



Saville
assessment

Science: how it should be driving the skills revolution

White paper



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This paper explores practical strategies for talent management, offering insights into effectively embedding a skills-based approach to prepare for the skills revolution.



Organizations are increasingly moving beyond traditional talent management approaches that emphasize competencies, capabilities, or strengths, and are embracing a skills-based model.

The growing importance of skills-based approaches was also highlighted at the Society for Industrial and Organizational Psychology (SIOP) Conference in Chicago earlier this year, where skills emerged as a key theme alongside AI. Multiple presentations at the conference focused on the shift from qualifications to skills, the need for common taxonomies, and the potential future shift from jobs to tasks and related skills.

According to a report by the World Economic Forum, 50% of all employees will need reskilling by 2025 as the adoption of technology increases, and the skillsets required to thrive in this environment rapidly change¹. Furthermore, research by McKinsey & Company highlights that nearly 87% of companies worldwide recognize that they already face skill gaps or

anticipate them within a few years². A PwC survey found that impacts of current skills gaps can limit the ability of the organization to transform with 78% of UK CEOs reporting this³. Despite the momentum of skills and while 98% of organizations express a desire to transition to skills-based work, and 90% are experimenting with such models, only 20% have fully implemented these practices across the organization^{4,5}.

As organizations find the necessary skills, directly assess skills and manage the emergence of entirely new skillsets in the fast-paced digital era, the focus is shifting towards assessing an individual's potential to learn and develop new skills rather than relying solely on existing qualifications and experience. By prioritizing the potential of an individual to acquire skills through reskilling and upskilling, organizations are better placed to address immediate skill shortages and cultivate a resilient workforce capable of evolving within a dynamic marketplace.

Our approach to skills

At Saville Assessment, we define skills as human attributes developed through learning and experience which underpin effective performance. For further information on our model of skills, please visit our previous whitepaper⁶.

When it comes to implementing skills-based approaches, particularly in assessment, we need to be careful not to confuse or misappropriate other measures and assume that they are skills or measure skills. While many established assessment methods provide a basis to help in the effective

implementation of skills, it is important to be clear that skills are not personality characteristics and cannot be measured by personality or behavioral questionnaires. Neither are they measures of aptitude such as verbal or mechanical reasoning. Perhaps most importantly, we need to differentiate skills from broader measures that underpin effectiveness at work such as competencies, strengths or capabilities frameworks. Skills are more granular and are focused on the elements which are learnable in contrast to these traditional approaches to assessment of performance.



Skills and pre-existing methods of assessment

Skills do not operate in a vacuum. To assess people and talent effectively for hiring, development and talent optimization, we need to determine which assessments and processes to use alongside assessments of skill to create a holistic picture of what drives human potential and performance at work.

Assessing skills and skills development fit within talent management practices and therefore alongside measures of personality and aptitude. These assessments inform and influence skills potential and skills development.

