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01 METHODOLOGY

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This study surveyed 1,076 job seekers and 1,084 individuals involved in hiring decisions across the UK and US in April 2025. Job seekers were defined as individuals currently looking for work or who had done so in the past 12 months. Employers were defined as individuals who have participated in recruitment or hiring processes in the past year. Data was collected via independent third-party survey panels to ensure a broad and unbiased respondent base. Respondents were balanced across gender, age groups, and income brackets, with quotas in place to support demographic representativeness.

02 THE HIGHLIGHTS
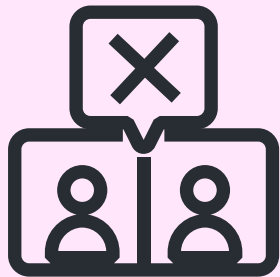
1. Hiring has a match-making problem

A perfect storm of political changes, AI advancements, and market shifts is making hiring challenging. **63% of employers** say it's harder to find great talent than it was last year, and **70% of job seekers** say it's harder to find a job. Despite finding hiring ha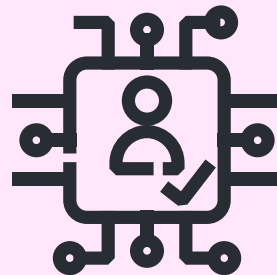rder, most are happy with their recent hires – especially employers who are using skills-based hiring. This isn't a talent shortage. Hiring has a match-making problem.

2. AI in the hiring process

65% of employers are using AI in their hiring process, and 94% of them say it's improved how they hire – but usage among job seekers is lower than you might think. Most companies claim they've noticed more AI-generated resumes, but **only 37% of job seekers** say they're using AI to complete applications.

3. Degree requirements are declining

More than half (53%) of employers have ditched degree requirements; up from **30%** last year. The practice is especially prevalent in the US, where **57%** have eliminated them. Despite this, only **32%** of the employers we surveyed think it's less important for candidates to have degrees than it was 5 years ago – and **41%** say it's more important.
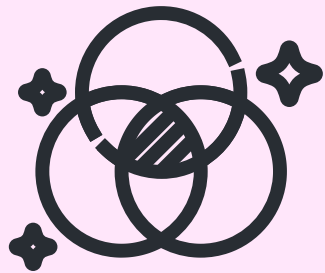
4. Hiring holistically = better hiring outcomes

Employers are increasingly looking beyond technical skills or experience alone when they hire people, and there's a near consensus on how important this is. **72% of employers and 82% of job seekers** agree that consideri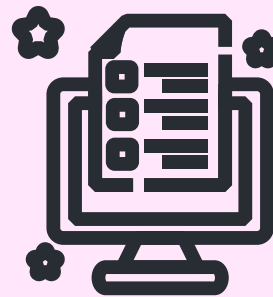ng the whole candidate (including their skills, personality, and cultural alignment or culture add) leads to better hiring decisions and improved organizational outcomes.

5. Skills tests in focus

85% of employers are using skills-based hiring – an increase from **81%** last year. **76% are using skills tests** to measure and validate their candidates' skills in 2025, making this the most popular way to do skills-based hiring. Employers agree that skills tests trump traditional hiring methods like resume screening when it comes to predicting job success.

6. Diversity & inclusion are still on the table

Despite the DEI rollback we're seeing in the US, diversity and inclusion are still on the table for the vast majority of companies. **79%** say having a more diverse team is important for their organization, and **83%** say building an inclusive company culture is important.

03 HIRING HAS A MATCH-MAKING PROBLEM

03 HIRING HAS A MATCH-MAKING PROBLEM

Most anecdotes about the state of the job market today have one thing in common: People are finding it difficult. Whether you're a talented job seeker looking for your next role or a hiring manager hunting your next superstar employee, it seems to be getting harder for people to find what they're looking for.

| Hiring match-making | AI integration | Degree requirements | Hiring holistically | Skills tests | Diversity & inclusion |

3.1 Why is it harder to find talent?

63% of employers say it's harder to find great talent than it was last year. Reasons for this include:

1. It's hard to know if candidates have the right skills

More than half of employers say determining if candidates have the right skills (both soft and technical) is the most difficult part of their hiring process today. Despite the shift to skills-based hiring, teams are still getting to grips with the best way to measure and identify skills.

What's the most difficult part of your hiring process today?

● US employers ☑   ● UK employers ☑   ● All employers ☑

	US employers	UK employers	All employers
Determining if they have the right soft skills	55%	51%	53%
Determining if candidates have the right technical skills	55%	48%	51%
Filtering by resume	39%	51%	45%
Determining culture fit	38%	32%	35%
Getting enough candidates	23%	16%	20%
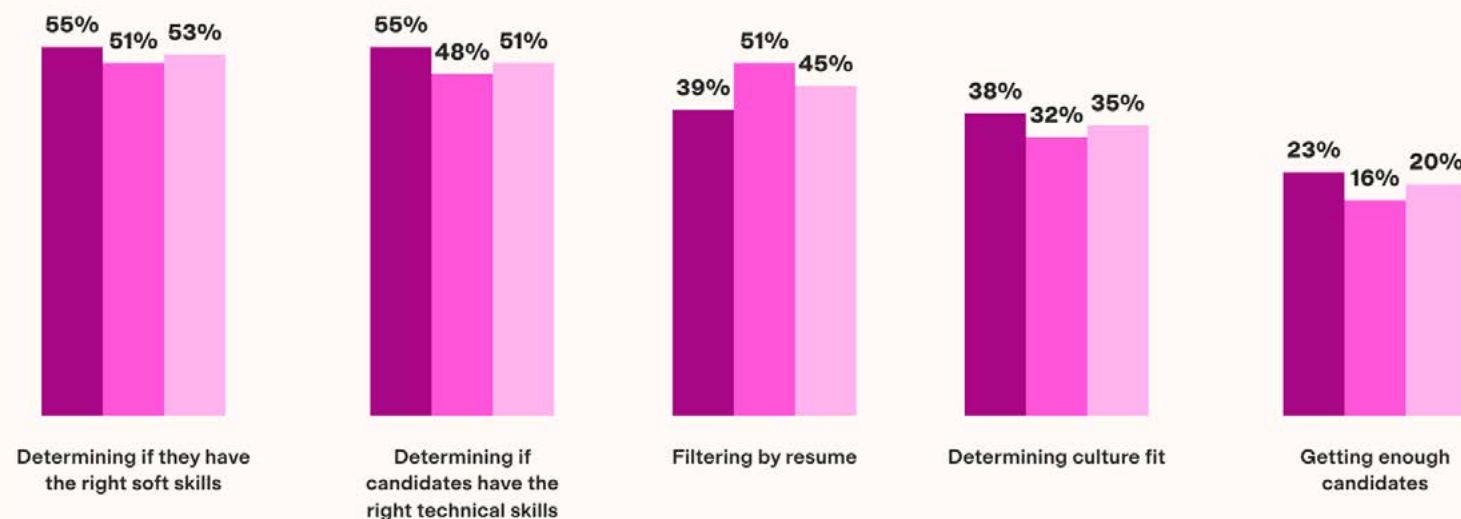
2. Resume screening is not an effective way to make screening decisions upfront

With the majority of employers still doing a resume screen as a first step in their hiring process, many are missing out on top candidates who don't have the typecast resume they're looking for. This is a tangible issue for jobseekers: **59%** of them say they have trouble standing out with their resume (and this goes up to 61% for women).

89%

of UK employers report having problems with resumes

86%

of US employers report having problems with resumes

Hiring match-making | AI integration | Degree requirements | Hiring holistically | Skills tests | Diversity & inclusion

86% OF US EMPLOYERS REPORT HAVING PROBLEMS WITH RESUMES

Couldn't tell from resume if they had the right skills (34%) — **34%**

Hard to rank candidates using resumes (45%) — **45%**

Not sure if resumes is accurate (39%) — **39%**

Received too many resumes to read (27%) — **27%**

Resumes are all too similar (28%) — **28%**

No problems with resumes (14%) — **14%**

89% OF UK EMPLOYERS REPORT HAVING PROBLEMS WITH RESUMES

Couldn't tell from resume if they had the right skills (32%) — **32%**

Hard to rank candidates using resumes (34%) — **34%**

Not sure if resumes is accurate (34%) — **34%**

Received too many resumes to read (23%) — **23%**

Resumes are all too similar (26%) — **26%**

No problems with resumes (11%) — **11%**
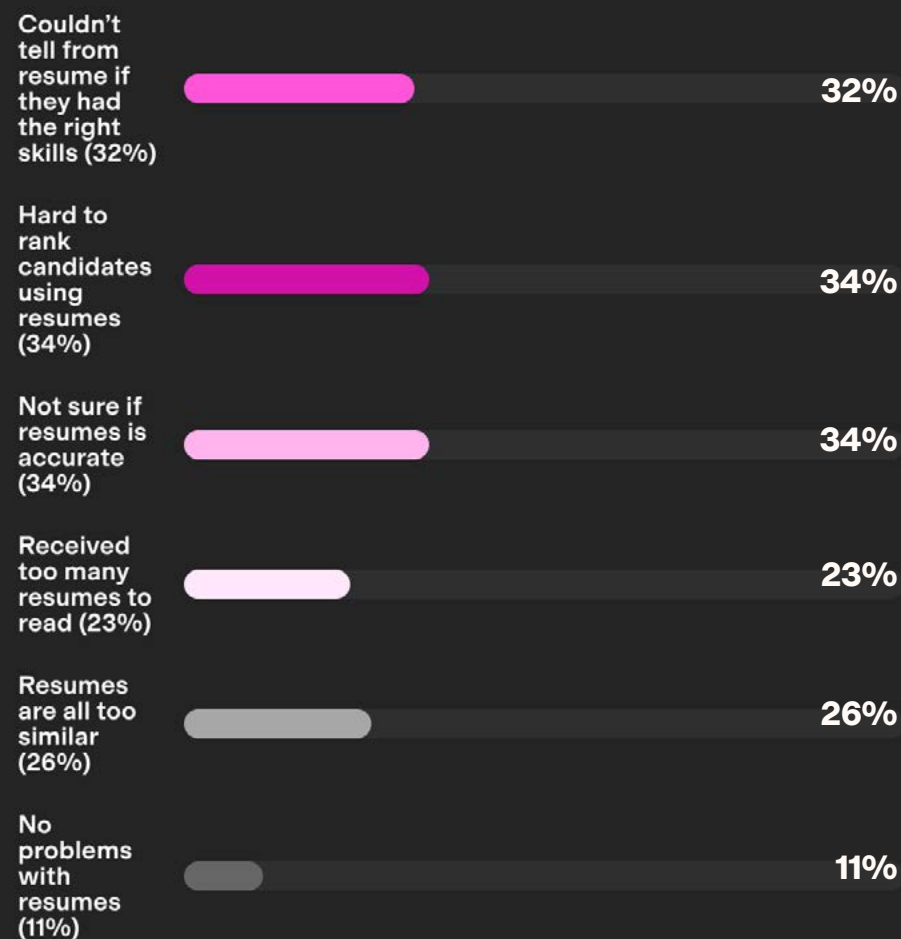
| Hiring match-making | AI integration | Degree requirements | Hiring holistically | Skills tests | Diversity & inclusion |

3. Employers feel like they aren't getting enough high-quality candidates

Employers feel like they aren't getting enough high-quality candidates, with 2 in 10 saying they don't get enough candidates full stop. But recent research shows that, while employers say a lack of quality applicants is an issue, job seekers say their challenge is a dearth of quality roles to apply to. [2] So which one is it? The problem isn't a lack of good roles or a shortage of good applicants to fill them; **it's a match-making problem**. They're not finding each other. The real challenge now is connecting the right candidates to the right jobs.

