

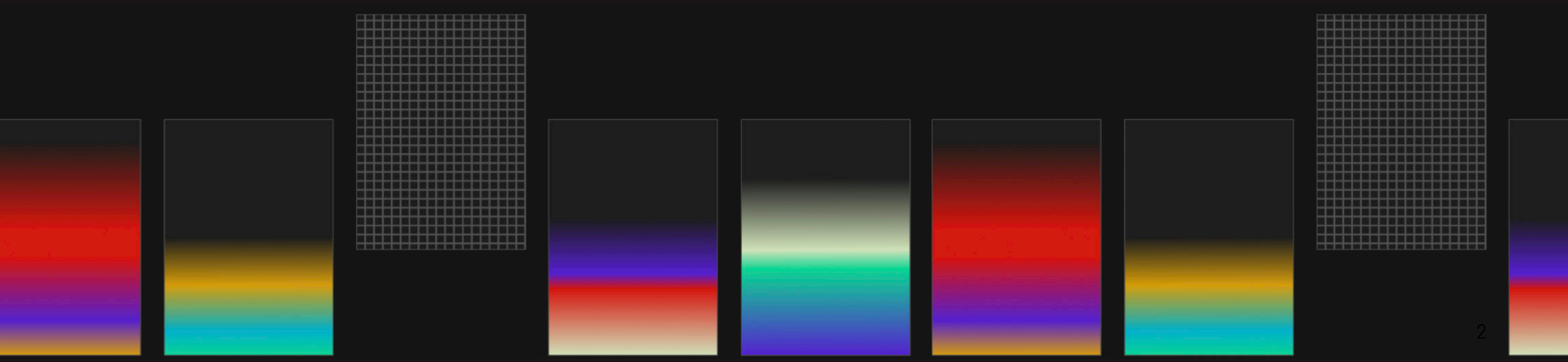


# **The SMB's Complete Guide to Skills-Based Hiring**

Stop missing great people because of outdated hiring rules

# Chapter 1:

## The Reality Check Every SMB Needs



## The numbers don't lie

Your hiring struggles aren't in your head. CEOs say skill gaps are blocking company growth in nearly 75% of cases<sup>1</sup>, and small businesses are getting hit the hardest.

### Here's what's happening:

More than 4 in 10 managers named finding candidates with the required skills among their top hiring challenges<sup>2</sup>

57% of small business HR teams said attracting new employees was one of their top business priorities<sup>3</sup>

Only 32% of business leaders are confident their organization has the skills needed for long-term success<sup>4</sup>

## Why traditional hiring isn't working

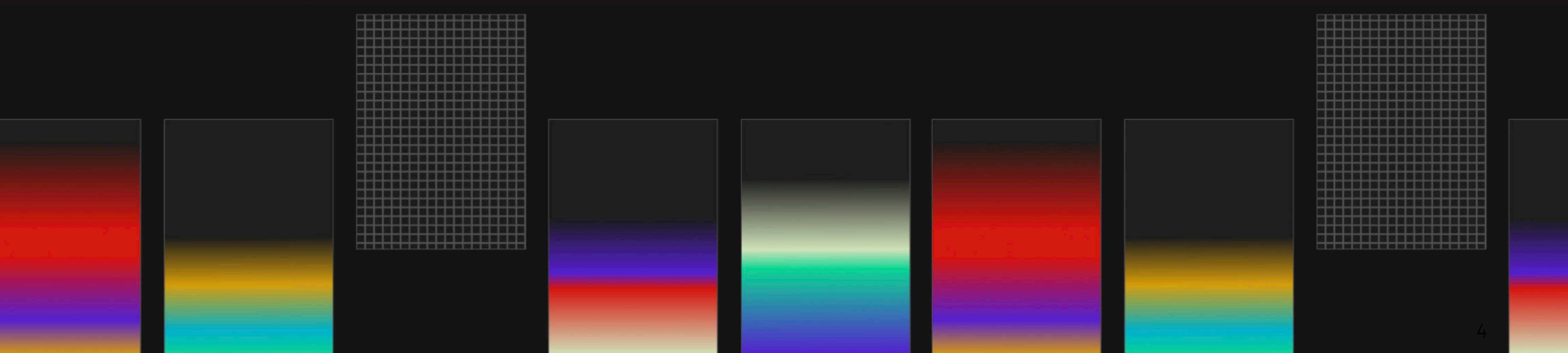
You're competing with companies that have bigger budgets, fancier offices, and well-known names. But you're still using the same playbook they are—without all the resources. That's a problem.

