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From Pronouncements to Practice: A Conceptual Framework for the Skills-Based Hiring Implementation Gap

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Abstract

Since 2020, the skills-based hiring (SBH) movement has gained momentum as a solution to a longstanding talent shortage and a tool to increase access to opportunity. Industry reports and analysis indicate a widespread shift in hiring attitudes toward skills-first hiring rather than relying on degrees, with reports of a majority of large organizations having eliminated degree requirements for some of their job postings since 2017 (BCG, 2023; Udemy, 2024). However, the most up-to-date firm-level evidence as of 2025 paints a more conservative picture. A 2024 Harvard Business School Project on Managing the Future of Work and the Burning Glass Institute study revealed that while thousands of employers have made their job postings degree-free, the resulting hiring opportunity had actually been realized in fewer than 1 percent of hires, and that about 45 percent of employers that made degree changes did not observe any measurable impact on who they actually hired (Fuller et al., 2024). In this paper, this disconnect (between announced policy and actual hiring actions) is considered a unique and worthy of study phenomenon. The paper builds on labor-market studies, employer surveys and the wider academic literature on the human resource management (HRM) research-practice gap published from 2020 to 2025, to propose a three-level conceptual framework: institutional, organizational and individual/managerial, to explain why adoption of SBH often fails to reach the level of practice. Five research propositions are developed to inform empirical research and implications for HR theory, measurement and practice are discussed.

Keywords

Skills-based hiring, talent acquisition, HRM implementation gap, credentialism, degree requirements, evidence-based HRM

1. Introduction

For the past few years, there has been a shift in the way employers hire, from relying on a candidate's academic qualifications to focusing on their skills and competencies (Ehlinger & Stephany, 2023). The argument is old and familiar: Educational qualifications are not a perfect and not always fair indicator of job-relevant skills, and employers with a critical shortage of talent have a strong incentive to not cull talent based on a lack of educational qualifications. Large labor-market datasets analyzed by consulting firms indicate that job postings for a bachelor's degree have significantly declined in many occupations over the last five years (2017–2022) and that many employers report having a strong preference for demonstrated skills over credentials when hiring (BCG, 2023). Meanwhile the most comprehensive evidence on the firm level, available by 2025, muddies this picture significantly. A recent Harvard Business School Project on Managing the Future of Work and the Burning Glass Institute study of hundreds of millions of job postings and tens of millions of worker career histories found that while a significant number of companies published degree removal policies, the actual number of new hires that this was supposed to enable is found in well under one in seven hundred hires studied, and that this small aggregate change is driven almost exclusively by a minority of companies (Fuller et al., 2024). A significant proportion of employers that altered their job advertisements (around 45 percent) reported no significant difference in the kind of employees that they subsequently hired (the researchers dubbed this pattern 'In Name Only' adoption), and another fifth of firms experienced a short-term rise in non-degree hires which later declined and even turned negative (Fuller et al., 2024). This is a firm-level result, which is in line with a larger trend that has been identified in the HRM literature independently: A scoping review of the HRM research-practice gap showed that while there is a general assertion in the literature of a gap between HRM knowledge and practitioner behavior, systematic evidence for how and why such a gap is formed remains limited, and much of the existing literature is conceptual, rather than empirical (Negt & Haunschild, 2024). Combined, these two pieces of evidence suggest the central question of this paper: Given that it is easy to announce a hiring-policy change, why is it so difficult to do in practice? This paper is not intended to provide yet another survey report that the SBH implementation gap exists, but rather offers a conceptual, multi-level description of the gap and suggests a small number of testable research propositions to move the empirical work currently taking place in the field.

2. Skills-Based Hiring: Definition and Promise

Skills-based hiring is a talent-acquisition strategy that focuses on assessing candidates based on actual or demonstrated skills rather than on proxy qualifications like degree attainment or job title (Ehlinger & Stephany, 2023). Similar definitions have been established in government: The Commonwealth of Massachusetts' 2024 skills-based hiring policy explicitly states that it is defined as 'a holistic review of an applicant's skills, knowledge and abilities without placing a premium on education' and is created with an eye to decreasing the reliance on degree requirements as a barrier to access for otherwise qualified candidates (Commonwealth of Massachusetts, Human Resources Division, 2024). Since 2020, the applied-research and practitioner literature has been filled with three assertions underlying SBH. First, an access claim: the absence of degree filters expands the talent pool, especially among those lacking a four-year degree, and the government adopters have made this a point explicitly: "Removing degree filters widens the addressable talent pool, particularly among those without a four-year degree, and government adopters have made this a point explicitly: 'Removing degree filters widens the addressable talent pool, especially among those without a four-year degree'" (Commonwealth of Massachusetts, Human Resources Division,

2024). Second, a performance and retention claim: using the same methodology (Lightcast) to analyze the labor market, multi-million-record analyses from both a year ago (BCG, 2023) and a year later (Fuller et al., 2024) find that, on average, non-degree hires in jobs that were previously filled by a degree have measurably higher retention than their degree-holding counterparts in the same roles. Third, an agility claim: in the context of organizations striving for skills taxonomies and internal talent marketplaces, SBH is one part of a larger model of 'skills-based organization' which extends beyond hiring through internal mobility to learning and development (Udemy, 2024).