3.2 Why is it harder to find a job?

7 in 10 job seekers say it's getting harder to find a job. Why? The same reason it's harder for employers to find top talent: We've got a match-making problem on our hands.

The following issues apply for job seekers:

1. **Difficulty standing out with resumes: 59%** of job seekers have trouble standing out from the crowd with their resume, and this percentage goes up to **61%** for female job seekers

2. **Overlooked because of a lack of qualifications or experience: 54%** feel they're disadvantaged because of a lack of formal qualifications or experience

3. **More job seekers are experiencing bias than last year: 42%** of job seekers say they've experienced bias in the hiring process (this is an increase from **31%** last year and **21%** in 2023). This issue is more prevalent in the US, where **45%** have experienced bias, compared to **38%** of UK jobseekers

Beyond this, a decline in vacancies is playing a role, **especially in the UK**. The latest labor market figures show a continued drop in UK job vacancies from January to March – the 34th consecutive quarterly decline. As a result, more people are looking for work while fewer roles are available.

This is reflected in the UK's employment-to-vacancy ratio, which is approximately 2:1 compared to 1:1 in the US. [3,4] This means that there are approximately **2 unemployed individuals per vacancy in the UK** (the last time this was the case was in 2017), compared to just 1 unemployed individual per vacancy in the US.

Whilst some sectors are being hit worse than others, almost every UK sector has seen a decline in vacancies. This is contributing to the challenges UK jobseekers are facing and exacerbates the problems outlined above.

59%
have difficulty standing out with their resumes

54%
have been overlooked because of a lack of qualifications or experience

42%
of job seekers are experiencing bias this year

3.3 An especially challenging job market for Gen Z

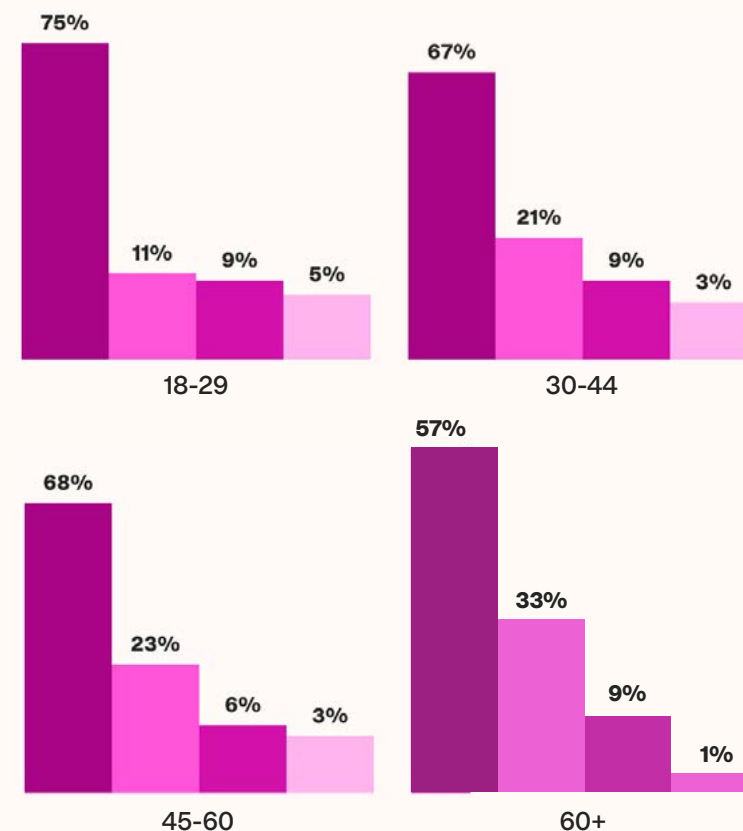A majority across all age groups say it's harder to find work, but Gen Z is being hit hardest.

Three-quarters of 18-29-year-olds are finding it harder to get a job.

Difficulty in finding a job by age group

● Harder ☑   ● Unchanged ☑   ● Easier ☑   ● I don't know ☑

18-29
- 75%
- 11%
- 9%
- 5%

30-44
- 67%
- 21%
- 9%
- 3%

45-60
- 68%
- 23%
- 6%
- 3%

60+
- 57%
- 33%
- 9%
- 1%

"

My parents' idea of 'if you work hard, you'll get what you want' doesn't really work any more. The older generations' expectation that if you've got a 'good degree and good skills you'll be fine' is just no longer tenable. I feel like I'm throwing myself at a brick wall.

an Oxbridge graduate on today's job market **(source)**

The job market is more challenging for Gen Z for a couple of reasons:

1. **The "Catch 22" of not having enough experience:** Job seekers with limited experience enter a Catch 22 where they're unable to land jobs because they don't have the experience required, but are unable to gain that experience without getting a job. This issue disproportionately affects those from poorer socio-economic backgrounds who can't afford to take unpaid internships.

2. **A competitive entry-level market for graduates:** The competition is extreme for entry-level, and particularly graduate, roles. In the UK, it takes graduates an average of 5.6 months to find a job, which is almost 2 months longer than the national average. An entry-level job with minimal qualification and experience requirements takes on average 2.2 months to secure. [3]

These issues don't exist in a vacuum. With global markets roiling and uncertain times persisting, it's a nerve-wracking time to be a job seeker at any age or level of experience. Graduate and entry-level roles are primed for skills-based hiring: Experience is scarce in applicant pools for roles of this kind, and employers can break the catch by hiring for skills and potential first and foremost.

3.4 How many companies are using skills-based hiring?

The way companies hire is changing. **85%** are using skills-based hiring in 2025, an increase from **81%** last year. **67%** are using resumes – down from **73%** in 2024 – marking a move away from traditional hiring tools and towards practices that prioritize skills. This is an **8% decrease in resume usage.**

85%

Yes, I'm using skills-based hiring

15%

No, I'm not using skills-based hiring

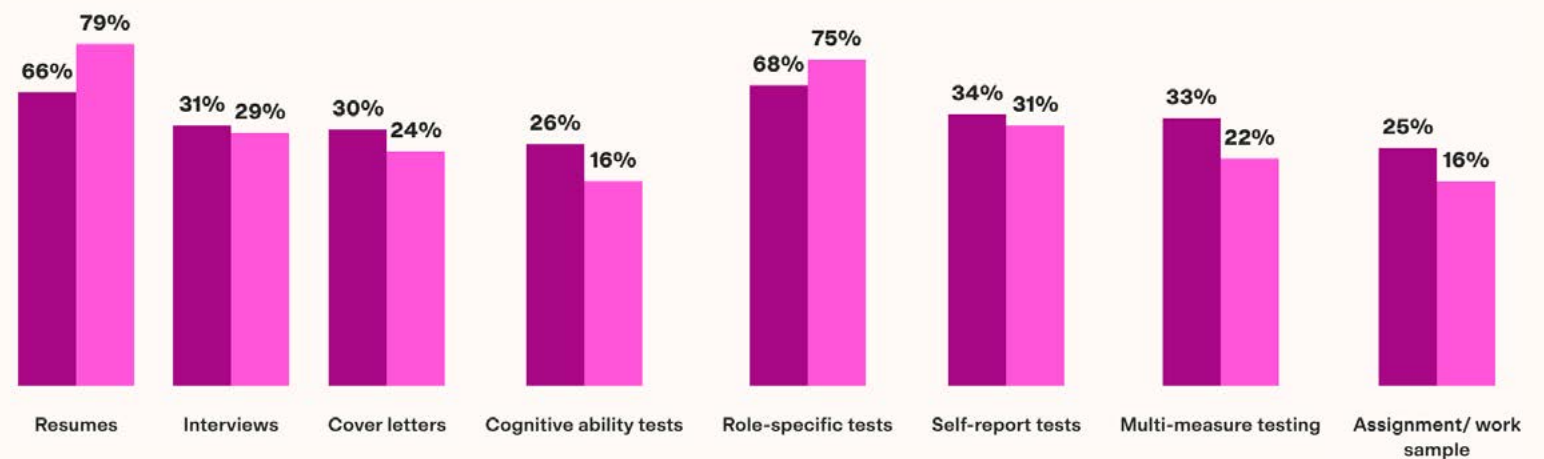**Hiring match-making** | AI integration | Degree requirements | Hiring holistically | Skills tests | Diversity & inclusion

Although research into skills-based hiring is raising questions around how companies can prioritize skills most meaningfully, the shift to a skills-first mindset is still very much underway. [1] So, given all the wind beneath the wings of the skills-based hiring movement, **why is hiring still so difficult?**

Which hiring tools are employers using in 2025?

● US ☑   ● UK ☑

Tool	US	UK
Resumes	66%	79%
Interviews	31%	29%
Cover letters	30%	24%
Cognitive ability tests	26%	16%
Role-specific tests	68%	75%
Self-report tests	34%	31%
Multi-measure testing	33%	22%
Assignment/ work sample	25%	16%

3.5 4 in 5 employers are satisfied with their recent hires

It's harder than ever to match the best talent to the right roles. The good news is, once employers do find their match, **4 in 5 of them are satisfied** with the hires they're making. This is solid, although our data shows a slight decline in satisfaction across the last three years.

UK employers are more satisfied with their hires than their US counterparts

PERCENTAGE OF EMPLOYERS WHO ARE SATISFIED WITH THEIR RECENT HIRES

2023	87%
2024	83%
2025	80%

73%

of US employers are satisfied with their hires. 22% are neutral and 5% are dissatisfied.

85%

of UK employers are satisfied with their hires. 12% are neutral and 3% are dissatisfied.