We get it—you want great talent! When you post a job requiring a bachelor's degree for a role that doesn't actually need one, however, you're fishing in the same small pond as everyone else – and losing to that whale of a competitor every time.

<sup>1</sup> Robert Half, "2024 Salary Guide: Demand for Skilled Talent" (2024)  
<sup>2</sup> Robert Half, "The Great Resignation: How managers can retain talent and reduce turnover" (2023)  
<sup>3</sup> SHRM, "The State of the Workplace Study" (2024)  
<sup>4</sup> Deloitte, "Future of Work in Government" (2024)

## Chapter 2:

# How Degree Requirements Are Sabotaging Your Hiring



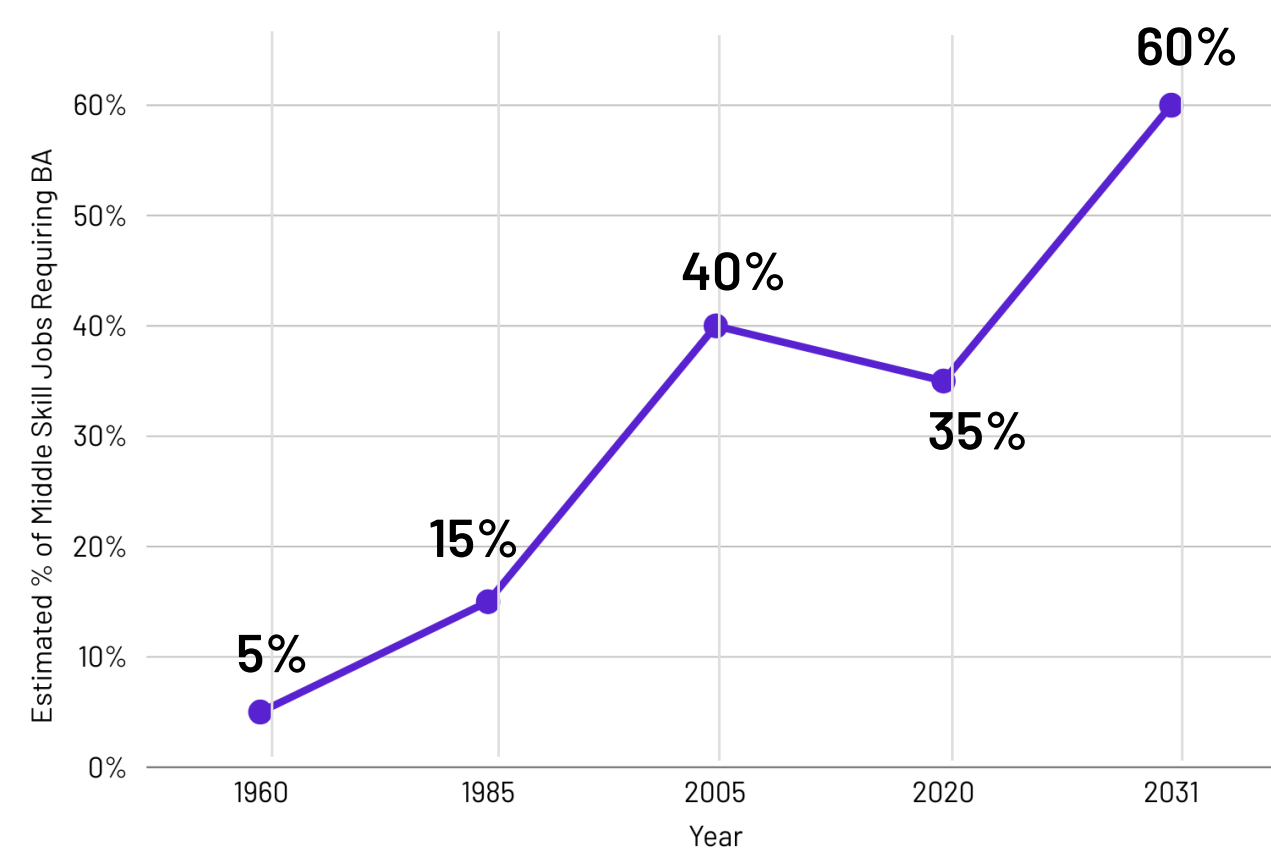


## The Degree Inflation Problem

More than six million middle-skills jobs in the U.S. are now at risk of degree inflation” – requiring college degrees for jobs that don’t really need them<sup>5</sup>.

