Skill Based Hiring Transformation Impact On Talent Acquisition And Internal Mobility

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Abstract

The role of recruitment transformation based on skills in internal mobility and acquisition of talents is addressed in an Indian organization in this study. The approach used in data collection was the mixed methods approach, in which 105 respondents were selected from different sectors like IT/ITeS, manufacturing, services, and education. According to the qualitative interviews where the contextual information was obtained, the quantitative analysis involved regressions, correlation, descriptive statistics, and the hypothesis test. The reliability analysis was applied to test the measurement scales to ensure that the measurement scales had strong internal consistency. The findings showed that the level of awareness and use of skill-based frameworks had better outcomes when compared to recruitment ones, i.e., diversity, retention, and quality of hiring. Essentially, the workers who had competency-based structures claimed to be more willing to advance their careers and be upskilled to improve the internal mobility. Organizational support was proven to have strategic value through the regression process, which indicated that the organizational support mediated the relationship between skill-based recruiting and the results of the employees. Skill-based recruiting, as the results of the research indicate, is a disruptive recruiting strategy that fuels both mobility and acquisition to place the companies in a scenario whereby they are able to generate flexible workforces that are capable of working in the future. Addressing the deficiencies in the local studies, the findings will be useful in the process of scholarly discussion, and there are certain recommendations that may be of use to the HR directors who are willing to introduce the skill-based frameworks as a component of recruiting and career advancement strategies.

Keywords; Skill-based hiring, Talent acquisition, Internal mobility, Organizational support, Career development, Workforce flexibility.

INTRODUCTION

The paradigm shift towards hiring people based on their skills is one of the changes the fields of workforce management and talent acquisition can be considering. Models that are competency-oriented, such as provable skills, credentials, and agility, are gradually replacing the outdated recruiting models that emphasize degrees and official qualifications. This change may be especially applicable to the situation with India, where the companies will have to deal with issues like the accelerated digitalization, staff requirements, and the need to tailor the staff approaches towards the corporate interests (Rachmad, 2025a). This has been further accelerated by the fact that Generation Z is already joining the workforce, with young professionals currently emphasizing certification and competence rather than the use of traditional degrees (Rachmad, 2025b). Competency-based HR management is becoming a part of the digital change age regarding unleashing organizational output (Dubois and Rothwell, 2004). It also includes intelligent career models that place much emphasis on the significance of aligning the organizational strategy with the individual employability (Arthur et al., 1995). A shift of skills-based frameworks in the management of talents is required to improve the efficacies of recruiting and workforce robustness since the business optimizes to Industry 4.0 and further (Sparrow and Makram, 2015).

Skill-based recruiting has significant impacts on internal mobility, career mobility, and organizational agility. According to Thijssen et al. (2008), the employability-link model emphasizes the alignment of skills done to make the employing workforce more adaptable by significantly raising the mediation between the existing work position and the prospective benefits. The worth of internal mobility programs in terms of retention and decrease of costs related to external recruiting is becoming better noted (Bidwell, 2011). The human resource management approaches that aim to guarantee that talented individuals are recruited and retained within the organization position talents in the frontline, as opposed to experience (Hiltrop, 1999). Even more skills-based recruitment is achieved with the help of predictive analytics, fair assessments, and human resources planning in which artificial intelligence are applied to the HR process (Nawaz and Gomes, 2019). During this era of globalization and technological transformation, businesses have to deal with the reality that they need to apply skills-based recruiting to increase the result of acquisition and mobility. This research paper discusses the competency-based recruiting change in the context of internal mobility and talent acquisition that will yield an insight on how companies can use competency-based models to construct future-proof and sustainable workforces.

OBJECTIVES OF THE STUDY

- To explore the relationship of the success of talent acquisition in Pune-based organizations and the knowledge of the skill-based recruiting strategies.
- To study the impact of the introduction of a skill-based framework on the internal mobility of employees and their career development opportunities.
- To evaluate the organizational support on the impact of skill-based recruiting on the overall outcome of talent management.

LITERATURE REVIEW

Jooss, Collings, McMackin, et. al., (2024) also noted that strategic agility is crucial in the current organizations as they have undertaken the study of people management through a skills-matching perspective. According to their research, the degree system of recruiting is becoming comparatively less effective in the bustling business world, where flexibility and observable skills are also required. Through examining the HR practices of global organizations, they have discovered that frameworks that suit skills help organizations in coordinating the competences of their employees based on emerging strategic goals. Such a view, which emphasizes the opportunities to utilize the internal

mobility through matching the employees' skills to the arising assignments, is especially applicable in the case of a skill-based recruiting reform. The authors complemented the fact that natural career pathing strategies and supported reduced reliance on external hiring result in skills that are aligned with organizational sustainability. Skill-based frameworks used in their findings will have a positive influence on the sustainability of the workforce in the long run and the performance of acquisition. As a good theoretical basis to the comprehension of this problem, the paper can be used to promote internal mobility and talent acquisition efficiency in the Indian context, where skill-based recruiting can be brought as beneficial to the discussion.

