NEOMA · FREE RESOURCE

The Skills-Based Hiring Playbook.

Traditional hiring is failing Australian businesses. This is the practical guide to fixing it, with frameworks you can use immediately and a case study showing 100% retention.

88%
First-year ROI on skills-based hiring

100%
Retention at 18 months in pilot cohort

5-step
Framework ready to implement now

66%
Female cohort, without lowering the bar

01 / THE PROBLEM

Traditional hiring is no longer fit for purpose.

Australian businesses are spending more than ever to attract technology talent, yet first-year turnover remains stubbornly high. The hiring systems most organisations rely on were built for a different era. In the age of AI, the skills that matter are changing faster than any degree programme can respond.

$35K
Average cost per tech hire

25-40%
First-year turnover rate

3x
More female candidates without degree requirements

65%
Of in-demand skills not taught in CS programs

Hiring based on skills is not a feel-good diversity effort. It is a business imperative to turn workforce risk into competitive advantage.

AUSTRALIA'S TECH SKILLS CRISIS

- Australia will face a shortfall of 300,000 tech workers by 2030
- 56% of organisations report difficulty filling technical roles
- Average time-to-hire for tech roles has grown to 68 days
- Only 27% of tech workers in Australia are women
- Regional businesses are losing talent to Sydney and Melbourne
- Traditional credentials no longer guarantee job readiness

THE GENDER GAP IN TECH

- Women make up only 27% of Australia's tech workforce
- Degree requirements exclude 3x more women than men
- Women are 25% more likely to leave if not promoted in 18 months
- Gender-diverse teams are 21% more profitable on average
- Skills-first hiring is the highest-impact lever available to hiring teams

What genuinely predicts job performance.

Decades of research into hiring and performance point to a clear set of predictors. Many of the most commonly used signals, including university degrees and years of experience, rank poorly. The four factors below consistently outperform all others in predicting whether a new hire will succeed.

Cognitive Ability

01

The strongest single predictor of job performance across virtually every role type. Measures how quickly a person learns, adapts, and solves novel problems. Can be assessed in under 20 minutes with validated tools.

Learning Agility

02

In fast-changing environments, the ability to learn is more valuable than what has already been learned. High learning agility predicts performance in new and ambiguous situations, making it essential for AI-era roles.

Job Simulation Tests

03

Work samples and job-relevant simulations show candidates doing the actual work, not just describing it. They are highly predictive, resistant to bias, and give candidates a realistic picture of the role.

Structured Interviews

04

Standardised questions, consistent scoring criteria, and calibrated panels reduce bias by over 50% compared to unstructured interviews. Every candidate is assessed against the same benchmark.

> *Degrees, years of experience, and unstructured interviews are poor predictors of performance, steeped in bias, and hard to iterate. They persist because they are familiar, not because they work.*

03 / REAL PROOF

Australia's largest retailer. 12 hires. 100% still there.

THE CHALLENGE

- First-year turnover in entry-level tech roles exceeded 35%
- Traditional recruiting produced homogenous, credential-heavy shortlists
- Time-to-productivity averaged 60 or more days, burdening existing teams
- Senior engineers were spending 30% of their time on hiring, not building

THE APPROACH

- Removed degree requirements from all 12 open roles
- Replaced CV screening with cognitive and skills assessments
- Designed structured interview panels with trained assessors
- Introduced a 30-60-90 day onboarding framework for all new starters
- Built 6-month reskilling reviews into the employment cycle

RESULTS AT 18 MONTHS

100%
Retention rate

90.8
Net Promoter Score

66%
Female cohort

30 days
Average time to full productivity

88%
First-year ROI

INVESTMENT		RETURN	
Assessment platform and design	$45,000	Productivity gains (12 months)	$420,000
Recruiter and facilitation fees	$180,000	Avoided replacement costs (zero attrition)	$180,000
Onboarding program delivery	$90,000	Reduced time-to-productivity savings	$105,000
Training materials and tooling	$60,000		
Total Investment	**$375,000**		
		Total Return	**$705,000**

04 / THE FRAMEWORK

A 5-step process for skills-first hiring.

Each step builds on the last. Organisations that implement all five consistently outperform those that adopt only parts of the model. Start at step one and work through in sequence.

1

Role Analysis and Skills Mapping

Define the actual skills required to perform the role successfully, separating must-have competencies from nice-to-haves. Work with hiring managers and high performers to build a validated profile before writing a single word of the job description.

2

Remove Bias from Job Descriptions

Rewrite job descriptions to focus on outcomes and skills, not credentials. Audit every requirement for gender-coded language, unnecessary degree barriers, and experience thresholds that exclude strong candidates without adding predictive value.