### Think about it:

Two decades ago, companies began adding degree requirements to job descriptions, even though the jobs themselves hadn’t changed.



Estimated Share of Middle-Skill Jobs Requiring a Bachelor's Degree (1960-2031)

## The Hidden Costs

When you require degrees unnecessarily, you're:

### Shrinking Your Talent Pool:

Four-year degree requirements automatically screen out 83% of LatinX and 76% of African American candidates<sup>6</sup>. You're also missing out on experienced workers who built their skills on the job.

### Missing Great People:

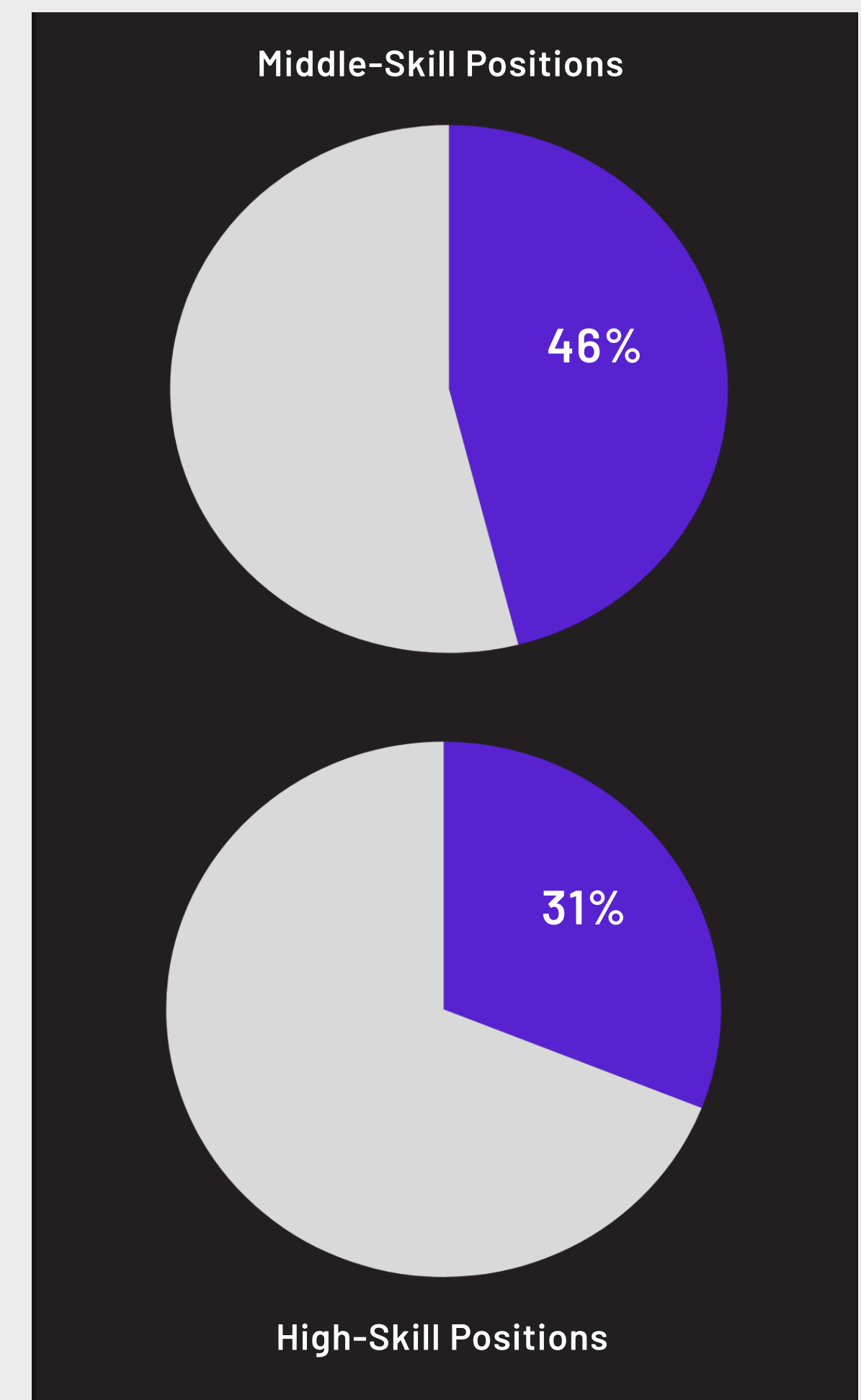
Some of your best potential hires learned their skills through experience, online courses, bootcamps, or just figuring things out. They can do the job – they just don't have the piece of paper.