3. Evidence for an Implementation Gap

There are three sets of independently developed evidence that support the presence of a meaningful difference between what SBH says it is doing and what it is actually doing: large-scale labour-market analysis, multi-country employer surveys and the general HRM literature.

3.1 From pronouncements to practice: firm-level evidence

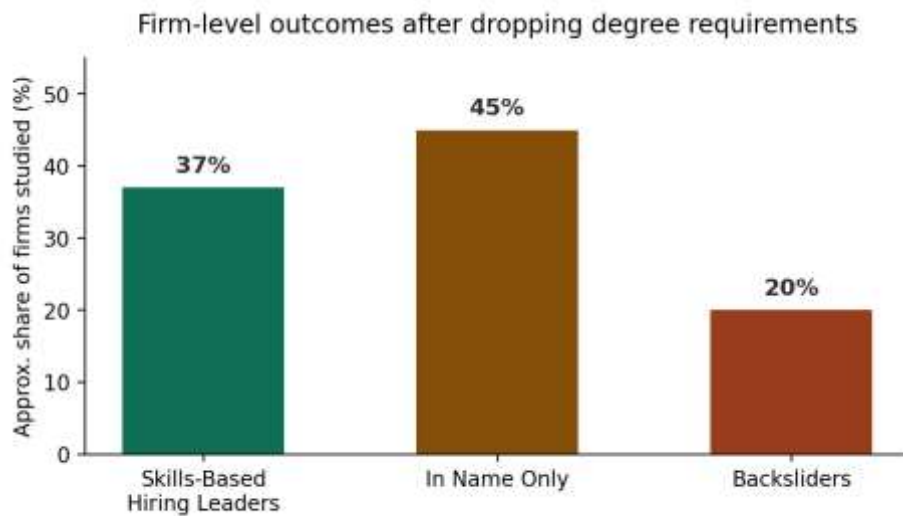
The best evidence is that of Fuller et al. (2024) who, using hundreds of millions of job postings and tens of millions of worker careers, showed that what really happened after a firm eliminated a stated degree requirement. To simplify the analysis, the study classified firms into three outcome groups: as shown in Table 1 below.

Category	Approx. share of firms	Hiring behavior after policy change	Long-run outcome
Skills-Based Hiring Leaders	~37%	Substantial number and percentage of non-degrees hired for impacted positions (near 20% increase)	Continued improvements; non-degree hires 10 points more likely than degree-holding peers to be retained
In Name Only	~45%	Eliminated stated degree requirement from postings, but did not see measurable difference in who was being hired	There is no formal policy and there is no change in hiring pattern.
Backsliders	~20%	Immediate rise in non-diploma or non-degree jobs post-policy change	Over time, the share of non-degree hires dropped relative to the share before the change; ended up with fewer non-degree hires in the long run than before the change

Table 1. Typology of firm-level outcomes following removal of degree requirements. Source: adapted from Fuller et al. (2024), Harvard Business School Project on Managing the Future of Work / Burning Glass Institute.

The bottom line is simple: around 66% of the companies studied did not actually make any hiring adjustment (In Name Only) or ended up with the opposite of their hiring adjustment (Backsliders). But only a minority

(the Skills Based Hiring Leaders) turned a policy announcement into a lasting change in the people that were hired. The distribution is shown below in Figure 1.



Source: Fuller et al. (2024). Harvard Business School Project on Managing the Future of Work / Burning Glass Institute

Figure 1. Approximate share of studied firms in each outcome category after dropping degree requirements. Source: Fuller et al. (2024).