82%

satisfied with hires
(using skills-based hiring)

67%

satisfied with hires
(not using skills-based hiring)

Skills-based hiring continues to bring in good hiring matches for employers. Employers who use skills-based hiring are far more likely to be satisfied with their hires – and **34%** of them report being 'very satisfied' (vs. only **18%** of employers who don't use skills-based hiring). They're also more likely to remove degree requirements and more likely to use AI in the hiring process.

When we asked employers if they're making quality hires thanks to (rather than despite) their current hiring process, **13% said no**. This goes up to **20%** for employers who aren't using skills-based hiring.
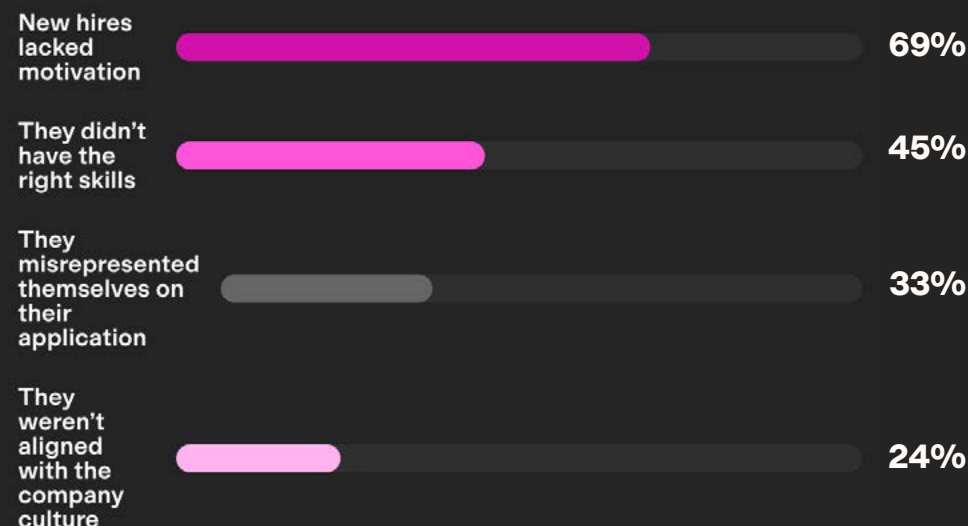
3.6 Why are employers dissatisfied with their hires?

Only 4% reported being dissatisfied with their recent hires (the other 16% feel neutral). Unhappy employers cited the following reasons:

- **69%** say it's because their new hires **lacked motivation**

- **45%** say it's because they didn't have **the right skills**

- **33%** say they **misrepresented themselves** on their application

- **24%** say it's because they weren't aligned with the **company culture**

Finding candidates with the right skills, and validating those skills, is crucial – but lack of motivation is the most prevalent issue for employers. This flags a need for employers to hire beyond skills and experience and look at factors like cultural alignment and behavioral competencies during the hiring process.

REASONS FOR DISSATISFACTION

New hires lacked motivation	69%
They didn't have the right skills	45%
They misrepresented themselves on their application	33%
They weren't aligned with the company culture	24%

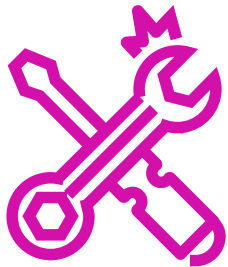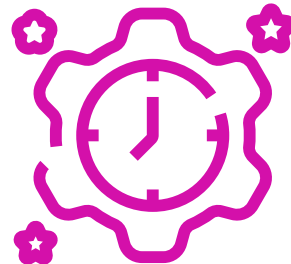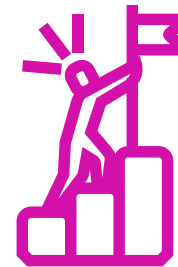| Hiring match-making | AI integration | Degree requirements | Hiring holistically | Skills tests | Diversity & inclusion |

3.7 What makes a great hire?

We asked employers what distinguishes a successful hire from a mis-hire. They told us that these **4 things distinguish a successful hire from a mis-match:**

Having the right skills

Having the right experience

Having the potential to learn and grow

Being aligned with the company values and culture

Although skills and experience emerge at the top, potential to learn and values alignment aren't far behind.
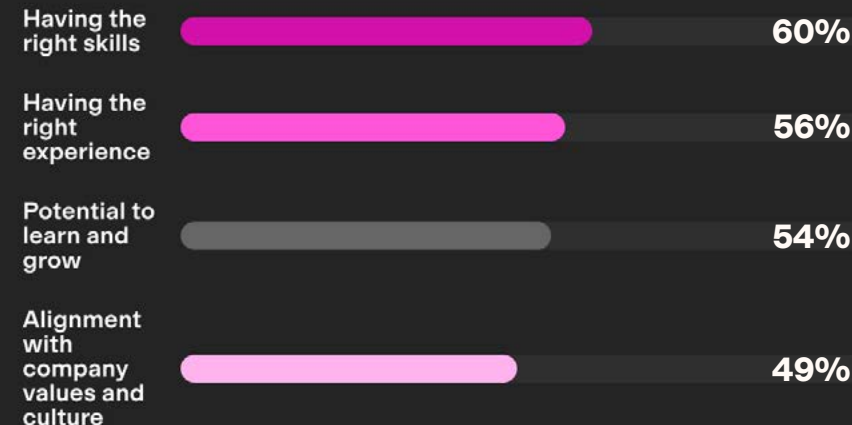
This goes to show that employers are thinking holistically about what makes a great hire. By this logic, **they should hire holistically too.**

Evaluating learning potential and cultural alignment as well as skills and experience is becoming a critical part of the hiring process. Evaluating learning potential and cultural alignment as well as skills

and experience is becoming a critical part of the hiring process. This is especially true in an AI-first era.

With skillsets changing more rapidly than ever before, it's time for employers to shift to hiring strategies that encompass the whole candidate. The right skills, the right experience, the potential to learn and grow, and alignment with company values and culture – employers know that these 4 things make a great hire. It's time to build hiring processes that capture all four.

WHAT DISTINGUISHES A SUCCESSFUL HIRE FROM A MIS-HIRE?
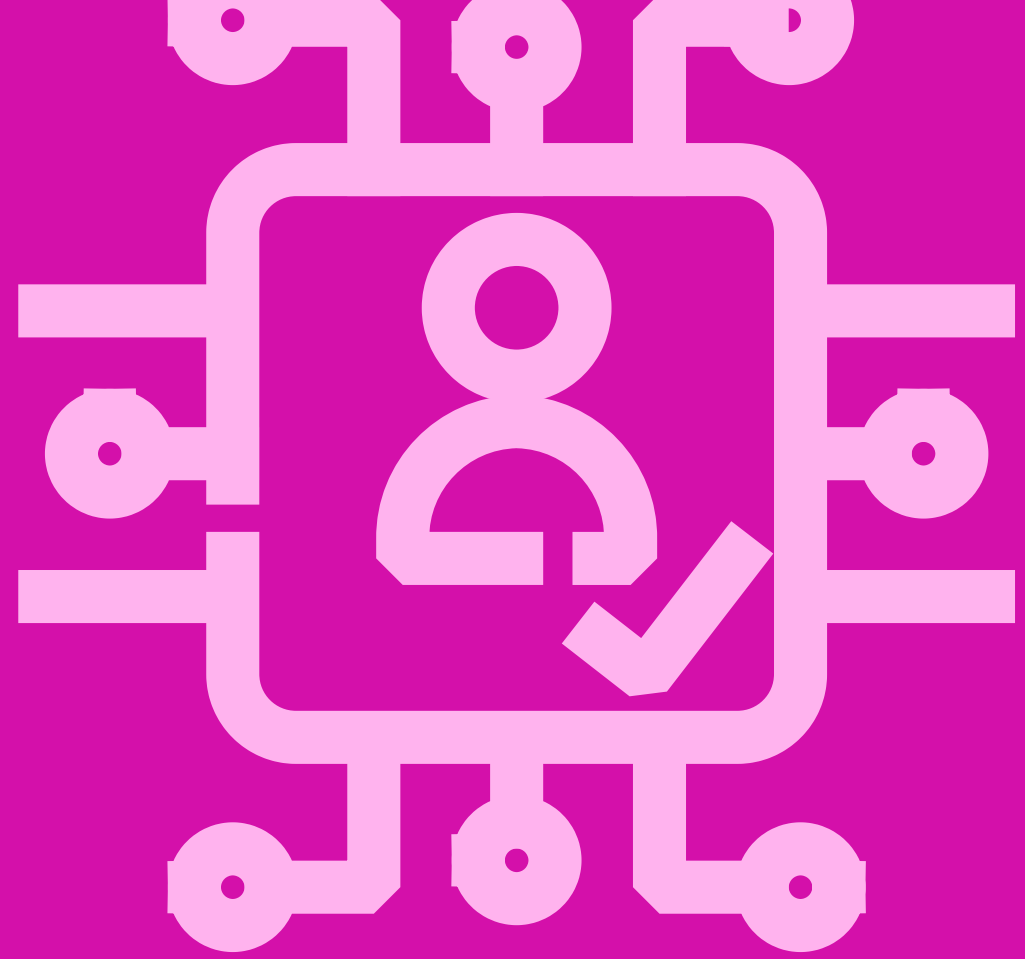
Having the right skills	60%
Having the right experience	56%
Potential to learn and grow	54%
Alignment with company values and culture	49%

04 AI IN THE HIRING PROCESS

04 AI IN THE HIRING PROCESS

AI continues to shake things up this year. Generative AI has re-imagined the job hunt and the hunt for top candidates, and job seekers and employers alike are using it to streamline and automate application processes.

4.1 7 in 10 companies are integrating AI

Our data shows that **7 in 10** companies have taken steps to integrate AI into their workforce or processes. AI integration is more common in the UK, where **72%** of employers have integrated AI, versus **68%** in the US.

This is significant. More employers are using AI than not. It's the new normal. However, our data shows that less companies are integrating AI than last year: **84%** of the employers we surveyed in 2024 were integrating AI, marking a 17% decrease overall.

This could be a sign that **AI's hype cycle is peaking**. Employers are less likely to be integrating AI for AI's sake now and are adopting it more thoughtfully and cautiously than before. Employers also have more cause for caution now as legislation and conversations around the ethics of AI develop.