### Paying More Than You Need To:

Degree holders often expect higher salaries, even when their actual skills aren't more advanced than someone without a degree.

## The Shift is Already Happening

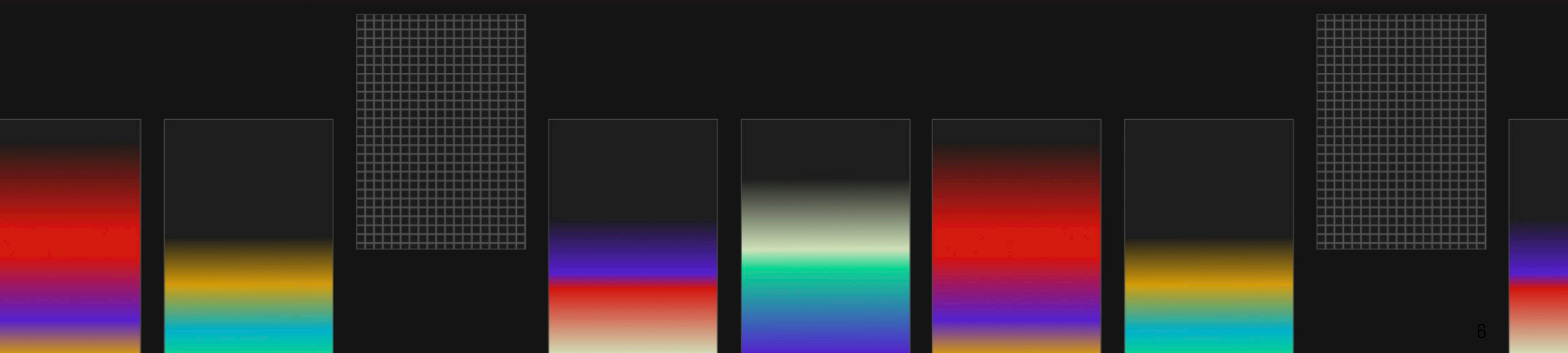
Smart companies are catching on. Between 2017 and 2019 employer demand for degrees-only hiring dropped for 46% of middle-skill positions and 31% of high-skill positions<sup>7</sup>.



<sup>5</sup> Harvard Business School, "Dismissed by Degrees: How degree inflation is undermining U.S. competitiveness and hurting America's middle class" (2017)  
<sup>6</sup> Opportunity@Work & Accenture, "The Torn Safety Net: How Employment Inequities Harm Workers and Businesses" (2021)  
<sup>7</sup> Burning Glass Institute, "The Emerging Degree Reset" (2022)

# Chapter 3:

## Identifying What Really Matters





## Start with the work, not the worker

Before writing your next job posting, ask yourself: “*What does someone need to DO in this role?*” Not what they need to have studied – what they need to accomplish.



