A Skills-First Blueprint for Better Job Outcomes

New insights from LinkedIn show a steady progression towards a skills-based labor market, spurred on by the pandemic and digital transformation reshaping all aspects of work.

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Jobs are changing, even if you’re not changing jobs. And they are doing so at an increasing rate, accelerated by the pandemic. Upkeeping your skills thus has emerged as a key to staying relevant in your current role, landing a new role, and skills are front and center for all hiring managers searching for the right candidate.

In this sense, skills are the new currency of the labor market. Recent LinkedIn data shows the skill sets for jobs have changed by around 25% since 2015. By 2027, this number is expected to double.
More than 1 billion jobs, or almost one-third of all jobs worldwide, are likely to be transformed by technology in the next decade according to OECD estimates. And LinkedIn’s own data shows that this disruption is already well underway.

Digital transformation has impacted every sector, and the future was pulled forward by the pandemic - with years of technological change happening in a matter of months: in 2020, members added digital skills to their profiles at a faster pace compared to the past two years combined.

Amidst the Great Reshuffle, we’ve seen a huge recent surge in all types of skill-building activity on LinkedIn, with members adding 286 million skills to their profiles in 2021, up 22% from the year prior.

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Even in industries not considered traditionally tech-focused, we’ve seen the top skills transform to reflect this new age of hybrid workplaces, where all functions are increasingly dependent on digital tools to collaborate and perform day-to-day tasks. A couple notable examples:

### Digital Transformation Across Construction-Related Roles

In the U.S, Construction is the industry that saw the most skills change among LinkedIn members from 2015 to now. This industry represents a broad swath of roles on LinkedIn - from contractors, to architects, to construction managers. For architects in particular, digital skills are quickly becoming mainstream - with software tools like Bluebeam and Procore emerging as the new top skills in the field.

For Construction in the United States, skills have changed an average of 36.3% since 2015

### Finance Skills Disrupted by Rise of Digital Currencies

The most prevalent skills among Finance professionals have also reshaped with the rise of digital currencies upending the sector. Cryptocurrency and Bitcoining skills surged towards the top of the list, and notably crypto jobs are some of the fastest growing roles on our platform, as job postings with terms like “Bitcoin,” “Ethereum,” “blockchain” and “cryptocurrency” surged 395% YoY in the U.S. in 2021.

For Finance in the United States, skills have changed an average of 28.8% since 2015
As jobs evolve and demand new skills, hiring managers need to increasingly focus less on traditional proxies like degrees, and more on finding talent whose current skills match the role. We’ve started to see this take off on LinkedIn - as 40% of hirers now use skills data when hiring on LinkedIn, up 20% compared to a year prior. And in 2021 alone, LinkedIn helped 400K+ companies make a skill-based hire.

Companies are realizing that skills-based hiring works: hirers leveraging skills data to find the right match are 60% more likely to find a successful hire than those not relying on skills.

And by removing unnecessary credentials, more workers can transition into better paying jobs via the relevant skills they bring to the role.

Research from Opportunity @ Work shows that people Skilled Through Alternative Routes (STARs) have demonstrated skills for roles with salaries at least 50% higher than their current job. Black, Hispanic, and Veteran workers in particular are overrepresented as STARs in the U.S., and make up the majority of frontline workers. These groups stand to benefit most from a transition towards a skills-based talent ecosystem.

This is just the beginning of a much broader shift that needs to happen to create a more efficient process of matching talent to opportunity.
As jobs are transformed by new technologies, the World Economic Forum estimates we will need to reskill more than 1 billion people by 2030. In addition to digital skills, specialized interpersonal skills will be in high demand in the new hybrid workplace.

The good news is not all new skills are completely new. Many of the top skills in fast-growing and higher paying roles are similar in nature to skills in other fields.

In LinkedIn’s global skills data, we’re able to help members uncover new career pathways by comparing skills across jobs and identifying pockets of “similar skills.” A few examples of potential career pivots into higher paying roles that don’t require much skills overhauling:

**Cashier → Customer Service Representative**

The transition from a Cashier to Customer Service Representative is one occurring fairly frequently on LinkedIn, given the high volume of similar skills like Customer Satisfaction and Sales.

- **Skills Overlap**
  - Cashier: Customer Satisfaction, Sales, Teamwork, Time Management
  - Customer Service Representative: Customer Satisfaction, Sales, Teamwork, Time Management

- **Skills to Build**
  - Cashier: Customer Experience, Typing, Customer Service Representatives
  - Customer Service Representative: Contact Centers, Team Building

A cashier has a **70% skills match** with a customer service representative

**Driver → Supply Chain Associate**

The transition from a Driver to Supply Chain Associate is one occurring less frequently on our platform, but is a potential opportunity given the skills overlap if these workers are equipped with other critical skills like logistics and supply chain management.