3.2 Shallow organizational penetration

A second independent source of evidence is provided by wider employer and workforce surveys. A large multi-country survey of more than 1,600 professionals revealed that a significant majority of organizations reported having at least started thinking about or implementing skills-based talent processes, but that it wasn't yet 'deeply entrenched' in the businesses, with awareness and use being more limited among staff in talent-acquisition and leadership roles, compared to individual contributors or talent-seekers (Udemy, 2024). Most senior leaders reported that leadership capability is essential to a successful transition, but even fewer reported that the leaders they knew were doing so, suggesting that there is a leadership-execution gap, in addition to the adoption-execution gap documented in Section 3.1. The large-scale analysis of online job postings by Ehlinger and Stephany (2023) supports this, revealing that while the demand for degrees has declined for a large number of occupations since 2017, the extent and the speed of the shift differs dramatically by type, skill level, and location of jobs. This regional and occupational differential is not easily explained by a global diffusion of SBH adoption but rather in terms of a more partial and differential SBH adoption, in keeping with the firm-typology evidence presented above.

3.3 A general research-practice gap in HRM

The SBH-specific evidence is part of a broader pattern found in the HRM literature. While the existence of a gap between HRM research and practitioners' behaviour is often claimed, the empirical evidence that has been used to support that claim has been mixed and many of the key papers in the field are conceptual rather than empirical, and the authors of those papers have been found to be poorly attuned to empirical evidence of HR practices despite the presence of good evidence. (Negt and Haunschild, 2024). This implies that the SBH implementation gap reported above is a particular, if visible, aspect of a more pervasive and ongoing characteristic of HRM as a discipline: that of the more rapid pace of strategic language change compared with embedded organisational practice.

4. A Multi-Level Conceptual Framework

Based on the evidence gathered above, this paper suggests that the SBH implementation gap can be explained not by one implementation barrier, but by a combination of implementation barriers at three different analysis levels: institutional, organizational and individual/managerial. The framework is summarized in Figure 2, which is explained below, one by one.



Figure 2. Three-level conceptual framework for the skills-based hiring implementation gap.

4.1 Institutional level: legitimacy without infrastructure

Without infrastructure, there is no legitimacy at the institutional level. At the field level, SBH has quickly become a norm: government agencies include it in their hiring policies (Commonwealth of Massachusetts, Human Resources Division, 2024), and employer branding pressure encourages businesses to announce their adoption even when they are not ready. But the common ground needed to make SBH work at scale—such as consistent skills taxonomies, skills verification methods that are portable across sectors, and applicant-tracking systems that are competency-based instead of keyword-based—is not fully uniform. This leaves a pattern that is similar to what Fuller et al. (2024) found in their own direct study: formal policy adoption—the removal of a stated requirement—happens much earlier than the technical and process infrastructure required to shift who is actually hired and largely independently of it.

4.2 Organizational level: legacy systems and structural inertia

Inter-organizationally, implementation of SBH is limited by the system designed for another hiring logic. Although organizations may adopt SBH language publicly, and argue that they should be using validated skills data to filter and rank applicants, they have long resisted making such changes, as it requires capital that many are reluctant to invest. This is exactly what is suggested by the 'In Name Only' category found in Table 1: firms did not, in fact, change the stated policy (the job posting) but rather the actual screening/evaluation process (the underlying policy) determining whether the candidates they posted were actually shortlisted and hired. A second parallel constraint with job architecture is that bands of compensation and pathways of mobility within a company are often still tied to job titles and degree-based pay grades, which means that even if an individual is hired successfully based on a skill, they are automatically re-enrolled in a credential-based system after being hired (Udemy, 2024).

4.3 Individual/managerial level: heuristics and accountability

This course covers the individual/managerial level of the 4 levels of learning, up to 4.3, and introduces the concepts of heuristics and accountability. The last and closest obstacle is the employer—at the personal level. A manager who is under time pressure is likely to apply shortcuts that he's used to over the years, such as pedigree, where the candidate previously worked, or keywords in a resume, rather than specifically

assessing skills, even if he's been told to do so. The mechanism described in this section seems to explain the results seen in the Backsliders category in Table 1: An initial, perhaps HR-led increase in non-degree hiring does not last after day-to-day hiring manager behavior, and the eventual non-degree hiring share falls below the starting point (Fuller et al., 2024). The credential bias that SBH was meant to eliminate may be reintroduced at the discretion of the individual manager if skills criteria are only advisory and are not included in workflow gates or structured scorecards.

4.4 Integrating the levels

The key insight in this framework is that the three levels do not act additively: the pressure of institutional legitimacy, the infrastructure of the organization, and the heuristics of individual managers, all play multiplicative roles. The gap at each of these levels and the businesses that fall into each of the three categories are closely aligned with the empirical three-way split in Table 1 (Leaders, In Name Only, and Backsliders).

5. Research Propositions

The model is translated into a set of propositions to direct future empirical research that tests, refines, or invalidates the model:

P1: SBH firms that are mainly adopting SBH due to external legitimacy pressures (i.e., employer branding, competitor benchmarking, public commitments) will be more likely to be in the 'In Name Only' category than SBH firms that are primarily adopting SBH due to internal constraints on talent supply.