## The skills breakdown framework

### Core skills (Must-have)

These are non-negotiable. Someone can't do the job without them.

- Technical abilities specific to the role
- Essential software or tools
- Critical soft skills like communication or problem-solving

### Growth skills (Nice-to-have)

These would be helpful but can be learned on the job.

- Advanced features of software they'll use
- Industry-specific knowledge
- Leadership or mentoring abilities

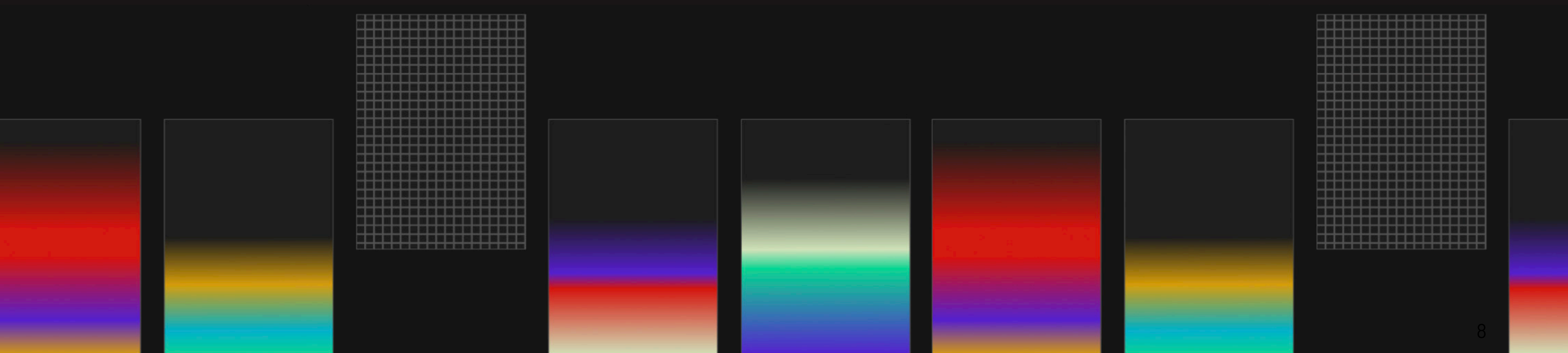
### Bonus skills (Differentiators)

These might set candidates apart but aren't required.

- Additional languages
- Certifications
- Complementary skills from other fields

# Chapter 4:

## Writing Job Posts That Attract Real Talent





# 3 real examples:

## 1. Before & After: Customer Success Manager

The Old Way	The CLARA Way
<p>Customer Success Manager</p> <ul style="list-style-type: none"><li>• Own customer relationships to drive retention, adoption, and expansion</li><li>• Lead onboarding, training, and success programs to accelerate value</li><li>• Monitor account health, resolve escalations, and mitigate churn risk</li><li>• Serve as the customer advocate, providing insights and influencing product improvements</li></ul>	<p>Customer Success Manager</p> <p>Can you turn frustrated customers into happy ones?</p> <p>We need someone who can:</p> <ul style="list-style-type: none"><li>• Have genuine conversations that uncover what customers really need</li><li>• Spot problems before they become cancellations</li><li>• Explain complex features in simple terms</li><li>• Use our CRM system (<i>we'll teach you if you're not familiar</i>)</li></ul>



## 2. Before & After: Marketing Coordinator

### The Old Way

#### Marketing Manager

- Develop and execute integrated marketing strategies to drive brand awareness, pipeline growth, and revenue impact
- Oversee campaign planning, execution, and performance tracking across digital and offline channels
- Manage content creation, messaging, and collateral to support sales and product initiatives
- Analyze market trends and performance data to optimize spend and inform go-to-market strategies
- Must be proficient in Adobe Creative Suite, Google Analytics, and social media management

### The CLARA Way

#### Marketing Coordinator

Can you make people curious about our product?