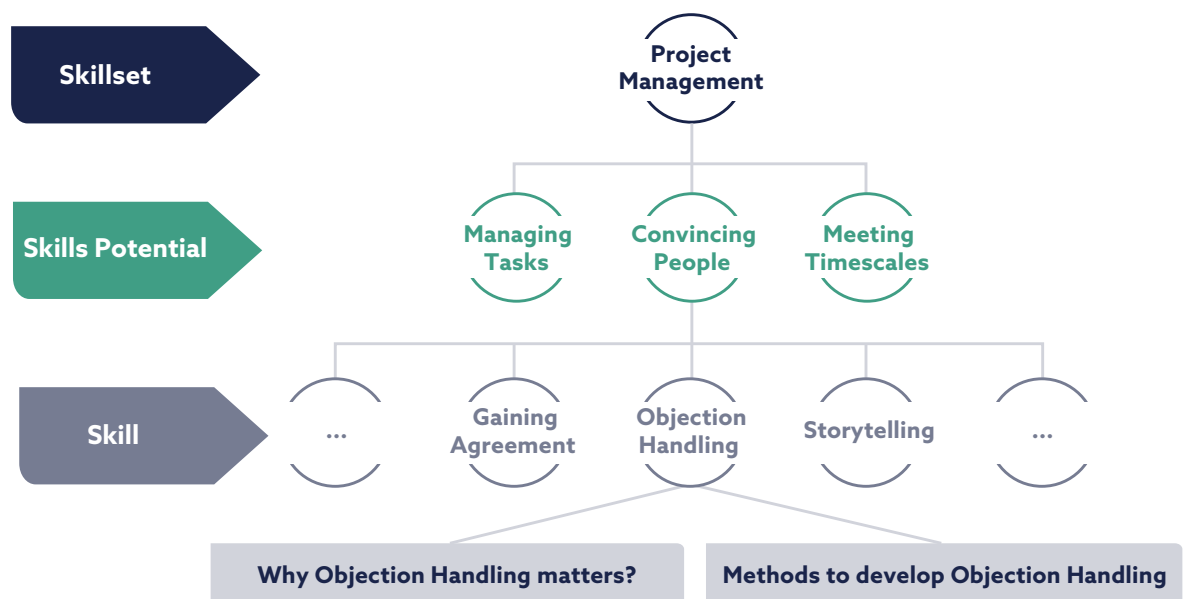
What role does personality play in skills?

We are likely to develop skills faster and to a higher standard of mastery where we have the underlying personality trait that links to the skill. We are also more likely to want to use that skill if it links to our personality.

Looking at the history of personality theories and assessment, the Big Five personality traits—Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism—offer a framework for understanding these connections⁷. For example, individuals high on Conscientiousness are more likely to be organized, disciplined and precise. As a result, they are more likely to be better at developing project management skills and are more likely to use these skills.

Personality traits provide a strong basis for predicting the ease and approach an individual may take when developing a related skill. Our Wave questionnaires measure personality traits through understanding an individual's motivations and perceived talents. We refer to this as our Wave Styles measures which are used to create targeted algorithms that predict an individual's skills potential. This is fundamental in hiring for potential as we identify the individuals most likely to display and develop relevant skills needed for the role.

Skills in Development Journey



What role do aptitude tests play in skills?

Whilst personality is critical in assessing skills potential and therefore shaping skills development, measuring aptitude is still one aspect that supports identifying how likely someone will develop a skill and how well they are likely to perform in that skill area. Combining assessment methods will tell us more about skills potential, predicted performance and how to develop skills.

For roles requiring analytical skills and complex problem-solving, or where learning the skill requires intellectual components, we can safely assume that measuring aptitudes will be important in understanding the development of skills.

What role do situational judgment tests play in skills?

The link between Situational Judgment tests and skills is perhaps less clear. However, it is important to differentiate between acquiring proficiency in a skill and knowing when to use it.

For example, in employee management, understanding whether a situation calls for providing a junior team member with motivation and encouragement, or if it is more beneficial to provide them with clear direction, can greatly impact their performance. Misjudgment of the situation by failing to appreciate what matters most can lead to the application of an unsuitable skill, resulting in a significantly poorer outcome.

To successfully foster the shift to skills-based organizations, leveraging a portfolio of powerful, science-backed tools is essential. These tools provide a deeper understanding of true potential,

enabling organizations to implement effective strategies for closing skills gaps while building a more agile and adaptive workforce equipped for the future.



Applications of skills

There are two areas where we will focus on applying skills to give a deeper insight into how we view them in practice.

Skills-based hiring

How do we implement skills-based hiring? The first question to ask is whether we are looking for someone who possesses the required skills for the role on day one or if we are looking for someone who can develop the skills with ease and will reach a high level of mastery quickly. The answer will shape the steps in your skills-based hiring and approach, particularly when we think about interview design, which we will come to.

A consistent assessment step for all should be identifying candidates' skills potential, as assessed by Wave. However, before setting up any assessments, you should be clear on what the critical skills potential areas are related to the role and their relative importance. Having hiring stakeholders agree is an important step in the process of skills-based hiring.

Understanding skills potential based on the role requirements provides a robust foundation for quickly identifying where the candidate may demonstrate ease in acquiring related skills or where there could be gaps.