Here's a breakdown of how employers are integrating AI this year compared to last:

What steps has your company taken to integrate AI into its workforce or processes? ● 2024 ☑ ● 2025 ☑
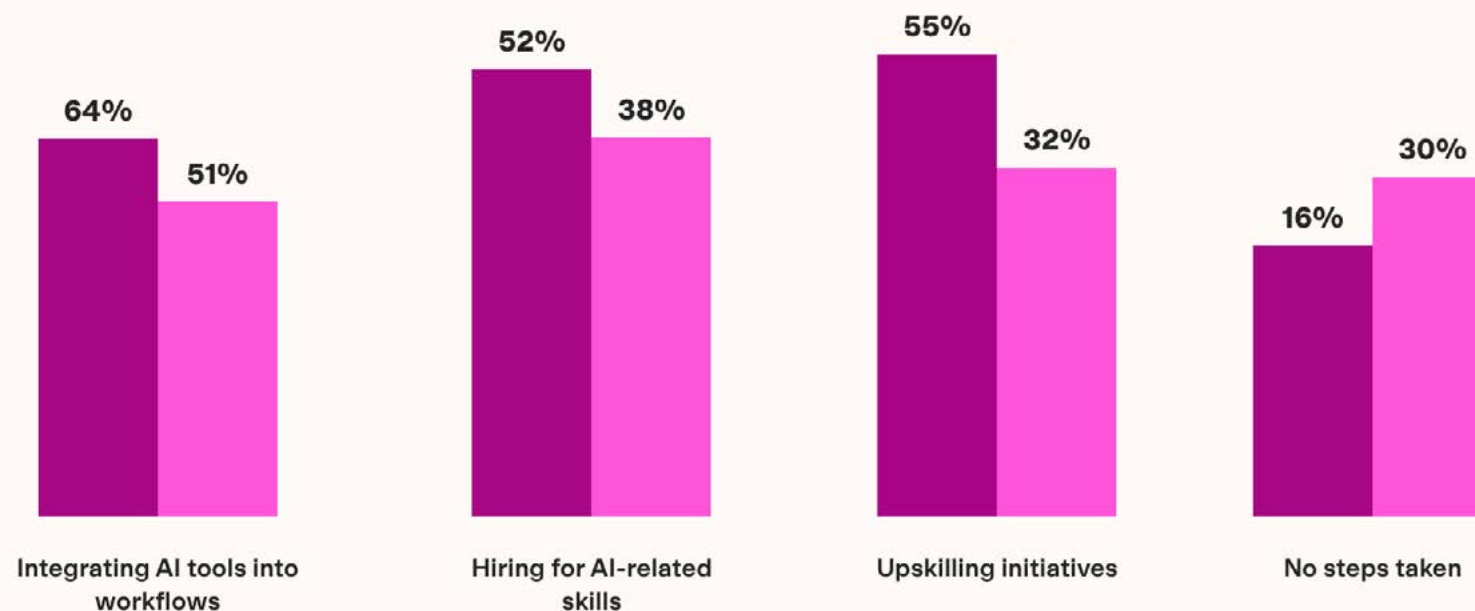
Category	2024	2025
Integrating AI tools into workflows	64%	51%
Hiring for AI-related skills	52%	38%
Upskilling initiatives	55%	32%
No steps taken	16%	30%

4.2 How are employers using AI in the hiring process?

65% of employers are using AI in the hiring process. This goes up to 70% for US employers, and down to 60.5% for UK employers.

Here's a breakdown of how they're using it:

How are you using AI in your hiring process?

- ● US employers ✓
- ● UK employers ✓
- ● All employers ✓

To write job descriptions
- US employers: 66%
- UK employers: 54%
- All employers: 60%

To screen resumes
- US employers: 61%
- UK employers: 57%
- All employers: 59%

To source candidates
- US employers: 52%
- UK employers: 53%
- All employers: 51%

To interview candidates
- US employers: 21%
- UK employers: 20%
- All employers: 20%

TestGorilla
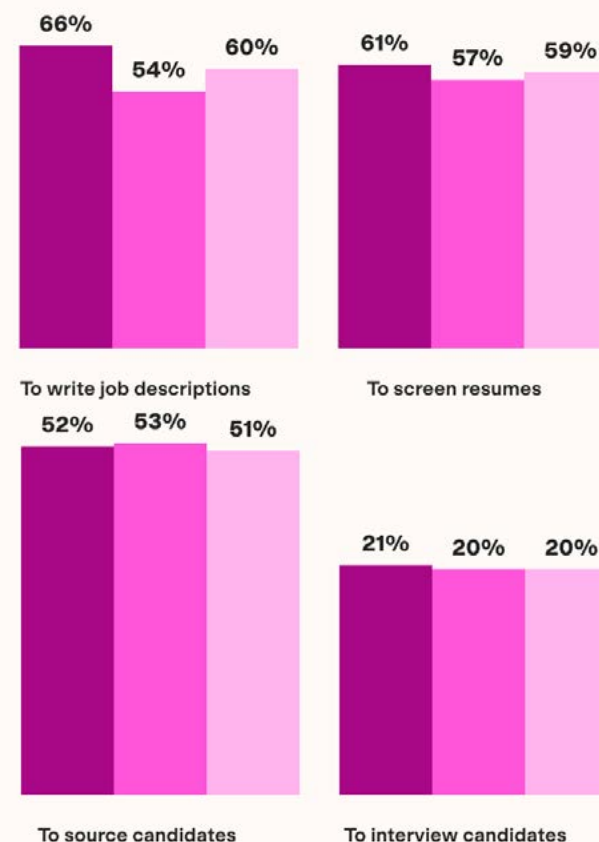
3 in 5 employers are using AI to write job descriptions, with **59%** screening resumes and 51% sourcing candidates with AI. Employers are slower to adopt it into the interview process, which is understandable given the greater need for a human touch at this stage.

Despite widespread reports of AI's impact on hiring speed, accuracy can still be an issue for the tech. Hiring is high-stakes and some human supervision is crucial if employers want to ensure they're not missing out on great candidates. Without the appropriate level of caution, employers risk exacerbating the exact match-making issue they're trying to solve with AI.

With several lawsuits now underway against companies who have integrated AI into their hiring processes unethically, caution is indeed necessary. An increase in AI-related lawsuits may also explain why AI integration has dropped overall this year.

60%

are using AI to write job descriptions

20%

are using AI to interview candidates

4.3 Skills-based hiring employers are using AI more

Our data shows that employers who are using skills-based hiring are more likely to use AI in their hiring process and beyond.

How are you using AI?

● Using skills-based hiring ☑   ● Not using skills-based hiring ☑

	Using skills-based hiring	Not using skills-based hiring
Hiring for AI-related skills	39%	30%
Upskilling for AI	34%	19%
Integrating AI tools	53%	40%
Using AI in the hiring process	67%	53%

"
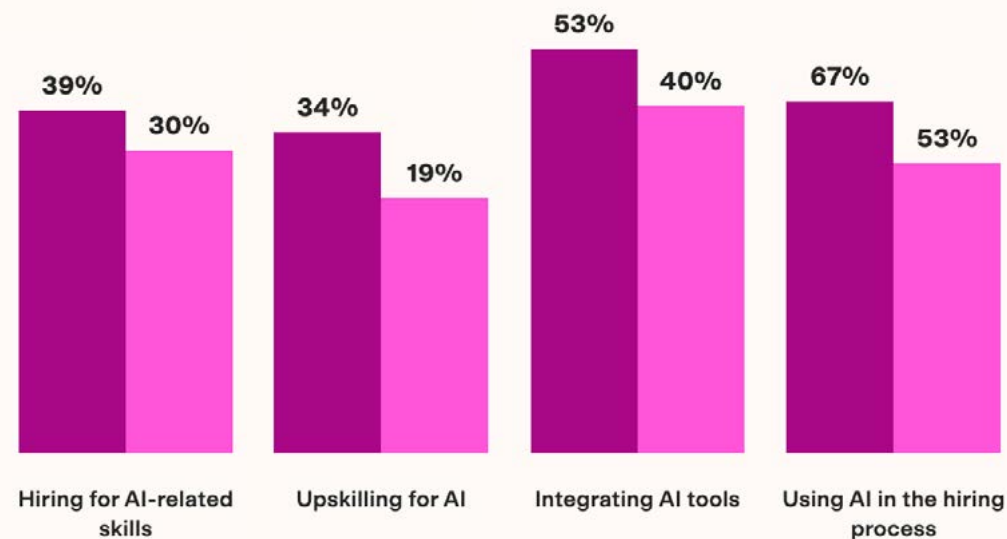
What I love about the move to integrate more AI in recruitment processes is that it does, we hope, focus the conversation back on skills. As AI begins to review CVs at scale, it will be looking to understand and assess skills of the candidate. In the same way, the conversations move more towards hiring for "soft skills" or, as we prefer to call them, the human skills like communication, management, problem-solving that will be fundamental for future of work success as AI takes on more task-based heavy lifting.

Olive Turon, Head of People & Culture at TestGorilla

4.4 94% say AI has improved their hiring process

Although employers seem more reticent to use it than last year, those who are leaning in are seeing results. The **vast majority (94%)** of the employers who are using AI in the hiring process say it's brought improvements. This goes up to **97%** for US employers, and down to **92%** for UK employers.

3 in 10 employers are not integrating AI at all. The top reason employers cite for not using AI is that 'integrating AI is not important for my organization' (44%). **32%** say it's because of the cost and complexity of integrating AI, and **30%** say it's due to the data security and privacy risks involved.

AI is more relevant for some industries than others right now. While generative AI is transforming jobs that rely on computer-based tasks (project management, programming, content creation), it's not so relevant for trade work (like construction, electrical work, or plumbing) that relies on manual labor instead.

HAS USING AI IMPROVED YOUR HIRING PROCESS?

Yes, significantly	47%
Yes, slightly	47%
No, not really	5%
It's made it worse	1%

Why hasn't your company taken any steps to integrate AI?	Percentage of employers with this issue
Not important for my organization	44%
Cost and complexity of using AI	32%
Data security and privacy risks	30%
Ethical considerations	26%
Don't know where to start	17%

Hiring match-making   **AI integration**   Degree requirements   Hiring holistically   Skills tests   Diversity & inclusion

4.5 How are job seekers using AI?

On the flip side, **37%** of job seekers are using AI to complete job applications. This is perhaps lower than employers would expect, since **73%** of employers say they've noticed more AI-generated resumes.

This is reinforced by how long job seekers are spending on their applications in 2025. **55%** of job seekers are still spending between **1 and 3 hours** preparing their applications, with only **18%** spending less than an hour. This number would be higher if more job seekers were using AI to complete their applications.

37%

of job seekers are using AI to complete job applications

70%

of employers say AI generated resumes are easy to spot

18%

Spend less than an hour

55%

Spend 1-3 hours

19%

Spend 3-5 hours

AI is saving employers more time than it is jobseekers, it seems. **71%** of employers spend less than 15 minutes reviewing a resume. A quarter of them spend less than 5 minutes. Job seekers who send out AI-generated resumes do run the risk of not standing out, so, for those using AI as a starting point, spending extra time sprucing things up does not go amiss.

