting toward skill-focused hiring models (Sigelman *et al.,* 2024), replacing degree-based approaches, deeply rooted in traditional educational paradigms.

Figure 2
Flow Diagram: Credential and Skills-Based Hiring for Staff Performance and Internal Mobility



4.2 Factors Driving the Prioritization of Skills-Based Competencies over Credentials

The findings of this study reveal that the shift toward prioritising skills-based competencies over traditional credential-based talent hiring is driven by several key factors, primarily the rapid pace of technological change, persistent talent shortages, the push for greater diversity and inclusion, and the need for better job-performance predictors. Today, skills-first, or skills-based hiring procedures, mark a significant shift from conventional degree-based hiring. Similarly, Sigelman *et al.* (2024) go on to say that skills-based hiring arises from a growing recognition that skills and practical experience can be at least as valuable as formal education in preparing a candidate for a position. Sigelman *et al.* (2024) further postulate that this paradigm shift is driven by several factors, including the increasing demand for digital proficiency in emerging job markets, the emerging non-conventional and non-traditional learning pathways, and a deeper understanding and grasp of the specific competencies required in today's emerging occupations (Sigelman *et al.,* 2024). This transition was facilitated by the rapid move of accessible online knowledge-acquisition platforms and credentialing programmes, which provide alternative pathways to skilling, reskilling, and upskilling (Table 3).

Table 3
Drivers of Skills-Based Hiring Prioritization over Credential-Based Hiring in the Modern Era

Key drivers	How?
Rapid technological advancements	The fast evolution of technology entails that relevant skills are constantly changing. Formal education curricula often struggle to keep pace, making current and practical skills readiness more valuable than academic credentials
Persistent labor and talent shortages	In a tight labor market with increasingly persistent gaps in key sectors, such as technology and healthcare, employers must broaden their talent pools beyond degree-holders to a skill-based workforce having the necessary abilities, regardless of how they were acquired.
Enhanced diversity, equity, and inclusion (DEI)	Removing rigid degree requirements helps remove exclusion for candidates from non-traditional backgrounds. A diverse talent pool often leads to increased innovation and better business outcomes
Better predictors of job performance	Research and company experiences (like high-tech companies) suggest that skills assessments and demonstrated abilities are often stronger indicators of a candidate's potential for success and on-the-job performance than their academic qualifications
The rise of alternative learning pathways	Alternative education through online courses, professional certifications (like online certificates), and apprenticeships means individuals can acquire in-demand skills without pursuing traditional learning programs towards a degree
Need for agility and adaptability	In fast-paced business environments, companies need employees who can quickly adapt to new tools and workflows and commit to continuous learning. A skills-based approach focuses on a candidate's aptitude and potential for growth rather than a static qualification

Key drivers	How?
Cost and time efficiency in hiring	Skills-based hiring can streamline the recruitment process by focusing on job-relevant skills, leading to better job matches, faster placements, and higher employee retention rates

4.3 Effectiveness of Skills-Based Hiring Versus Credentials-Based Talent Hiring in Employee Performance

Table 4 summarises indicators of effectiveness regarding how and why skill-based hiring outperforms credential-based hiring in the modern era. The findings of this study indicate that skills-based talent hiring is significantly more effective than credential-based hiring in terms of staff performance, resulting in better hires, higher retention rates, and improved internal mobility. It follows that skills are a stronger predictor of job success than educational degrees or prior job titles.