The next step we consider is determining what type of interviewing approach matches your needs. Where you are looking for someone with the potential to learn skills and do not require them to have already gained experience developing all the skills, keeping your focus on skills-potential interviewing questions would be appropriate. In this case, you can focus on the past behaviors candidates have demonstrated to predict performance.

However, where you need skills on day one, you can adopt a skills-based interview approach where you can combine understanding of their skills potential from directly interviewing for evidence of possessing the skill, their development of the skill and their current level of mastery of the skill. This is more likely to be relevant for experienced hires who can demonstrate evidence of the skill. In combination, with skills potential from Wave, skills-based interviewing allows you to identify candidates who both possess the required skills and can pivot to develop the skills that are likely to be needed in the future.

The following table explains in more detail when to focus on assessing skills potential versus a combined approach.

Skills (+ Skills Potential)	Skills Potential
Experienced in using the skill	Inexperienced in the skill
Trained in the skill	Untrained in the skill
Need the skill immediately	Need to develop skills for the future
Skills unlikely to change	Will constantly need new skills
Example role: Project Manager	Example role: Early Careers recruit

Skills-based interviewing

When implementing skills-based interviews there are a couple of considerations:

- A skills-based interview should seek to gather evidence of skill mastery and evidence of how that skill has been mastered, and continues to be developed.
- Skills-based interviewing can also focus on evidence of learning to help interviewers understand mastery level and understand the future potential to develop related skills.

A look forward to skills development: considerations for talent development and talent management

Having a good understanding of preferred behavioral styles informs how a new skill may best be developed – with an approach that is specific to the learner. By considering Wave Styles to predict skills potential, we open the door to a more personalized approach to skills development.

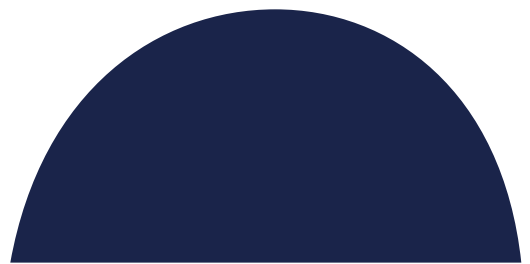
Let us bring this to life by taking the example of someone who is high on curiosity. As defined by Wave, curiosity is underpinned by being more insightful and learning oriented, meaning that this person is likely to want to learn upfront to understand the skill in depth before they attempt to practice the skill. Therefore, it may be beneficial to provide them with the resources and time to review information before practicing the skill.

For optimized skills development and higher overall performance, Saville Assessment advocate a strong focus on experiential learning or learning in the flow of work. This is real-time development, through everyday practice and using the immediately-available resources such as on-the-job observation and feedback to gauge progression of development.



In summary, skills - what matters?

- ▶ Skills-based hiring that is grounded in science by being supported with well-validated tools to measure skills potential as well as measuring skills where required.
- ▶ Assessing skills potential and skills can create greater strategic alignment in talent acquisition whilst also creating an employee development journey from day one – bridging the gap between talent teams.
- ▶ Focusing on skills potential and individual differences allows for personalized skills development journeys.
- ▶ A focus on experiential learning is key to the development of skills at work.
- ▶ Leveraging technology to provide personalized learning and skills development journeys is the way forward – more to come from Saville Assessment on this soon.
- ▶ Skills are not the only thing we need to measure – it is generally critical to understand the individual's role in the team or, if they are a leader, their potential areas of impact or heightened risk.





References:

¹World Economic Forum (2022), The Reskilling Revolution

²MicKinsey & Company (2020), COVID-19 and reskilling the workforce

³PwC – Financial Times – Partner Content by PwC, Tackling transformation

⁴Forbes (2024), Why We Need To Evolve Toward Becoming A Skills-Based Organization

⁵Forbes (2020), It's About To Happen: The Shift From Jobs To Skills-Based Organizations

⁶Saville Assessment (2024), The Science of Skills

⁷Digman, J. M. (1990). Personality structure: Emergence of the five-factor model. Annual Review of Psychology, 41(1), 417-440.





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