We need someone who can:

- Write emails that people want to open
- Create social posts that get engagement

Nice to have:

- Look at website data and figure out what's working
- Design simple graphics that attract attention
- Experience with email marketing platforms
- Basic photo editing skills
- Google Ads experience

Don't worry if you haven't used our exact tools – we care more about your thinking than your software skills



### 3. Before & After: Sales Development Rep

#### The Old Way

##### Sales Development Rep

- Conduct outbound prospecting through calls, emails, and social outreach to generate qualified leads
- Research and identify target accounts, decision makers, and key opportunities within assigned territories
- Engage prospects to uncover needs and position solutions, securing meetings for Account Executives
- Maintain accurate CRM records and report on pipeline activity, conversion rates, and performance metrics

#### The CLARA Way

##### Sales Development Rep

Love having engaging conversations?

Your typical day looks like:

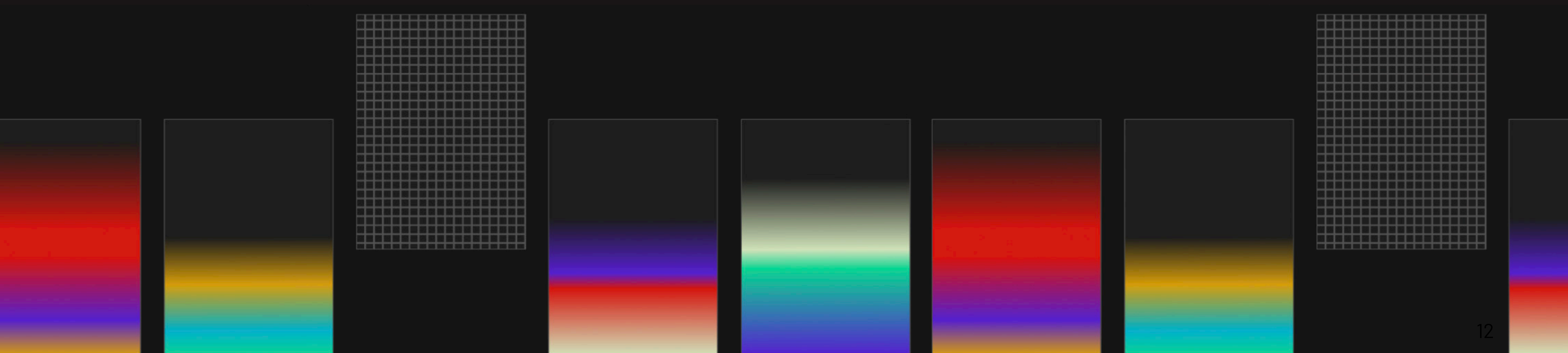
- Reaching out to people who might need what we're selling
- Having conversations that don't feel like sales pitches
- Following up while remaining thoughtful of others' time
- Keeping track of who you've talked to and what they said

Perfect for you if:

- You genuinely enjoy meeting new people
- You can handle 'no' without taking it personally
- You're curious about what makes businesses tick
- You can learn our CRM system (*they're all pretty similar*)

# Chapter 5:

## Assessment Tools That Actually Work





## Skip the personality tests

You don't need to know if someone is an "ENFP" or their "color type." You need to know if they can do the job.

### Here's what's happening:

Give them a real customer complaint email and ask how they'd respond. Judge their empathy, problem-solving, and communication skills.

### For Content Writers:

Ask them to rewrite one of your existing blog posts to make it more engaging. See their writing style and strategic thinking.

### For Data Analysts:

Provide a sample dataset and ask them to find three insights and present them simply. Watch their analytical process and communication skills.

### For Project Managers:

Give them a hypothetical project with competing priorities and ask how they'd handle it. Look for organizational thinking and decision-making.