When we asked job seekers how they feel about employers using AI to screen their resumes (which **59%** of them are), we found a mixture of feelings. **29%** said they're worried about it, **27%** feel good, and the other **45%** are neutral.

These results reflect sentiments from job seekers online. Neutrality is common and stems from a general acceptance from both sides that AI is part and parcel of the hiring process now, whether they like it or not. It's a stalemate of sorts: Employers know job seekers will use it, and jobseekers know employers will use it. On either side of that, people are either enthused or worried:

- Job seekers who are using AI for applications are much more likely to feel good about employers using it (**52%** vs **11%**)

- Job seekers who are not using AI for applications are much more likely to feel worried about employers using it (**39%** vs. **12%**)

> "
>
> *As someone who has hired over 100 people I've probably seen more than 10,000 different CVs. When you're flipping through them, some get barely 30 seconds of attention. In those 30 seconds I'm looking for what's different, not what's the same. One of the unfortunate aspects of using AI-generated resumes is that, by design, they tend to look the same.*

Joel Windels, VP of Marketing at TestGorilla

4.6 Most of the minority who cheat are using AI to do so

74% of job seekers have completed skills-based tests as part of a hiring process in the last 12 months. Only **17%** of those jobseekers say they have cheated on skills tests but, out of those who did cheat, **7 in 10** used AI to do it.

Another touché here – if employers are free to use AI as they wish, why shouldn't job seekers be, too? Our data shows that job seekers who feel 'good' about employers using AI are both more likely to cheat on skills tests *and* more likely to use AI to do so.
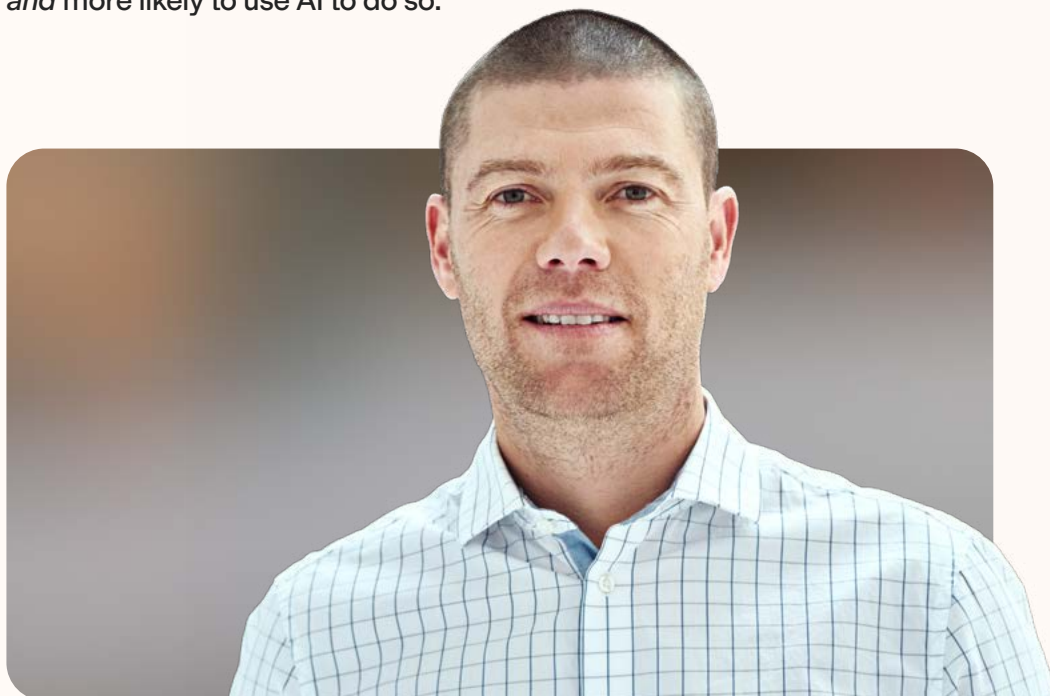
17%

say they have cheated on skills tests

70%

of those who do cheat use AI to do it

Although **the majority won't cheat**, AI has the potential both to optimize and to compromise the hiring process. As it continues to develop at pace, it won't be possible for employers to prevent cheating entirely. So whilst the majority of jobseekers are honest, and it makes sense to design hiring processes for the honest majority, cheating is something employers should be aware of and vigilant about.

> *In hiring processes I have started to pay more attention to how candidates deliver their answers, either written or in an interview setting. We found a recent candidate was reading aloud real-time answers from an AI bot as I asked the questions – which was a new one and hard to spot unless we really listened!*
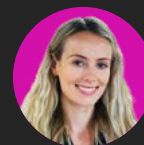
Lucy Dewhurst, Content & Product Marketing Lead at TestGorilla

05 DEGREE REQUIREMENTS ARE DECLINING

TestGorilla

Hiring match-making   AI integration   **Degree requirements**   Hiring holistically   Skills tests   Diversity & inclusion

05 DEGREE REQUIREMENTS ARE DECLINING

As skills-based hiring gains momentum and adoption increases, degree requirements are making a steady decline. Our data shows more employers than ever have stopped listing them as a requirement in their job descriptions.

5.1 Half of employers have eliminated degree requirements

Over half (53%) of employers have eliminated degree requirements. This is a **77%** increase from last year when only **30%** had removed them. A significant milestone in the movement to put skills first, we think!

This jump directly mirrors the rising adoption of skills-based hiring practices. There's a growing agreement that, for many white-collar roles, proven skills are more important than qualifications. Our data is a healthy indicator that degree inflation is easing as employers put skills first.

Despite this, employer sentiment about how important it is for candidates to have degrees is still mixed. Just under half of the employers we surveyed think it's more important to have a degree

than it was 5 years ago.

Just because over half of companies have removed them as a requirement, doesn't mean that the majority of people think they're less important. Our data shows the people doing the hiring aren't necessarily in agreement with company policies that have removed them as a requirement.

This is a problem because it **scuppers the impact** of these policies. Most employers are still using resumes and, even if a degree is not listed as a requirement, recruiters can easily discern who does and doesn't have a degree from their resume. Knowingly or unknowingly this could influence their screening decisions and lead to bias, regardless of company policy on degree requirements.

DO YOU THINK IT'S MORE OR LESS IMPORTANT FOR CANDIDATES TO HAVE DEGREES THAN IT WAS 5 YEARS AGO?
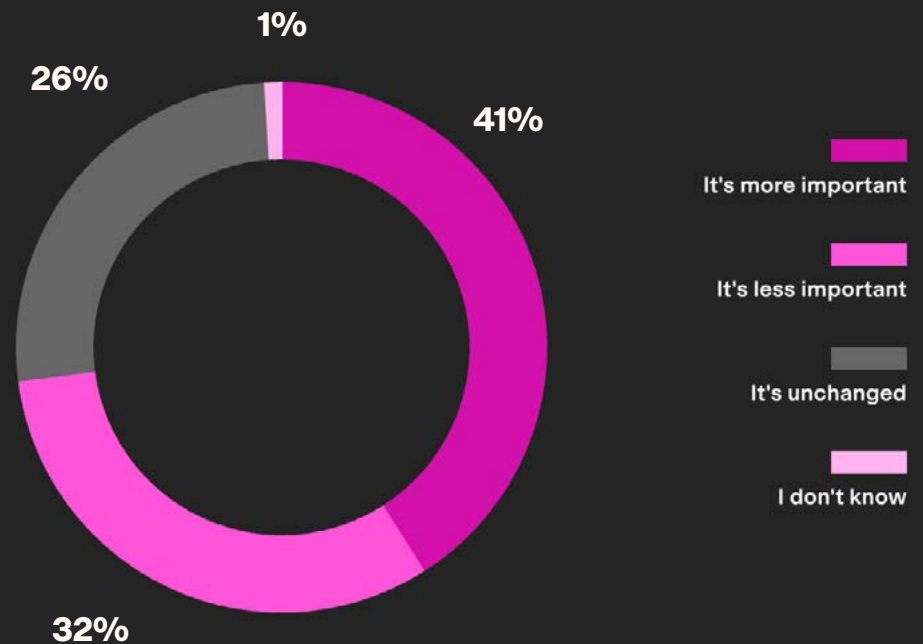
1%

26%

41%

32%

- It's more important
- It's less important
- It's unchanged
- I don't know

5.2 Degree requirements are less prevalent in the US

US employers are more likely to remove degree requirements and a larger percentage of them say degrees are less important now.

It makes sense, then, that UK employers rate the effectiveness of resumes more highly than US employers do. Only **48%** of US employers say resumes are an effective way to determine your candidates' capabilities. In contrast, **69%** of UK employers say they're effective.

WHAT PERCENTAGE OF EMPLOYERS HAVE ELIMINATED DEGREE REQUIREMENTS?
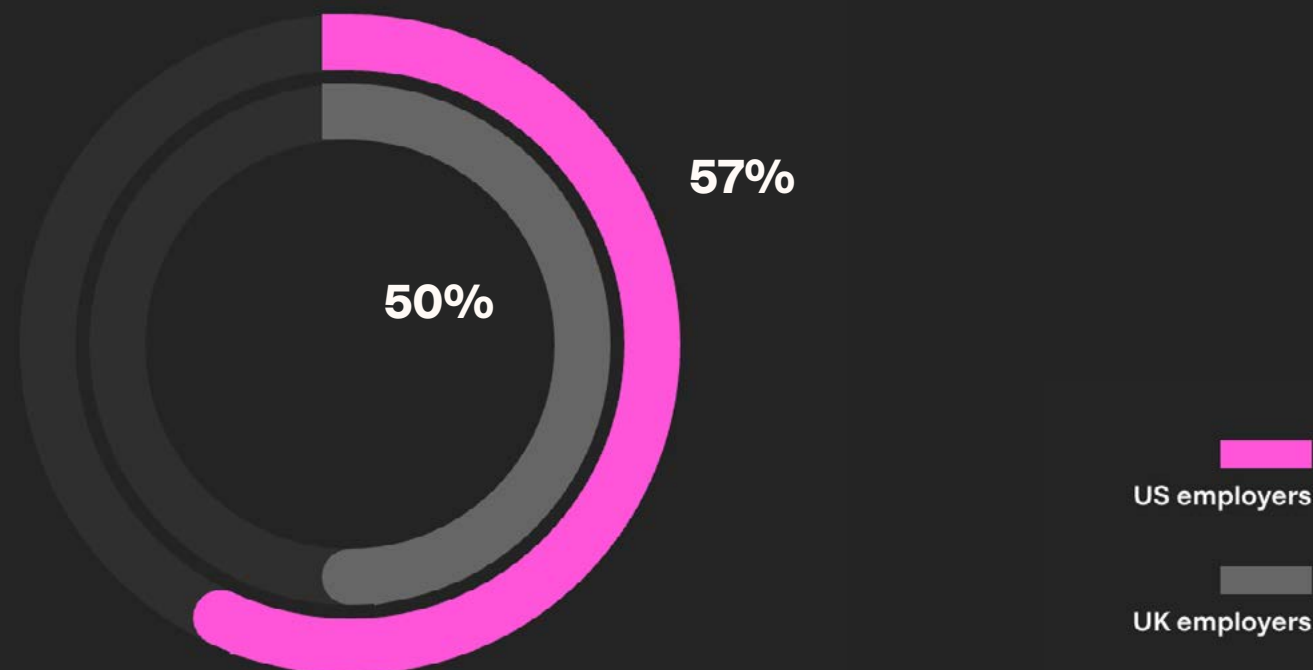
57%

50%

US employers

UK employers

> **Only 48% of US employers say resumes are an effective way to determine your candidates' capabilities.**

