



Recruiting with essential skills

Toolkit for Smaller Businesses

Part One: Introduction



Skills Builder
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Introduction

Small and medium-sized enterprises (SMEs) form the backbone of the UK economy and their continued growth and success are vital in these times of rapid change. Whether it's environmental regulations, technological advancements, or social change, businesses need the right talent to adapt and thrive. This means recruiting individuals with the skills and versatility to drive your organisation forward.

How can hiring for the right skills help your business navigate changes?

Which skills can drive up performance and productivity?

How can a focus on skills help to diversify your organisation?

There is no doubt that these concepts will demand a set of technical skills - those skills required to perform specific roles. But in the face of rapid change, technical skills can become quickly outdated. Businesses should not solely rely on recruiting for technical qualifications, experience and skills. Instead, they need to secure a diverse set of highly transferable skills to build an adaptable, sustainable workforce that continues to develop in years to come. Skills such as teamwork can help staff in smaller businesses effectively collaborate and creativity which brings new ideas and perspectives.

Now, more than ever, essential skills could prove vital for your business.

Introduction

Businesses of different sizes and across a wide range of sectors are impacted by these problems. The added challenge for small and medium-sized enterprises can be limited capacity, financial constraints and competition against larger companies.

This leaves many smaller businesses:

Struggling to recruit people with the right skills:

78% of SMEs reported they had difficulties recruiting in the previous 12 months

82% reported a lack of individuals with the relevant qualifications, skills and experience

60% reported a low number of applications generally for advertised positions

Hit hard with the cost of bad hires:

The cost of a bad hire is estimated to be three times higher than the salary paid

With limited staff and resources, even one employee leaving or not performing well can significantly hinder an SME's efficiency

Have you encountered any of these challenges in your business?

How this toolkit can help

Brought to you in collaboration with [Lloyds Banking Group](#) and the [Skills Builder Partnership](#), this 3-part toolkit provides advice and guidance on creating an effective skills-based hiring approach for your business.

In particular, you will learn:

- How to clearly define and communicate the skill requirements for roles across your business, using the Skills Builder Universal Framework.
- How to support prospective candidates to feel confident to apply and clearly articulate their skill strengths and the value they can bring to your business.
- How to make objective hiring decisions during a range of selection processes common to SMEs.

The toolkit includes:

1. [Part One](#) - Introduction
Why essential skills are key to enhancing recruitment
2. [Part Two](#) - Preparing for recruitment
How to attract applicants with the right skills
3. [Part Three](#) - Selection
How to select new hires with essential skills

If you are interested in gaining comprehensive support from the Skills Builder Partnership, [click here](#) to download a prospectus or book in a chat with us to find out more.

Essential skills

Essential skills are those highly transferable skills that everyone needs to do almost any job. In themselves, skills like leadership and teamwork are at the core of an effectively operating business. In this skills pyramid, they sit between basic skills (literacy, numeracy and digital skills) and technical skills (anything from plumbing to accounting).



In the shift from a focus on basic skills in education, to technical skills in employment, essential skills are often under-invested in. This presents a significant opportunity for employers looking to improve the skills and adaptability of their employees.

These essential skills are:



LISTENING
Receiving, retaining and processing of information or ideas



SPEAKING
Oral communication of information and ideas



PROBLEM SOLVING
The ability to find a solution to a situation or challenge



CREATIVITY
Use of imagination and generation of new ideas



STAYING POSITIVE
Ability to use tactics and strategies to overcome setbacks and achieve goals



AIMING HIGH
Ability to set clear, tangible goals and devise a robust route to achieving them



LEADERSHIP
Supporting, encouraging and developing others to achieve a shared goal



TEAMWORK
Working cooperatively with others towards a shared goal

Essential skills

The Skills Builder Universal Framework is the world's leading tool for defining, measuring and building the eight essential skills. It breaks them down into a sequence of 16 steps, starting with absolute beginner through to mastery.



Visit the Universal Framework online [here](#)

This toolkit will focus on the value that the Universal Framework for essential skills can bring to recruitment processes and how it can support your business to attract and select the right hires.