P2: Prior investment in skills-based applicant tracking and job-architecture infrastructure will be positively correlated with the likelihood of sustained SBH outcomes of Leader type, independent of the strength of the firm's public commitment to SBH.

P3: In organizations, where skills criteria are embedded in structured (gated, auditable) decision workflows (structured scorecards) and are required to be used, the reliance on the heuristic of hiring managers will be reduced, and the likelihood of Backslider-type reversal will be lower, than in organizations, where hiring managers are provided with skills criteria as guidance only.

P4: We find that firms that link SBH policy adoption to a mechanism that holds managers accountable (such as decision audits, calibration sessions) are less likely than firms that link to training alone to exhibit a smaller initial-to-long-run decline in the share of non-degree hires in their workforce — a pattern that Fuller et al. (2024) found in Backslider firms.

P5: The magnitude of the gap in implementing SBH will be systematic for each role seniority and perceived hiring risk, such that the SBH in the In Name Only and Backslider outcomes are more likely to occur in senior roles and highly consequential hiring situations, where managers' perceived cost for a bad hire rises.

6. Discussion and Implications

6.1 Implications for theory

This paper builds on the growing body of research on the HRM research-practice gap (Negt & Haunschild, 2024) and suggests that the identified gap in HRM implementation may be viewed as a series of interrelated, level-specific implementation mechanisms, instead of a single, undifferentiated phenomenon. Conceptually, it also means that no matter how many respondents are included in the surveys, the methodological approach of those surveys cannot be used to distinguish between institutional-level announcement and organizational infrastructure lag, and individual managerial reversion. But table 1, the typology developed by Fuller et al. (2024), reveals that there are three qualitatively different firm trajectories that a simple adoption survey would have registered as the same.

6.2 Implications for practice

The framework and the firm typology in Table 1 indicate that HR leaders have to take action at more than one level at the same time to close the gap in implementing SBH. Public commitment alone isn't enough; it should be accompanied by infrastructure investments and, most importantly, accountability mechanisms that bring to light and make them “expensive” for managers to fall back on shortcuts based on credentials. Whether the policy is worded as an SBH, or an SBH in some form, the organization should anticipate outcomes that resemble the 'In Name Only' and 'Backslider' categories that were documented empirically in Section 3.1.

6.3 Implications for measurement

The methodology of Fuller et al. (2024), which tracks the actual adoption of SBH based on labour market data, rather than relying exclusively on self-reported changes in policy, provides a template for researchers and bodies monitoring SBH adoption. Where organizations can, adoption surveys that inquire about SBH status should be complemented by behavioral measures, such as rates of removing degree requirements from live postings compared to the actual credential mix of successful hires and manager score card compliance rates, which are less likely than self-reported measures of adoption to be subject to social-desirability and legitimacy-driven over-reporting.

7. Limitations and Directions for Future Research

This paper is a conceptual document, which is intended to be more of a synthesis of existing empirical and scholarly studies and not an empirical test of the new, synthetic (explanatory) structure. The best empirical support, and only one, comes from an extremely large and methodologically sound labor-market study by Fuller et al. (2024), which would be strengthened by replication by other data providers, industries, and time periods as an outcome measure of the typology of the Leader / In Name Only / Backslider. The natural next step is the empirical research program suggested by section 5, which involves surveying the organizations in a sample to determine their rate of SBH adoption, and then auditing the organizations within this sample to determine the structure of their interview or scorecard compliance, as well as the actual profile of credentials that the organizations hire. It would also be valuable to compare and contrast across countries, as regulatory context (e.g. state-level skills-based hiring policies such as Massachusetts' (Commonwealth of Massachusetts, Human Resources Division, 2024)) may plausibly affect the dominant level of the framework in a specific labour market.

8. Conclusion

However, the most recent and robust evidence available, as of late 2025, suggests that the diffusion of skills-based hiring has been significantly more effective in the organizational language, rather than in organizational practice—with almost half of organizations announcing that they have removed their degree requirements seeing no measurable impact on their hiring practices, and nearly one in five seeing the positive effects of early adoption fade over time (Fuller et al., 2024). I have argued in this paper that the gap between announcement and practice cannot be accurately described in terms of a single event and that a three-stage framework consisting of institutional legitimacy, organizational infrastructure, and individual managerial heuristics is required to locate and hopefully reduce the boundary. In combination with the firm-level typology in Table 1, the five propositions that emerge from the framework provide a specific and testable foundation for empirical research needed in the field.

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