Do you rate this as an effective hiring tool?	Percentage who think it's effective (UK)	Percentage who think it's effective (US)
Resumes	69%	48%
Cognitive ability tests	62%	55%
Role-specific skills tests	67%	61%
Self-report tests	57%	49%
Multi-measure testing	59%	55%
Interviews	77%	75%
Assignments/work samples	67%	68%

Is it more or less important for candidates to have university or college degrees than it was 5 years ago?

- US employers ✓
- UK employers ✓
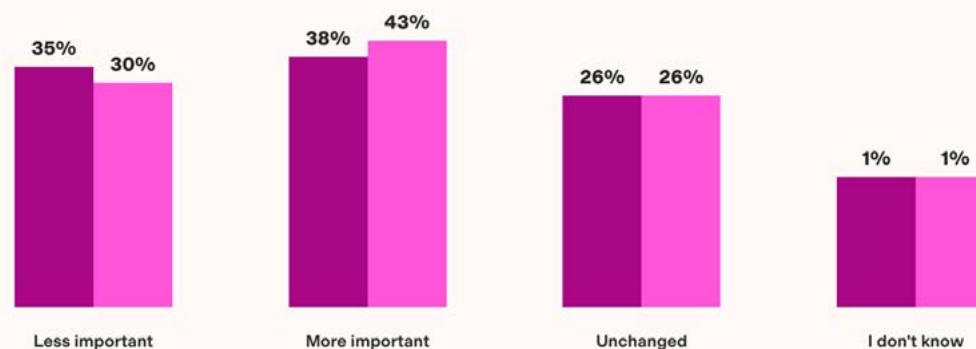
	Less important	More important	Unchanged	I don't know
US	35%	38%	26%	1%
UK	30%	43%	26%	1%

5.3 How many employers still use resumes?

While degree requirements are declining, **two-thirds (67%)** of employers are still using resumes to hire. This means that, although a degree might not be required, employers can still discriminate (either knowingly or unknowingly) against candidates who don't have degrees.

Employers who use skills-based hiring are more likely to eliminate degree requirements: **55%** of skills-based hiring employers have eliminated them, compared to **48%** of employers who don't practice skills-based hiring.

WHICH TOOLS HAVE YOU USED IN YOUR HIRING PROCESS IN THE LAST 12 MONTHS?

Tool	Percentage
Resumes	67%
Interviews	77%
Cover letters	33%
Cognitive ability tests	30%
Role-specific skills tests	31%
Self-report tests (e.g. personality)	23%
Multi-measure testing	26%
Assignments / work samples	16%
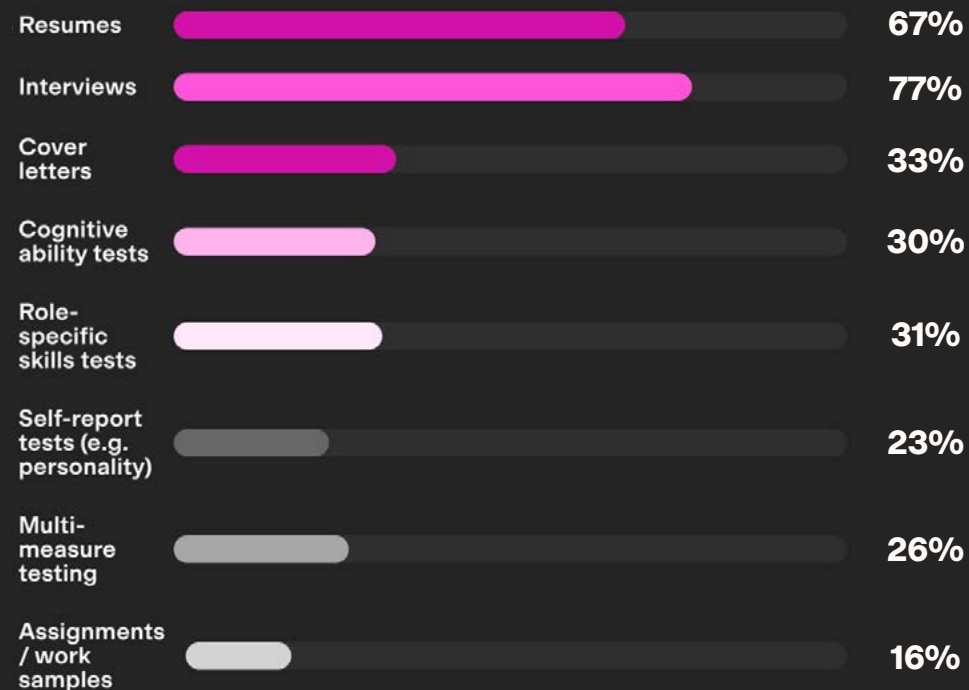
> "
>
> *The beauty of skills-based hiring is that it flips the script on the traditional degree requirement. It's all about what you can do, not where you learned to do it. In an industry where curriculums struggle to keep pace with technological advancements, this approach not only makes sense, it's necessary. Imagine a world where your job candidacy isn't tied to a piece of paper but to the skills you've hustled to acquire, many of which you've probably taught yourself. That's where the future is headed, in my opinion.*

Ryan Seeras, Senior Product Manager at Tomorrow University

5.4 Is there a future for degree requirements?

Although skills-based hiring is about **more than removing degree requirements,** it's a crucial first step.

Since movement towards skills-based hiring practices shows no sign of slowing down, degree requirements will likely continue to decline. **7 in 10** employers agree that skills-based hiring will be the dominant recruitment trend of the future, and employers are increasing their budgets for skills evaluation.

We can see a world where, when they are strictly relevant, degree qualifications sit alongside skills-based data and key experiences as **part of a holistic hiring process.** One that helps employers understand the whole candidate. Let's dive into that now.
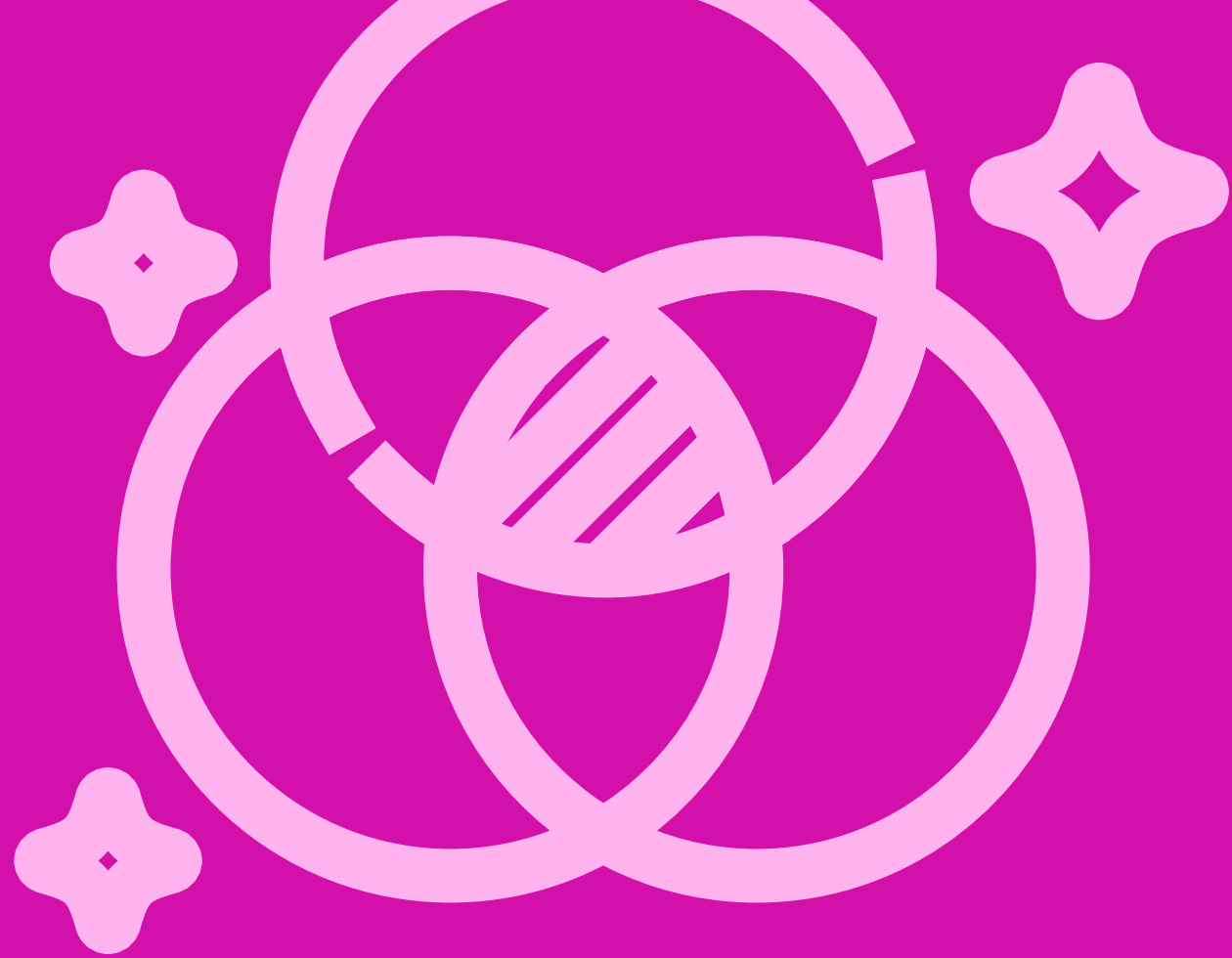
06 A HOLISTIC APPROACH

leads to better hiring decisions

Holistic hiring

Employers who take a holistic approach to hiring go beyond skills and experience to consider their candidates' technical and soft skills, cognitive abilities, personality, behavioral competencies, and values. They focus on the whole person to understand if they're a good match for the job.