Essential skills in recruitment

Recruiting with essential skills and the Universal Framework could result in a number of benefits for your business:

Increased performance and productivity

- Hiring for skills is **five times** more predictive of job performance than hiring on education and qualifications. It is also **two times** more predictive than experience.
- Essential skills are vital in achieving objectives and building strong relationships with colleagues, clients and partners.
- A focus on essential skills could lead to a more productive workforce and a reduction in bad hires.



Resilience to change

- By recruiting on more than experience, you access a **wider talent pool** including younger applicants who bring new perspectives.
- Essential skills transfer across industries and roles and allow people to adapt, learn and thrive.

Essential skills in recruitment

Diversity of talent

- Clearly defining the skills required for a role helps to create a more **inclusive** recruitment process.
- Skills-based recruitment widens and diversifies the talent pool, encouraging applications from those who have developed skills outside of formal education and employment.
- **64%** of people are more likely to apply to a role if the job description clearly explains the essential skills required.

Enhanced Employer Value Proposition

- **92%** of people believe that essential skills are important for success within their career, exceeding both sector specific knowledge (84%) and technical skills (65%).
- Through focusing on essential skills within recruitment, you show that you value more than just qualifications and experience.
- It can boost your Employer Value Proposition, attracting a **higher volume** of applicants who are clearer on the skills they need to demonstrate.

What's next?

Part two: Preparing for recruitment

The next part of this toolkit provides practical guidance on how you can use the essential skills to attract the right people to your vacancies.

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Recruiting with essential skills




Toolkit for Smaller Businesses

Part Two: **Preparing for recruitment**



Introduction

The first stage of recruiting a great hire is to attract high quality applicants. Job descriptions play a key role in ensuring the right people find your vacancies and feel motivated to apply.

✓  **Imagine a world where employers and candidates**
✓  **speak a shared language for essential skills - the**
✓  **Universal Framework makes this a reality**

This part of the toolkit will provide practical support on how to clearly communicate essential skill requirements within a job description using the Universal Framework.



“The Framework added to the professionalism of our recruitment, and gave us an ‘off the shelf’ framework we could apply when going into a time constrained recruitment process”

Recruiting Manager, [SME in the charity sector]

Introduction

The [Universal Framework for essential skills](#) is a fantastic tool to effectively prepare to recruit someone new.

In particular:

- It provides a language for hiring managers to accurately consider and communicate the skill requirements for a role.
- It helps to clarify and define what an applicant is required to demonstrate in the selection process, enhancing the appeal of a role.
- It prepares candidates to create a stronger application and perform better in the selection process.



Step 1 | Categorise qualifications, experience & skills

The person specification on a job description - where you outline the key responsibilities for the role - is typically the first point of contact between you and a potential candidate. For those leading on recruitment, it provides a fantastic opportunity to clearly define the role requirements and encourage the right person to apply.

The first step to building an effective person specification is to create clear and separate categories for:

- Qualifications
- Experience
- Technical skills
- Essential skills

You could also choose to add character attributes or qualities. However, the focus should be on creating a job description that makes clear distinctions between each of these so that applicants can easily assess their suitability for a role and submit higher quality applications.

Example

This...

Our ideal candidate:

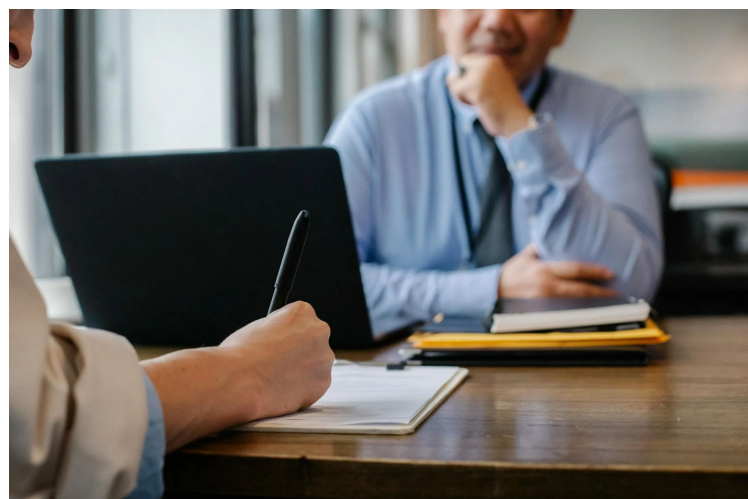
- An accomplished book keeper, working closely with the team to create and analyse financial reports
- Can demonstrate strong communication skills, marked by clarity and sensitivity.
- Dedicated to legal compliance with a finance or accounting - related degree
- Familiar with accounting software.