3

Design Skills-Based Assessments

Replace CV screening with cognitive ability tests, technical skills assessments, and job simulations. Use validated tools with published reliability data and ensure all assessments are tested for adverse impact before deployment.

4

Structured Interview Process

Standardise every interview with consistent questions, a defined scoring rubric, and a calibrated panel. Train all interviewers before they assess any candidate, and use consensus scoring to remove individual interviewer bias from final decisions.

5

Learning and Development Pathways

Skills-first hiring only delivers long-term returns when paired with structured onboarding and ongoing development. Build 30-60-90 day plans for every new hire, with 6-month reskilling reviews built into the employment cycle from day one.

STEP 01 / DEEP DIVE

Role analysis and skills mapping.

Most hiring fails before a single candidate applies, because the role brief is built around what the last person in the job looked like, not what success actually requires. A proper skills map changes this by anchoring everything to observable, testable competencies.

Technical Skills

- Programming languages relevant to the role
- Data analysis and interpretation
- Tool proficiency for specific platforms
- Systems thinking and architecture
- Quality assurance and testing
- Security awareness fundamentals

Cognitive Skills

- Abstract reasoning and pattern recognition
- Numerical reasoning
- Verbal comprehension
- Problem decomposition
- Learning speed and retention
- Decision-making under ambiguity

Behavioural Skills

- Communication and stakeholder management
- Collaboration and team dynamics
- Ownership and accountability
- Adaptability and resilience
- Feedback receptivity
- Autonomous working style

Must-have vs nice-to-have: Every competency on your map should be classified before interviewing begins. Must-haves are non-negotiable for day-one performance. Nice-to-haves are learnable on the job. A common mistake is treating the entire list as essential, which narrows the candidate pool without improving hire quality.

ACTION CHECKLIST

- [ ] Interview two to three high performers in the role to extract real success behaviours
- [ ] Map every listed requirement to an observable, testable competency
- [ ] Classify each competency as must-have or nice-to-have before writing the job description
- [ ] Review the skills map with the hiring manager and document sign-off before advertising

STEP 02 / DEEP DIVE

Remove bias from job descriptions.

A job description is a candidate's first impression of your organisation, and it determines who applies. Credential-heavy, jargon-laden descriptions actively exclude strong candidates, particularly women, career changers, and people from non-traditional backgrounds.

TRADITIONAL

- Bachelor's degree in Computer Science or related field required
- 5+ years of industry experience essential
- Must have worked in an enterprise environment
- Ninja-level coding skills a must
- Fast-paced, high-pressure team player needed
- Ability to manage multiple competing priorities simultaneously

SKILLS-FIRST

- Demonstrated ability to write clean, maintainable code (portfolio or assessment)
- Experience working with cross-functional teams to deliver software products
- Able to learn new frameworks quickly and apply them to real problems
- Strong written communication for technical and non-technical audiences
- Curious, collaborative, and self-directed in your working style

KEY CHANGES

- [ ] Remove degree requirements unless the role is legally regulated
- [ ] Replace years of experience with specific, observable competencies
- [ ] Audit for gender-coded language (aggressive terms deter women by up to 50%)
- [ ] Lead with what the person will do, not what they need to have done before
- [ ] Cap your requirements list to genuine must-haves only

> *Tools such as Textio and Gender Decoder can identify coded language in job descriptions. A simple rule: if a requirement cannot be tested or evidenced in the hiring process, it should not be listed.*

STEP 03 / DEEP DIVE

Design skills-based assessments.

Assessments replace CV screening as the primary filter. They create an objective, consistent record of candidate capability and hold up to legal scrutiny in a way that subjective screening does not. Done well, they also improve candidate experience by giving applicants a realistic taste of the work.

Cognitive Ability

- Abstract reasoning (pattern identification)
- Numerical reasoning (data interpretation)
- Verbal reasoning (written comprehension)
- Logical sequencing tasks
- Use validated tools with published reliability data
- Keep total assessment time under 25 minutes

Technical Skills

- Coding challenge reflecting real work, not trick questions
- Architecture or systems design exercise
- Data analysis task using a provided dataset
- Code review of a deliberately flawed sample
- Take-home option for deeper role complexity
- Time-box all tasks to respect candidate effort

Behavioural

- Written situational judgment scenarios
- Values and culture-add questionnaires
- Realistic job preview exercises
- Collaboration and team dynamic tasks
- Avoid personality tests without predictive validity evidence
- Align every question to a mapped competency

Follow-up interviews: speak to two or three people across levels

- Include a peer-level team member to assess collaboration style
- Include a senior leader to assess learning agility and growth orientation
- All panellists must complete calibration training before assessing any candidate

STEP 04 / DEEP DIVE

Structured interview process.