06 A HOLISTIC APPROACH LEADS TO BETTER HIRING DECISIONS

Fundamental to skills-based hiring is the idea that you should hire holistically. A candidate is more than their college degree (or lack of one), or the name of the company they last worked at.

By the same principle, a candidate is more than a single test result. At TestGorilla we've always championed a **multi-measure approach** to skills-based hiring. It's crucial to verify a variety of job-relevant skills to get the whole picture of your candidate.

This means going beyond technical skills alone. This year, our data shows employers agree with the sentiment. What's more, their experiences demonstrate the consequences of not hiring holistically.

Hiring match-making   AI integration   Degree requirements   **Hiring holistically**   Skills tests   Diversity & inclusion

6.1 Why should employers hire holistically?

78% of employers say they have hired a candidate with strong technical skills who was not successful in the role due to poor soft skills or a lack of cultural or motivational fit. We think that soft skills are golden for any role, and

employers agree – **60%** say it's more important for candidates to have them than it was 5 years ago (**15%** say it's less important and **25%** say it's the same).

We asked about the consequences of this mismatch — the graph below

shows how employers responded.

Challenges with collaboration and communication are the most common consequence, followed closely by increased turnover and decreased productivity.

When compounded, the side effects listed represent significant disruptions to both ways of working and productivity. In short, your bottom line could take a hit if you don't hire holistically.

WHAT ARE THE CONSEQUENCES OF A HIRING MIS-MATCH?
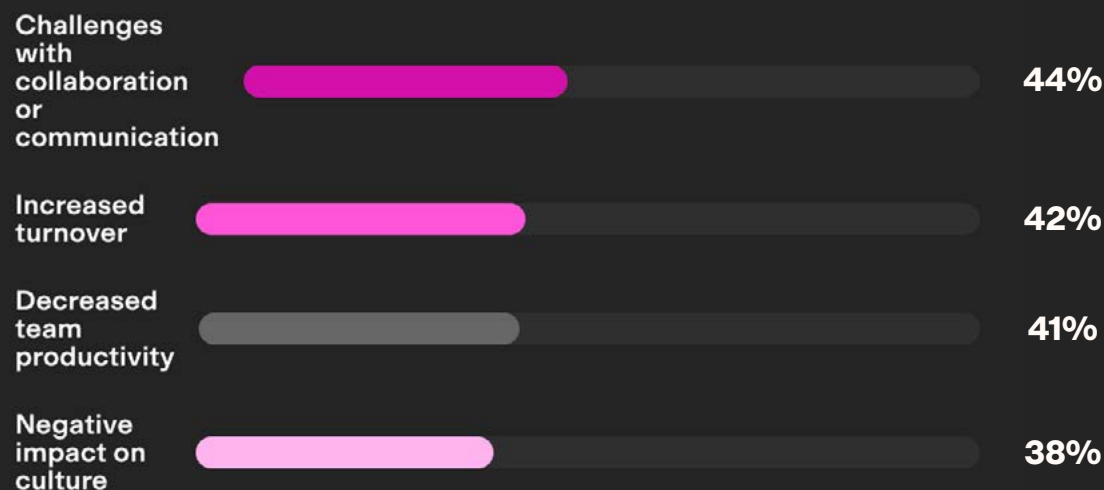
Challenges with collaboration or communication	44%
Increased turnover	42%
Decreased team productivity	41%
Negative impact on culture	38%

6.2 3 in 5 employers say hiring holistically improves performance

Our data underlines the benefits of hiring holistically as well as the consequences of not. **3 in 5** employers say that hiring candidates who possess a combination of strong technical skills, essential soft skills, and good cultural alignment improves performance. **58%** say it improves team cohesion, and half say that it increases retention.

72% of employers agree that considering the 'whole candidate' – including their skills, personality, and cultural alignment – leads to better hiring decisions and improved organizational outcomes.

What are the benefits of hiring holistically?	Percentage of employers who agree
Improved performance	60%
Increased retention	50%
Stronger team cohesion	58%
More positive culture	43%
Better collaboration and communication	43%

72%
Agree that holistic hiring leads to better outcomes

19%
Are neutral

9%
Disagree

> **"**
>
> *A good employee brings to the table not only strong technical skills but also soft skills like adaptability, open-mindedness, and strong interpersonal abilities. They are not just able to do the job, but they also align with the company's values, show a growth mindset, and consistently deliver results. A good employee is also proactive, able to learn quickly, and collaborates effectively within a team.*

Dr. Romina da Costa, PhD., Director of IP Development at TestGorilla

Why is this the case? Here's a quick breakdown of the benefits of hiring holistically:

1. **Increased engagement and motivation.** When you understand the whole candidate, you're better equipped to set them up for success if and when you hire them. You'll understand their values, what motivates them, how they like to work, and whether this is the best place for them.

2. **Guess what happens next?** Higher retention rates. When you hire people who are aligned with your values and culture and understand how to motivate them and let them work, they're more likely to stay with your organization.

3. **Valuable technical skills can be taught.** And also, they're changing fast – the half-life of most skills is decreasing every year. Looking for potential, adaptability, and ability to learn and grow is a good way to broaden your search for talent. Hiring for motivation, intelligence, and adaptability is future-proof. These skills will always be relevant.

6.3 Your candidates want you to see them holistically

82% of job seekers agree that considering them as 'whole candidates' leads to better hiring decisions and improved organizational outcomes. **52%** say they have been in a situation where they've had the correct technical skills for a job but haven't been successful in the role because of a lack of soft skills or poor cultural fit. From what they told us, it wasn't a good experience.

We asked about the consequences of ending up in a situation like this. **54%** of job seekers who have been in this scenario say they were unhappy in the role. A **quarter** of them say they left the job entirely.

82% of job seekers agree that holistic hiring practices lead to better hiring decisions

52% say they they've had the correct technical skills for a job but haven't been a good fit due to lack of soft skills or poor cultural fit

WHAT WERE THE CONSEQUENCES?

Felt unhappy or unfulfilled in the job	54%
Struggled to communicate effectively	40%
Difficulty working with the team	32%
Left the job	25%

07 SKILLS TESTS IN FOCUS

Hiring match-making   AI integration   Degree requirements   Hiring holistically   **Skills tests**   Diversity & inclusion

What is a skills-based approach?

Skills-based hiring is a recruitment approach that focuses on candidates' real-life skills rather than their educational qualifications, backgrounds, and previous experiences. Any process that includes skills-based assessments like online tests, practical tasks, case studies, and simulations - forms part of a skills-based approach.

TestGorilla

| Hiring match-making | AI integration | Degree requirements | Hiring holistically | **Skills tests** | Diversity & inclusion |

07 SKILLS TESTS IN FOCUS

In practice, skills-based hiring can be done in many ways. So long as the premise is to hire for skills first and foremost, it's skills-based hiring. That being said, some skills-based hiring practices are more meaningful and effective than others. At TestGorilla, we believe that implementing science-backed skills tests is crucial to an effective skills-based hiring process.

Skills tests are now the most common way to practice skills-based hiring. **76%** of the employers we surveyed are using skills tests of some kind to hire, and employers told us they think skills tests are better than resumes at predicting job success.

7.1 Employers say skills tests are better at predicting job success

84% are satisfied with the hires they've made using skills tests (which is higher than the **80%** who are satisfied overall) and **71% agree** that skills testing is more predictive of on-the-job success than resumes.

76%
of employers use skills tests to hire

84%
are satisfied with the hires they make using skills tests

71%
agree that skills tests are more predictive of job success than resumes

Hiring match-making   AI integration   Degree requirements   Hiring holistically   **Skills tests**   Diversity & inclusion

Here are more stats on how employers feel about skills tests:

SKILLS TESTS ARE MORE EFFECTIVE AT IDENTIFYING TALENTED CANDIDATES THAN RESUMES

65% agree
25% neutral
10% disagree

SKILLS TESTS ARE MORE PREDICTIVE OF JOB SUCCESS THAN RESUMES

71% agree
11% neutral
7% disagree

EMPLOYEES HIRED USING SKILLS TESTS STAY LONGER IN THE ROLE

65% agree
27% neutral
8% disagree

Hiring match-making   AI integration   Degree requirements   Hiring holistically   **Skills tests**   Diversity & inclusion

7.2 What are the benefits of using skills tests?

When we asked employers about the benefits of skills tests, having the ability to verify cognitive ability came top:

What are the benefits of using skills tests?	Percentage of employers
I can verify cognitive ability	57%
I can rank applicants based on their test scores	43%
I can verify soft skills	43%
I can verify hard skills	38%
I can verify multiple job-relevant skills	32%
I can better understand potential	31%
Helps me reduce unconscious bias	20%
It reduces my time to hire	16%

Our data shows that including skills tests in your hiring process can save you time and reduce your chances of making a mis-hire.

- **3 in 5 employers** say including skills tests in the hiring process has reduced their time-to-hire

- **2 in 3 employers** say using skills tests in their hiring process has reduced the number of mis-hires

Skills tests save you time quickly screening out candidates who don't have the job-relevant skills necessary to perform the job. Employers can then spend quality time with quality candidates. As for mis-hires, assessment science shows that valid, reliable skills tests increase selection hits and decrease selection misses. It's a bit sciencey, you can read about it here.

7.3 Which skills tests are employers using?

WHICH SKILLS TESTS ARE EMPLOYERS USING?

| Test type	Percentage
Soft skills tests	69%
Cognitive ability tests	50%
Self-report tests	35%
Multi-measure testing	33%
Language tests	28%

The graph to the left shows a breakdown of the kinds of skills tests employers are using this year.

Soft skills tests are the most popular test type in 2025. Usage data from our test library shows that soft skills tests are becoming increasingly popular among employers – particularly tests that assess candidates' personality traits, motivation, and critical thinking skills. For example:

- Our Big 5 (OCEAN) test – which provides insights into a candidate's behavior, how they relate to others, and their primary strengths according to the five overarching dimensions of personality – was completed over **127,000 times** between January-March 2025, a **69%** increase on the same time period in 2024

- Our Critical Thinking test was completed over **100,000 times** between January-March 2025, a **61%** increase on the same time period in 2024

- Verifying cognitive ability is also increasingly important to employers, and our data clearly shows the use of cognitive ability tests increasing over time. This year, **1 in 2** employers are using cognitive ability tests to hire.