Step 1 | Categorise qualifications, experience & skills

Becomes...

Qualifications:	<ul style="list-style-type: none">● BS degree in Finance, Accounting or Business Administration
Experience:	<ul style="list-style-type: none">● Proven bookkeeping experience
Technical skills:	<ul style="list-style-type: none">● Data entry skills● Ability to calculate, post and manage accounting figures and financial records● Proficient in Microsoft Office
Essential skills:	<ul style="list-style-type: none">● Strong speaking and listening skills● Good problem solving skills● Fine attention to detail● Team player

In the second version, categorising qualifications, experience and different types of skills means the individual can quickly and easily assess their suitability for the role.



Step 2 | Define essential skill requirements

Typically, job descriptions describe the qualifications, experience and technical skills required well. However, despite being critical for the job, essential skills can be overlooked.

Essential skills:	<ul style="list-style-type: none">● Strong speaking and listening skills● Good problem solving skills● Fine attention to detail● Team player
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What do good problem solving skills look like in practice?

What does this business mean by “strong” speaking and listening skills?

Vague phrases like "team player" are subjective and open to different interpretations by applicants, hiring managers, and interviewers. This can lead to two problems: unqualified candidates applying, and qualified candidates being overlooked because their understanding of the skill doesn't match the expectations.

This recommendation focuses on using the Universal Framework to clarify what is meant by each stock phrase. This involves:

1. Getting to know the [Universal Framework](#) - familiarising yourself with each skill and the steps involved.
2. Considering the stock phrases used in the job description against the Universal Framework - which step of the framework would better explain what you would like a candidate to demonstrate?

Step 2 | Define essential skill requirements

It might be tempting to only include higher steps of the Framework across all your job roles. However, instead you should aim to determine your **minimum essential skill requirements**.

It can be helpful to reflect on the level of the role, potential salary and responsibilities to identify what is required.

“It’s challenging to find the right people, and our person specifications were very broad and generic, using unqualified phrases such as ‘good communication skills’ – but we didn’t know how to improve them.”

HR Business Partner, [SME in manufacturing]

Example

This...

Essential skills:	<ul style="list-style-type: none">● Strong speaking and listening skills● Good problem solving skills● Fine attention to detail● Team player
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Step 2 | Define essential skill requirements

Becomes...

Essential Skill requirements:

- Speaks effectively by making points in a logical order ([Speaking - Step 3](#))
- Explores problems by creating different possible solutions ([Problem Solving - Step 4](#))
- Works with care and attention to detail ([Aiming High - Step 2](#))
- Works well in a team by taking responsibility for completing own tasks ([Teamwork - Step 3](#))

These new descriptors support the applicant to better understand what is required on entry into this role and they are more likely to prepare stronger, relevant examples to share during the selection process.



Step 3 | Support applicant preparation

The Universal Framework is a comprehensive tool: it supports individuals to understand the essential skills and provides information on how to define and talk about them. Beyond including the step language of the Framework in your job description, there are some simple ways you can support an applicant to understand your requirements and help them prepare for selection.

1. In recruitment materials, include a link to the [Universal Framework](#) and a short summary explaining how it can support preparation for the selection process.
2. For each clearly defined descriptor, hyperlink to the relevant 'build it' page on the Universal Framework to encourage applicants to learn more about the skill steps required.
3. You might also like to use the essential skill icons on the job description to highlight that your organisation values these skills.

“We want to provide a better candidate experience. What we care about with any candidate is that they get lots out of the process.”

Recruiting Manager, [Small Business]

Step 3 | Support applicant preparation

Example

Project Manager

About the role:

We are looking for a project manager to lead large scale IT infrastructure projects for our clients, and ensure they are completed on time and within budget.

Essential skills required:

- [Leadership](#) - ability to recognise the strengths and weaknesses of others in a team and allocate roles accordingly
- [Problem Solving](#) - ability to create solutions for complex problems by generating a range of options
- [Aiming High](#) - ability to set team goals and secure the right resources to achieve them

Visit the [Universal Framework](#) for essential skills to prepare for the selection process.