- **Skills Overlap**
  - Driver: Delivery, Driver, Inventory Management, Transportation, Warehouse Operations, Time Management
  - Supply Chain Associate: Inventory Management, Transportation, Warehouse Operations, Time Management

- **Skills to Build**
  - Driver: Supply Chain Management, Logistics Management, Shipping
  - Supply Chain Associate: Freight, Inventory Control

A driver has a **57% skills match** with a supply chain associate
The Great Reshuffle is real, and employers are struggling to keep great talent. The share of US LinkedIn members changing jobs has risen by 30% compared to 2021, and 21% compared to 2020.

This is because what professionals expect has changed. More than ever, employees consider opportunities to learn and grow as the #1 driver of great work culture. Yet, our data shows only 52% of employees feel their manager encourages the use of work time to learn new skills.

Many employers are taking note and doubling down on Learning & Development (L&D). We saw a 94% surge in demand for L&D specialists between July and September of 2021 compared to the previous three month period. And companies that excel at internal mobility are able to retain employees for an average of 5.4 years - nearly 2x as long as companies that struggle with it, where the average retention span is only 2.9 years.
There’s no going back to a pre-pandemic economy. Remote work is, in some form or fashion, here to stay. Workers’ expectations are higher than ever. And as the bargaining power tilts in their favor, employees are more willing to walk away if they don’t see companies invest in what matters to them most, like work-life balance, flexibility, and opportunities to learn and develop as a professional.

Amidst all this change, organizations face a choice to continue on with the same conventional ways of working, or to explore new solutions for a new world of work. The old model involved measuring the value of our careers by degrees, job titles, and the number of years we put in at work.

The new way of thinking recognizes that skills, not proxies, are what actually determine our ability to succeed in a job. And our data suggests the skills required to do your job don’t stay constant. They’re changing, and this change is only accelerating as technology advances and disrupts all roles.

Out of necessity in this historically tight labor market, we’ve seen a huge surge in employers finally make strides towards a skills-based model to find new talent, and grow existing talent from within. We need to harness this momentum and bring this to life on a much larger scale in order to achieve a more equitable and efficient talent ecosystem.

At LinkedIn, we sit at a unique vantage point to usher in this new era of a skills-based economy. We have over 36,000+ unique skills our 800M members have added to their profiles, and 17,000+ LinkedIn Learning courses members choose from to build new skills. This data provides a blueprint for where skills are headed next and how employers can equip their teams with the tools needed to identify and develop talent based on skills. We’re committed to using our platform and insights to help more of the global workforce shift towards a skills-based economy, which will open doors for more workers to achieve economic mobility.

— Karin Kimbrough, Chief Economist at LinkedIn

"The new way of thinking recognizes that skills, not proxies, are what actually determine our ability to succeed in a job."
This analysis uses LinkedIn data to show how jobs and the skills workers need to stay competitive in the new world of work are changing. This represents the world seen through the lens of LinkedIn data, drawn from the anonymized and aggregated profile information of LinkedIn’s 800M+ members around the world. As such, it is influenced by how members choose to use the platform, which can vary based on professional, social, and regional culture, as well as overall site availability and accessibility. For each job, we identify the most important skills in each year based on LinkedIn's Skills Genome. See here for more detailed methodology info behind this analysis.

This analysis helps members uncover career paths by matching skills to thousands of job titles. This represents the world seen through the lens of LinkedIn data, drawn from the anonymized and aggregated profile information of LinkedIn’s 800M+ members around the world. As such, it is influenced by how members choose to use the platform, which can vary based on professional, social, and regional culture, as well as overall site availability and accessibility. Skills similarity is calculated using LinkedIn's Skills Genome. See here for more detailed methodology info behind this analysis.

Demand for roles is measures by the number of job posts for that given role on LinkedIn. Demand for L&D specialists increased 94% in July – September 2021, compared with April – June 2021.

LinkedIn is able to specify if hirers are using skills to find talent on LinkedIn by tracking their use of skills facets in Recruiter and skills screening questions. When we map this activity against jobseeker engagement with their jobs and member profile data, we observe that hirers using these tools are 61% more likely to land a hire for their jobs.

This analysis shows the number of explicit skills members added to their profile page and the yearly performances.