Usage - cognitive ability tests

● 2022 ☑   ● 2023 ☑   ● 2024 ☑   ● 2025 ☑

2022	2023	2024	2025
32%	41%	49%	50%
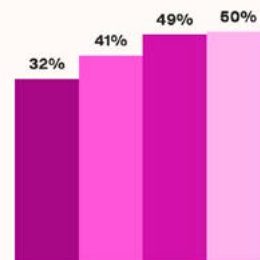
7.4 Best practices for skills testing

There are different ways to implement skills testing – at the top of the hiring funnel, for example, or further down it, after a round of resume screening. Our data shows two crucial best practices for skills testing that help ensure the best outcomes for employers and job seekers alike.

- **Validate skills before screening resumes: 36%** use skills tests before screening resumes (**62%** use them after, **2%** don't look at resumes at all). Employers who use skills tests before screening resumes are more likely to make quality hires (**96%** vs. **87%**).

- **Make it multi-measure:** One-third of employers are using multi-measure testing. **91%** of employers who conduct multi-measure testing say they're making quality hires thanks to this process.

Multi-measure testing gives you the most accurate picture of a candidate's strengths and weaknesses and predicts their job performance using those measures. It's research-backed: It's empirically proven that it offers the most effective and reliable way of assessing a person's capabilities for a specific job.

91% of employers using multi-measure testing are making quality hires

96% of employers who test for skills before screening resumes are making quality hires

36% use skills tests before screening resumes

7.5 What are the biggest challenges with implementing skills tests?

Although skills testing is becoming more popular, employers are still encountering implementation challenges.

Employers are more confident about which assessments to use and how to evaluate assessment results. **4 in 10** employers told us they were struggling with evaluating test results, compared to **3 in 10** this year. Uncertainty about which assessments to use is also less common this year **(28%** cited it as an issue last year).

Finding the right software and tools is a problem. Hiring budgets are getting tighter. Only **26%** reported lack of budget as a problem in 2024, and this has increased twofold. The challenge for employers now is less about knowing which assessments to use, and more to do with finding the tools and budget to implement them.

SKILLS-BASED HIRING WILL BE THE DOMINANT RECRUITMENT METHOD OF THE FUTURE

6%

24%

70%

Agree

Neutral

Disagree
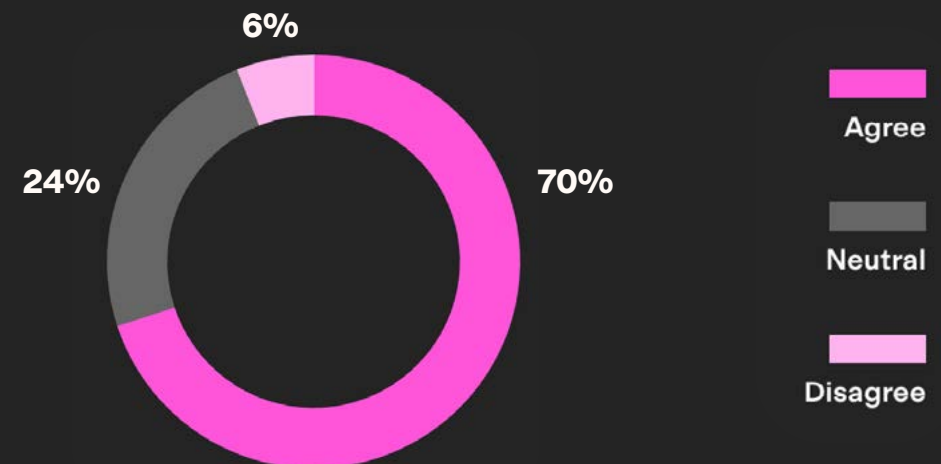
88% will use skills testing more or the same in the next 12 months

96% will keep or increase the budget they have for skills testing

7.6 Looking ahead: 96% will keep or increase their budget for skills evaluation

Skills testing is set to become a permanent fixture in the hiring process. The majority agree that skills-based hiring will be the dominant recruitment method of the future, and **88%** will use skills testing the same or more in the next 12 months. Despite a lack of budget for skills evaluation being a problem for employers, **96%** say they will keep or increase the budget they have.

Challenge	Percentage of employers facing this issue
Finding the right software and tools	40%
Lack of budget	40%
Concern about adding an additional step to the hiring process	32%
Difficulty evaluating test results from a large number of candidates	30%
Lack of buy-in from internal stakeholders	25%
Unsure which assessments to use	21%
Unsure about quality and integrity of tests	17%

4 IN 10

⚑ Lack budget for skills tests - twice as many as last year

3 IN 10

⚑ Struggle with evaluating a large number of test results

08 DIVERSITY AND INCLUSION

are still on the table

08 DIVERSITY AND INCLUSION ARE STILL ON THE TABLE

Following a slew of attacks on DEI from President Trump, and an executive order that's essentially made DEI programs illegal, 2025 has seen US employers roll back on their commitments.

Recent guidance on the EEOC's website sets out several examples of potentially unlawful DEI-related discrimination. These include using quotas and "taking an employment action motivated... by race, sex, or another protected characteristic." The future of DEI is uncertain. However, our data this year reveals a commitment to diversity and inclusion from the majority of companies.

8.1 Majority of employers say diversity and inclusion are important

79% of the employers we surveyed say having more diverse teams is important to their company. This is consistent across UK and US employers. However, we see significant differences in attitudes towards diversity when we look at responses from skills-based hiring employers vs. those who are not hiring for skills.

83%

say a diverse team is important
(using skills-based hiring)

58%

say a diverse team is important
(not using skills-based hiring)

"

Allyship and inclusive behaviors have a virtuous cycle. The more you care, the more you educate yourself, the more you demonstrate it publicly, the more minorities will trust you, the more they will share with you about existing non-inclusive behaviors and the more you will learn, leading you to care even more.

Thomas Coffin, VP of Engineering at TestGorilla

In addition, **84%** of the employers we surveyed say building an inclusive culture is important to their company. This is slightly higher for UK employers (87%), and slightly lower for US (81%). Again, a greater percentage of skills-based hiring employers say building an inclusive culture is important:

- 87% of employers who hire for skills say building an inclusive culture is important to their company, compared to 70% of employers who don't

Support for diversity and inclusion is strong – especially among employers who recognize, and practice, the need to put skills first.

8.2 The equity dilemma

These numbers, especially for the US, may come across as surprising given the DEI rollback. Whilst US workers' views on DEI are slowly growing more negative, our data shows the majority perceive diversity and inclusion as important [4].

The real sticking point, then, is equity. Dubbed by Forbes contributor Sheila Callahan as **'The DEI Dirty Word'**, the term has been a lightning rod for controversy since it was added to the D&I word bundle in the early 2000s. [5] Last year the Society for Human Resource Management (SHRM) removed the word from its lexis and now leads with 'Inclusion and Diversity.'

In a video interview, SHRM CEO Johnny C. Taylor said that one reason for the move is that leaders were still confused about what equity meant.

In his view, 'equity' just isn't a hill worth dying on. [6]

> *Some people believe it means equal outcomes, others equal opportunity, some say equity is about people who've been historically underrepresented in opportunities and others say equity is equality for everyone. It's contextual, so there was just a lot of confusion–it was the source of division.*

SHRM CEO Johnny C. Taylor

> **"**
>
> *Skills-based hiring is a powerful driver of equity. It shifts the focus from traditional CVs – which often reflect privilege more than potential – to real, demonstrated capability. When designed intentionally, it helps remove bias from decision-making and gives overlooked candidates a genuine shot at being seen, valued, and hired.*

Fiona Barron, Director of
The Gender Equity Collective

8.3 Unfair treatment is still commonplace in hiring

The need for more inclusive workplaces and hiring practices is undeniable. **42%** report experiencing bias in the hiring process. Only **9%** of people haven't experienced discrimination in the workplace. [7]

So how do we promote fair hiring practices now that DEI is under attack? Do we fight? Or do we build new frameworks entirely?

As experts begin to envisage what that might look like, one thing is crystal clear. **However DEI evolves, there's a place for skills-based hiring**. It continues to be a way for employers to build fairer hiring practices that promote equality of opportunity and give all candidates a fair shot at landing their dream job.

8.4 Towards holistic, merit-based hiring practices

The premise of skills-based hiring is that all applicants are assessed on specific skills that are relevant to the job at hand and dictate job success. If you excel in these skills, you'll be considered for the job.

Skills are measured using valid and reliable means, and skills-based data is used to make objective screening decisions. It's merit-based hiring, but skills become the merit-able thing rather than a specific type of expected education or experience. Because of

this, it's a less biased way to hire.

It's not perfect, and – just like DEI – there are plenty of ways to do it badly. But investing in skills-based hiring is our best chance at building a world where **fair recruitment practices are normal and effective.** Doing it holistically means understanding who your candidates really are, beyond their backgrounds, beyond their resumes. Luckily, this is also the best way to find a great match for the job.

> *Investing in skills-based hiring is our best chance at building a world where fair recruitment practices are normal and effective*

09 CONCLUSION

09 CONCLUSION

The findings of this report reflect a world of difficulty and uncertainty for everybody. Despite political and economic changes, AI advancements, and market shifts, companies are looking for talent and talented job seekers are looking for work. Right now, it's harder than it should be for them to find each other and make a match.

Employers who are ramping up with skills-based hiring are seeing results. Using skills tests to look beyond resumes and identify people with the skills they need leads to higher satisfaction – and they are more likely to make great hires *thanks to* (rather than in spite of) their hiring processes. But even these employers report that hiring is getting harder. Skills-based hiring employers should focus on nailing down which **job-relevant skills** to test for, making

it **multi-measure**, and doing it at the **top of their hiring funnel.**

Additionally, it appears that **employers overall are not hiring holistically enough**. Hiring processes need to make room for nuance. They should include and measure all of the things that make a match – and this goes beyond experience alone to include relevant skills, the potential to learn and grow, and alignment with company culture and values.

Job seekers want to be seen holistically and judged fairly – as the findings of this report show, many of them have struggled in previous roles where they haven't been understood holistically and have been hired for their experience alone. When hiring becomes **holistic from the get-go**, match-making gets easier, and dream hires meet dream roles.

10 SOURCES

10 SOURCES

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7. Monster, 'Poll Results: Workplace Discrimination' (July 2023)

8. Johnny C. Taylor of SHRM: Navigating Leadership and Inclusion, Culture Leaders Podcast (July 2024)

9. Monster, 'Poll Results: Workplace Discrimination' (July 2023)

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THANKS FOR READING!

Keen to see how skills-based hiring can transform your recruitment?

Get a free demo