What's next?

Part three: Selection

The third part of the toolkit explores how you can use the Universal Framework to select the right people for your vacancies.

If you are interested in gaining comprehensive support from the Skills Builder Partnership, [click here](#) to download a prospectus or book in a chat with us to find out more.





Recruiting with essential skills

Toolkit for Smaller Businesses

Part Three: **Selection**



Skills Builder
PARTNERSHIP

Introduction

Recruitment is a resource intense process and the cost of hiring the wrong person can be significant.

It is estimated that a bad hire can cost as much as three times higher than the salary paid

This financial strain is challenging for any organisation but for small and medium-sized enterprises it can have a particularly damaging effect.

Therefore, selecting the right candidate, first time round is crucial. Following the preparation and application phase, the recruitment process moves into shortlisting candidates and assessing their suitability.

Businesses approach shortlisting in a variety of ways which can be influenced by professional standards, the industry itself or the individual business' priorities. In some cases, it is automated or outsourced.

Part three of this toolkit focuses on the **assessment of candidates only**, providing practical advice and guidance on how to use the Universal Framework for essential skills to make more objective hiring decisions across these typical selection methods: interviews, case study exercises and presentations.



Introduction

The [Universal Framework for essential skills](#) is a fantastic tool to effectively assess candidates during a selection process.

In particular:

- It helps assessors understand exactly what to look for when it comes to these skills.
- It provides assessors with more objective assessment criteria, ensuring candidates are judged fairly.
- It creates a fair and transparent selection process for all candidates.
- It strengthens an employer value proposition, increasing the chance of your successful candidate accepting the job offer and unsuccessful candidates considering your organisation again in the future.



Step 1 | Prioritise essential skill steps for selection

An effective recruitment process should be designed to attract and assess the skills that are required to perform the role well. To begin with, these skill requirements should be clearly specified in the job description. **You can find advice and guidance on how to do this effectively in [Part Two: Preparation](#).**

The skills listed and described on the job description should be the same ones used in the selection and assessment process.

This will help:

- Your candidates to better prepare for and succeed throughout the selection process.
- Your business to choose an appropriate assessment method which provides sufficient opportunity for the required skills to be demonstrated or observed.
- Your assessors to reduce their unconscious bias and subjectivity during the hiring decision.

“We used to have a scoring system using numbers - but that was so subjective.”

HR Business Manager, [SME in manufacturing]

Step 1 | Prioritise essential skill steps for selection

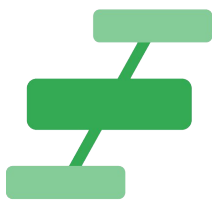
Before deciding how you will assess different candidates, consider the essential skill steps you specified in the job description.

Asking yourself these questions will help you to determine which skill steps to prioritise in the selection process.



Are there any steps already demonstrated during the application stage that do not need to be assessed again?

For example, you may have shortlisted candidates by requiring a written response to a skills-based question, such as 'describe a time where you have generated ideas from a project brief'.



If your assessment does not offer time to cover all the steps specified in the job description, which are a priority for the role?

For example, although your new employee will require all the steps specified, customer facing roles will need strong speaking skills in particular. For a more data or analytical role, problem solving and creativity should be considered a priority.

Step 2 | Choose a selection method

Once you are clear on which essential skill steps you want to assess, it is important to choose the right selection method to allow all candidates to fairly demonstrate those skills.

Candidates can demonstrate their essential skills in two ways:

Talk about their skills

This could be through answering questions and providing examples from previous experience. They can share where and how they have demonstrated the skills you are looking for.

Demonstrate their skills

This might be through pitching a presentation, a group exercise or role play. Candidates have the opportunity to actively demonstrate their skills whilst you observe.

Interviews

These provide a great opportunity to ask candidates skill or competency based questions. The Universal Framework provides a language to help accurately phrase these questions to ensure the candidate provides relevant examples, at the level needed.

Example

This...

Describe a time when you have demonstrated problem solving.

Becomes...

Describe a time where you have tackled a complex problem and used research to build your understanding ([Problem Solving Step 7](#))

Step 2 | Choose a selection method

Assessing Listening and Speaking

By design, an interview requires a candidate to demonstrate their speaking and listening skills. Interviews are therefore a great method to not only ask candidates about their skills directly, but to also observe speaking and listening skills at the same time.