In the same vein, the findings of Souto-Otero & Białowolski (2021) and Bone *et al.* (2025) support this by saying that proponents of skills-based hiring argue that shifting the emphasis from formal degrees to demonstrated competencies allows organisations to broaden their talent pool, foster diversity, and enhance workforce adaptability. Dongre & Kanchan (2025) emphasise that technology integration, for instance, using ethical AI and digital tools, can make recruitment faster, more objective, and more inclusive, even if careful oversight is essential (Adelmi Parera, Dhenny Asmarazisa, 2025) to prevent biases (Granovetter, 2005). Creative diversity, equity, and inclusion (DEI)-focused hiring practices, such as blind recruitment and diverse interview panels (Kochan *et al.,* 2003), further strengthen organisational equity, innovation, competitiveness, and performance. Workforce development and adaptability initiatives, with an emphasis on reskilling and upskilling, equip employees with skills for evolving job roles and ensure workforce agility in a dynamic, competitive environment (Paul & Macduffie, 2011; Zhang *et al.,* 2015). Aligning these practices with visionary and broader strategic goals ensures that hiring efforts within organisations contribute directly to organisational innovation, resilience, business growth, competitiveness, and sustainability (Youndt *et al.,* 1996)

Table 4
Skills-Based Hiring Effectiveness over Credentials-Based Hiring

Effectiveness	Skills-based hiring	Credentials-based hiring
Better prediction of success	Skills-based assessments are up to 5 times more likely to predict job performance than education level alone. Companies report that 94% of skills-based hires perform as well as or better than their degree-holding counterparts	Subjective reliance on resumes and unstructured interviews
Faster time-to-productivity	New hires selected based on skills reach full productivity up to 40% faster because they already possess the necessary capabilities for the role	Narrower; often excludes capable candidates without specific degrees
Improved job alignment	When employees are matched to roles based on their actual abilities, they tend to be more confident, engaged, and satisfied with their work, which translates to higher productivity	Less job retention
Problem-solving skills	Employees hired for their skills often demonstrate superior problem-solving skills and a greater interest in exploring the firm and taking on new challenges	Lack of a clear plan that provides alternative pathways to skilling, reskilling, and upskilling
Clearer pathways for advancement	A skills-based approach creates transparent career development paths based on demonstrated competencies rather than tenure or formal qualifications	Less reliable predictor of actual job performance
Enhanced agility and redeployment	By mapping the skills of the existing workforce, organizations can more easily identify internal candidates for upskilling, reskilling, and lateral moves into emerging roles, which reduces the dependency on external hiring and builds workforce flexibility	Relying on degree qualifications, with less focus on continuous learning

Effectiveness	Skills-based hiring	Credentials-based hiring
Comparable promotion rates	Skills-based hires are promoted at rates comparable to those with traditional credentials, with some studies finding only a 2% difference, indicating that a lack of a degree does not hinder long-term career progression when the focus is on ability	Often limited by rigid degree or experience requirements
Higher retention and loyalty	Skills-based hires exhibit greater loyalty and stay with their employers for a significantly longer period (around 9% longer on average). This is partly because they feel their skills are valued, and they have opportunities for growth within the company	Lack of cultivating a skills-based organization where people can constantly learn and redeploy new abilities as needed, which enables companies to maximize flexibility and adapt quickly to shifting business demands

The findings of this research emphasise the necessity for academic institutions, vocational training centres, HR professionals, and decision-makers to rethink new methods of instruction, classroom management, curriculum design, and assessment techniques to better align with today's requirements for the digital age in a rapidly changing labour market. Preparing students as future professionals in a technology-driven industry requires a stronger focus on developing critical thinking, proactivity, creativity, innovation, problem-solving, communication, and teamwork skills, supported by an experiential hands-on learning approach (Puolitaival, 2000). For instance, it is universal, if not at least uncontroversial, that engineering practice immediately requires professional skills (Flening *et al*., 2021). Digital literacy in education is now essential not only to ensure technical competence and adaptability for the workforce in a fast-paced environment but also to foster ethical awareness in the digital age, especially as AI becomes a more integral assistant in the workplace (Wang *et al.,* 2022).

Similarly, promoting a lifelong learning approach through flexible pathways, such as micro-credentials, short-course training, certifications, and modular learning formats (Savickas *et al.,* 2011), will enable continuous learning, upskilling, capacity empowerment, and adaptability. Also, academic programmes must also embrace creative diversity, equity, and inclusion (DEI) principles to prepare students for strengthened equity, innovation, competitiveness, and organisational performance and an increasingly diverse and globalised competitive labour market (Kochan *et al.,* 2003).