Unstructured interviews consistently favour candidates who are confident, well-networked, or demographically similar to the interviewer. Structured interviews, using identical questions, scoring rubrics, and calibrated panels, reduce this bias by over 50% and double the predictive validity of the process.

Learning Agility

- Tell me about a time you had to learn a new skill quickly under real pressure. What was your process?
- Describe a situation where your initial approach turned out to be wrong. What did you do next?
- What is the most recent thing you taught yourself, and how did you go about it?

Problem-Solving

- Walk me through a technically complex problem you solved. What information did you gather first?
- Tell me about a time a project constraint changed your approach entirely. How did you adapt?
- Describe the most ambiguous brief you have received. How did you turn it into a plan?

Collaboration

- Tell me about a time you had to work with someone whose style was very different from your own.
- Describe a situation where you disagreed with a team decision. What did you do, and what was the outcome?

Growth Mindset

- What is the most useful piece of critical feedback you have received? How did you apply it?
- Tell me about a goal you set for your own development in the last 12 months. Where did you land?
- Describe a time you failed at something significant. What did you do with that experience?

> *Score each answer immediately after it is given, before the next question. Delayed scoring is contaminated by overall impression rather than the specific answer, which reintroduces the bias you are trying to remove.*

STEP 05 + METHODOLOGY

Learning pathways and internal mobility.

Skills-first hiring delivers its full return only when paired with structured onboarding and continuous development. A 30-60-90 day plan sets clear expectations from day one and reduces time-to-productivity by up to 50%.

DAYS 1 TO 30

Learn

- Complete induction and systems access
- Shadow two senior team members
- Complete one self-directed learning module
- Weekly 1:1 check-ins with manager
- Complete first skills baseline assessment

DAYS 31 TO 60

Contribute

- Deliver first independent task or project
- Pair with a peer on a live deliverable
- Identify one skill gap and begin addressing it
- Attend cross-functional team meetings
- Mid-point check-in with formal feedback

DAYS 61 TO 90

Lead

- Own a defined work stream end to end
- Present work to the broader team
- Complete 90-day review and skills reassessment
- Set 6-month development goals with manager
- Begin mentoring or knowledge-sharing activities

NEOMA'S METHODOLOGY

Review

Regular skills assessments at 6 and 12 months identify emerging gaps and rising strengths before they become problems or missed opportunities.

Reskill

Targeted upskilling programmes address skill gaps identified in review. Reskilling costs 50 to 70% less than replacing the same capability through external hiring.

Retain

Visible internal mobility and genuine development investment are the strongest predictors of long-term retention. People stay where they grow.

> *Reskilling an existing employee costs 50 to 70% less than replacing them with an external hire. The ROI on development investment compounds over time as institutional knowledge deepens.*

06 / MEASURING IMPACT

Track success and iterate.

Skills-first hiring is not a one-time intervention. It is a system that compounds over time when teams review hiring data, identify what is working, and make disciplined adjustments to the process.

Quality of Hire

Track performance ratings, manager satisfaction scores, and time-to-full-productivity for every cohort hired through the skills-first process. Compare directly against hires made through traditional methods.

Diversity

Measure gender, educational background, and career pathway diversity across each hiring cohort. A well-run skills-first process will consistently produce more diverse shortlists and more diverse teams.

Retention

Monitor 6-month, 12-month, and 18-month retention rates by cohort and hiring method. Skills-first cohorts should significantly outperform traditionally hired groups within the first two full cycles.

Time-to-Hire

Skills-based pipelines, once designed, move faster than unstructured processes. Track time from job posting to offer acceptance and compare against your historical baseline each quarter.

Candidate Satisfaction

Survey all candidates, including those not offered a role. A skills-first process should score significantly higher on fairness and transparency than traditional unstructured interview approaches.

Cost per Hire

Track total recruitment spend including agency fees, internal time, assessment costs, and onboarding. Skills-first processes typically reduce cost-per-hire within two to three hiring cycles.

Illustration: Company A, 50 hires per year

$50K
Skills-first investment

+

$350K
Turnover cost savings

+

$250K
Productivity gains

=

$550K
Net annual benefit

WORK WITH NEOMA

This is exactly what Neoma does.

Free discovery call. No obligation. We assess your current hiring process, identify quick wins, and map a plan you can act on immediately.

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