## Simple skills tests

### Writing sample

More effective than asking about their degree in English

### Problem-solving exercise

More telling than their GPA

### Portfolio review

Shows actual work, not theoretical knowledge

### Trial project

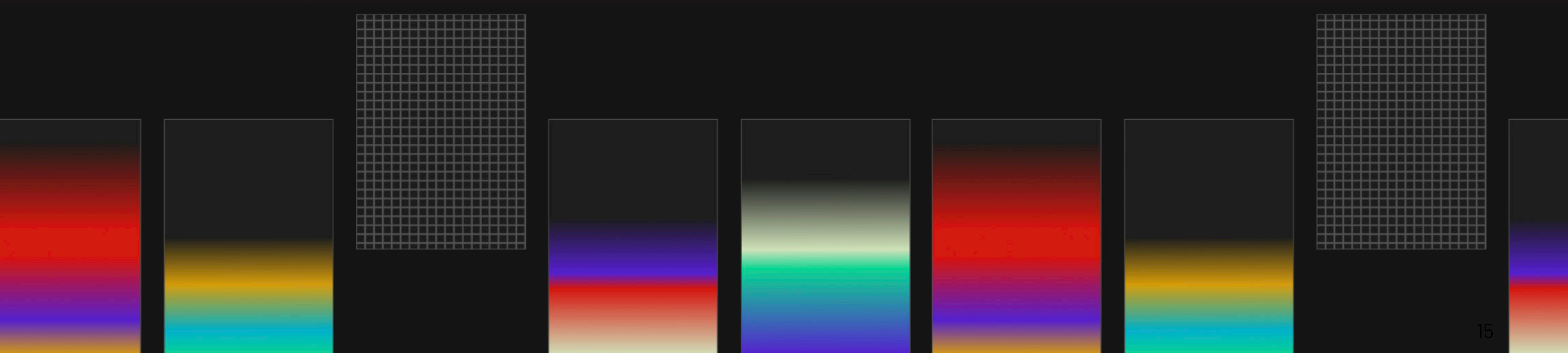
Small paid project to see them in action



## Red flags to avoid

- Tests longer than 2 hours (*you're asking too much*)
- Asking for free work disguised as "assessment"
- Multiple rounds of testing for entry-level roles
- Tests that don't relate to the actual job

# Chapter 6: Making the Transition



## Start small

You don't need to overhaul everything at once. Pick one role and experiment.

### Week 1-2: Audit Your Current Postings

- List every requirement in your job posts
- Ask: *"Is this actually necessary for day one?"*
- Identify which requirements are really preferences

### Week 3-4: Rewrite one job posting

- Focus on what someone needs to do, not their traditional qualifications
- Use plain language
- Include a simple skills assessment

### Week 5-8: Test and Learn

- Compare the quality of applicants
- Track time-to-hire
- Ask your new hire how the process felt





# Getting your team on board

Address the concerns:

*"But how do we know they're smart without a degree?"*

➔

**"We'll test their actual thinking with real work scenarios."**

*"What if we hire someone who can't learn new things?"*

➔

**"We'll ask about how they've learned new skills before and give them a small challenge."**

*"This sounds like more work for us."*

➔

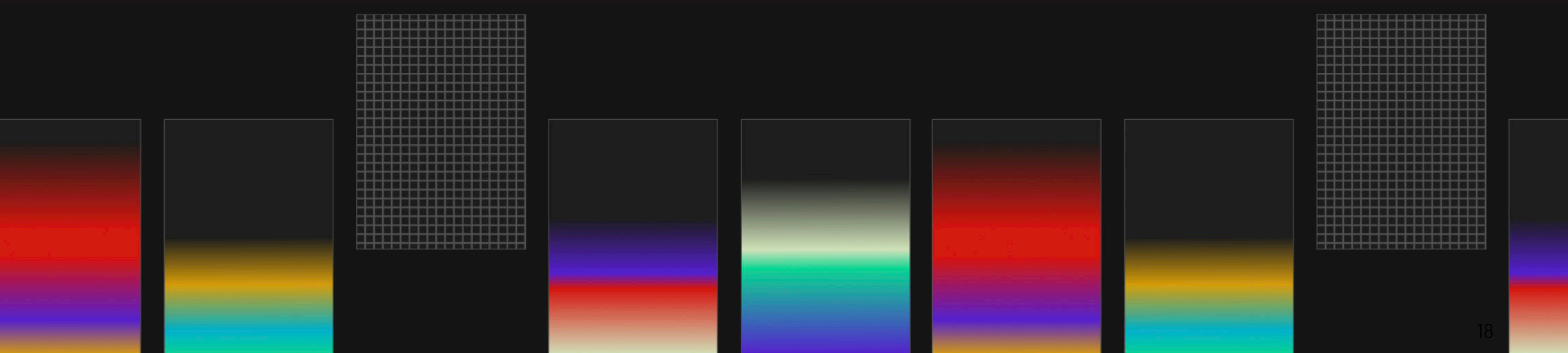
**"It might take a little more work upfront, but we'll spend less time interviewing unqualified candidates with impressive degrees."**