To modernise human resource hiring, employers should embrace a skills-based approach, supported by standardised assessments and the ethical use of AI. Strengthening creative DEI-focused hiring practices and investing in reskilling and upskilling are also crucial (Dongre & Kanchan, 2025). Academic institutions must adapt their strategies for instruction, curricula, and assessment to improve student outcomes and emphasise critical skills, digital literacy, and lifelong learning (Cajander *et al.,* 2009). Collaboration efforts are relevant between policymakers, academic institutions, and the private sector to build competency-based learning frameworks, ensure ethical technology use, and ensure broad access to continuous learning (Kochan *et al.,* 2003; Matimbwa, Ayugi and Ndekwa, 2018).

Table 6 offers a practical roadmap, prioritising skills-based hiring, responsible technology integration, embedded DEI practices, encouraging continuous learning, and ensuring that hiring strategies and decisions are aligned with organisational goals. The roadmap emphasises the necessity of ethical AI oversight and robust monitoring frameworks to create fairer, more objective, and more inclusive recruitment processes and foster a more adaptable future-ready workforce.

Table 1

Practical Roadmap

Area of focus	Key steps	Focus
Skills-based hiring	Competency assessments, clear frameworks	Broader, fairer talent pool
Technology integration	Use of AI and data-driven platforms, adaptive learning	Efficient and fair recruitment
Instructional design	Focusing on core competencies and the willingness to learn	Continuous employee growth
Embedded DEI practices	Blind hiring, diverse pipelines	Equity and an inclusive workplace

Workforce development	Prioritizing growth and development	Employees fueled by a sense of purpose and feel valued by their employer give their best to the organization
Ethical AI use	Organizations place less reliance on subjective criteria and mitigate unconscious bias in hiring decisions	Reduced bias
Strategic alignment	Connect hiring decisions to organizational goals	Organizations adapt to rapidly evolving job requirements
Monitoring frameworks	Use of Key Performance Indicators (KPIs), recurring evaluation	Continuous improvement

5.0 Conclusion

In conclusion, this systematic review establishes that skill-based hiring substantially outperforms credential-based approaches by fostering better job fit, higher retention, greater diversity, and enhanced organisational agility, as skills are more accurate predictors of job success than degrees or titles. The shift toward skill prioritisation is driven by rapid technological change, talent shortages, and the need for effective performance predictors. Ultimately, skills-based hiring promotes continuous learning and flexible internal mobility, both vertical and lateral, thereby future-proofing the workforce strategy and underscoring the imperative of lifelong reskilling and upskilling to meet evolving labour market demands.

6.0 Limitations

Ideally, this review paper is grounded primarily in secondary data and literature (Ssues & Leidner, 2001), which, while valuable, may not completely reflect the current trends or emerging hiring practices (Dongre & Kanchan, 2025). A large sample size of about 167 was used in order to address biasness. Entirely relying on primary data, such as surveys, interviews, or case studies, would advance the ability to validate theoretical insights against practical (real-world) organisational experiences. Even though this study investigates the gaps and challenges in hiring in a digital age, it does not comprehensively explore the mutually reinforcing nature of college credentials and practical skills and the complex ethical challenges associated with algorithmic decision-making (Neil, 2019; Dongre & Kanchan, 2025). In this digital age and given the dynamic and evolving nature of the labour market, continuous monitoring is encouraged, and periodic updates are necessary (Dongre & Kanchan, 2025) to ensure the findings remain valid, relevant, and actionable.

7.0 Suggested Further Research

Recognising the study's limitations, future research should prioritise empirical investigation by collecting primary data, such as organisational surveys, interviews, or case studies, to better validate, refine, confirm, or refute the theoretical insights presented in this paper. Finally, longitudinal studies analysing different hiring practices and outcomes over time, as well as cross-national comparison and evaluation, would offer valuable insights into how different organisations across regions react and adapt to labour market dynamics and the use of technology-driven hiring practices, making future strategies globally relevant, more resilient, and inclusive.

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