Example

- Listening - is the candidate demonstrating listening by asking open questions to deepen their understanding about the role? ([Step 7](#))
 - Speaking - is the candidate speaking engagingly by using facts and examples to support their points? ([Step 7](#))
-

Situational judgement tasks

These tasks usually present a candidate with a role-related workplace scenario and asks them to explain how they would address it. It could involve a project brief or case study.

They provide a great opportunity to assess the essential skills of problem solving and creativity.

Example

Whilst the candidate is working through the task, you could observe:

- Problem solving - is the candidate exploring the problem by creating different possible solutions and thinking about the pros and cons? ([Step 5](#))
- Creativity - is the candidate developing their ideas by considering different perspectives? ([Step 10](#))

Step 2 | Choose a selection method

Observational tasks

These enable you to evaluate a candidate by observing their skills in action. They may be carried out as a group task, or on an individual basis for smaller organisations.

An observation task carried out in a group provides a great opportunity to assess the essential skills of leadership and teamwork.

Example

- Leadership - which candidates are recognising the strengths and weaknesses of others in theme? ([Step 8](#))
- Teamwork - which candidates are contributing to group decision making, encouraging others to contribute to? ([Step 8](#))

For an individual observation task, such as a presentation, it might be more appropriate to assess the essential skills of [speaking](#) or [staying positive](#).



Step 3 | Make the right hiring decision

Once the essential skills are embedded into your selection process, the final stage is to use the language of the Framework to determine what success looks like for a candidate.

Level the playing field for all candidates

A detailed and consistent set of skill success criteria ensures every applicant is evaluated on the same basis. This leads to a more objective hiring process and selection of the best person

The Universal Framework provides a clear and consistent structure for assessing a candidate. It can also easily fit into existing scoring systems used to track candidates during assessment.

1. The **step language** can be adapted to form assessment criteria



Step 3: I speak effectively by making my points in a logical order
Step 5: I speak effectively by using appropriate language

2. The **building blocks** within each step can also be used to create more specific success criteria



Step 5: I speak effectively by using appropriate language




Building blocks:

- Understands what is meant by language and how it varies
- Knows how to judge what language is appropriate in different settings

Step 3 | Make the right hiring decision

Example

Your job description might specify that a successful candidate must be able to develop ideas by considering different perspectives ([Creativity Step 10](#)).



Creativity

The use of imagination and the generation of new ideas

Creativity is the complement to Problem Solving, and is about generating innovations or ideas which can then be honed through the problem-solving process.

The first few steps focus on the individual's confidence in imagining different situations and sharing their ideas.

The focus is then on generating ideas - using a clear brief, making improvements to

Skill Step

0 1 2 3 4 5 6 7 8 9 **10** 11 12 13 14 15

Step 10 | I develop ideas by considering different perspectives

To achieve Step 10, individuals will show that they can actively seek out and consider different perspectives.

In recent steps, the focus has been on how to develop ideas – going beyond just creating them to exploring them further through mind mapping and other tools, and then interrogating them through questioning. This next step introduces the importance of looking at ideas from different perspectives to improve them further.

Building blocks

The building blocks of this step are learning:

- What different perspectives are, and how to seek them out
- How to make sense of different perspectives and use them to improve ideas

Using the building blocks from the [‘build it’ page](#), you could create the following set of success criteria:

- Candidate understands that perspectives can differ
- Understands how to seek out different perspectives
- Candidate can makes sense of different perspectives
- Uses different perspectives to improve ideas

You could select some or all of the criteria to assess.

Thank You

The Skills Builder Partnership aims to promote sustainable business practice which benefits employers, employees and those seeking employment.

By engaging with this toolkit, you are not just ensuring that you attract and select the right candidates for your business. You are also giving a more diverse range of individuals, including those furthest from the labour market, a chance to gain employment with you.

Further support

If you want to make use of this toolkit, but could do with a helping hand, you can gain comprehensive support from the Skills Builder Partnership. [Click here](#) to download a prospectus or book in a chat with us to find out more.

The development of this toolkit was made possible thanks to the generous support of Lloyds Banking Group.