## Common mistakes to avoid

Swinging too far the other way <i>(no standards at all)</i>	Forgetting to update your applicant tracking system <i>(if applicable)</i>
Not training your interview team on what to look for	Not communicating the change to your existing network



# Chapter 7: Measuring Success





## Track what matters

### Quality metrics:

- Time to productivity for new hires
- 90-day retention rate
- Performance ratings after 6 months

### Efficiency metrics:

- Time from posting to offer accepted
- Number of qualified candidates per posting
- Interview-to-hire ratio
- Recruiting cost per hire

## After 6 months of skills-based hiring, you should see:

### More diverse candidate pool

Different backgrounds and experiences

### Faster hiring process

Less time screening out good people for bad reasons

### Better job performance

People who can do the work vs. people who look good on papers

### Higher retention

People who chose the job for the right reasons

## Course corrections

### If you're getting too many unqualified applicants:

Your job posting might be too vague. Add more specific skill requirements.

### If you're not getting enough applicants:

You might be asking for too much. Review what's truly necessary vs. nice-to-have.

### If new hires are struggling:

Your assessment might not be testing the right skills. Talk to top performers about what really matters.

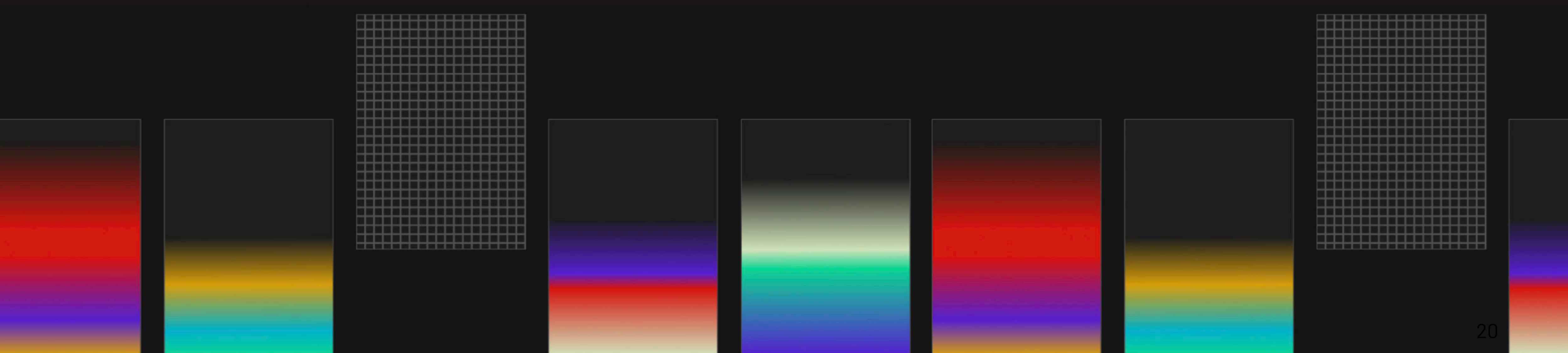


 CLARA™



**Conclusion:**

**Your Competitive Advantage**







While other SMBs are still fighting over the same pool of degree holders, you'll be discovering talent they're missing entirely.

*The best part?* Top-ranked organizations are much more likely to hire workers without college degrees and they're seeing real results<sup>8</sup>.

Skills-based hiring isn't just about being fair – it's about being smart. You'll hire faster and get better results.

For more information,  
please visit

[getclara.io](https://getclara.io)

<sup>8</sup> Harvard Business Review, "Skills-Based Hiring Is on the Rise" (2023)