Deepa, Sekar, Malik, Kumar, et. al., 2024 developed a detailed analysis of the effects that the AI-driven technologies had on the social and technical opportunities of the HR managers. As they state in their work, digital technologies are changing the process of the hiring process with the possibility of applying competency-based testing, automated tests in place, and predictive analytics. As pointed out during the study, the use of AI in HR is a reversal of the managerial responsibility and is not only a technological change, and HR experts are rooted in the management of technical and interpersonal skills integration. This itself is directly relevant, arguing that AI-based human resource recruiting platforms that guarantee equity, effectiveness, and scalability will enhance competency-based human resource recruiting paradigms. With AI-focused technology in HR introduced by the company, as Deepa et al. in her study argue that the internal mobility increased as online services and skill tests increased the possibilities of stepping up the career ladder. The results of their studies note that to achieve better results of acquisition and mobility, AI should be acquired and integrated into the process of skill-based recruiting. The specified study is especially applicable to the IT and service sectors of India because the AI implementation is accelerating the pace of the talent management revolution.

Thangararaj, Maharudrappa, et. al., (2024) conducted a study on the usage of AI-based HR solutions in the Industry 5.0 scenario. In their research, they defined the significance of the digital HR platforms on which the mapping of competencies, the use of the skills in hiring, and the development of careers within an organization are realistic. According to the authors, skill-based recruiting is highly significant in the long-term perspective in order to contribute to the development of the workforce in the Industry 5.0 setting, where business organizations need to balance the

priorities of technology innovation and people-centric solutions. They discovered that high diversity and retention and effectiveness of talent acquisition in the companies that applied AI-based HR applications were registered. Notably, another observation made during the research was that skill audits and AI-assisted career paths also contributed to a more effective organizational progression and encouraged employees to keep developing their skills. The study views empirical findings that the adoption of AI in the HR operations enhances the mediation task of organizational support in the organizational skill-based recruitment exercise. The main finding of these is that the integration of AI technology with competency-based HR models is strategic for Indian organizations that must contend with the digital transformation.

In a critical analysis of the competency-based recruiting models, Evans Uzosike, Okatta, Otokiti, Ejike, (2025) targeted the field of micro credentialing, skills taxonomy, and AI-proposed talent matching. According to their study, micro credits are turning out to be valuable instruments of demonstrating abilities in the process of selection and in internal promotions. Through the combination of skill taxonomies and AI called AI-based systems, organizations can develop transparent and scalable systems that can be used in recruiting and promoting human resources in an organization. The authors discovered that competency-based recruiting models may possess a strong positive impact on the results of an acquisition, as it was established that the candidates were measured by their observable abilities and not by degrees. It also increased internal mobility since it became possible, owing to the audit of skills and taxonomies, for organizations to identify an individual to occupy a new post based on qualification. The research article is especially applicable in the subject of India, where micro credentialing is becoming popular in the business and education sectors. The findings of Evans Uzosike et al. assist in confirming that the only way to create the future-ready workforces and be competitive in organizations is to transform the recruiting process with skills in mind.

In the analysis of the very concept of an ephemeral career, George (2023) argued and suggested that the agility of the careers and new job models with more flexibility would be required due to the technological progress. According to his research, the traditional linear career paths are gradually being substituted by the non-linear career paths, which are currently developed due to skills, flexibility, and constant learning. George pointed out that in an effort to successfully adjust to globalization and technological discontinuity, businesses must use skill-based hiring mechanisms. He discovered that under the companies that focus on competing skills instead of experience and academic training, people are more inclined to find in-home promotion opportunities and also retrain. It was also revealed that the flexible employment model facilitated by the skill-based model improves organizational resilience through mitigating the reliance on outside recruitment. The remarks made by George are especially applicable to the situation with the Indian companies that are forced to adhere to the extent of the brisk digitalization and the changing demands of their staff. He especially emphasized the role internal mobility strategies play in ensuring an efficient recruiting process that is capable of delivering flexible and viable workforces through recruiting strategies that are based on skill.

METHODOLOGY

In this study to examine the effects of the overhaul of the talent acquisition and internal mobility as a result of the transformation of the skill-based recruiting was examined. In order to ensure the presence of the sample of employees representing various organizations of diverse sizes and the spectrum of personnel demographics, a structured survey with 105 respondents representing various industries was conducted, which included IT/ITeS, manufacturing, services, and education. The sampling was stratified to get fair opinions of the workers as well as the HR managers and organizational leaders. The survey questionnaire involved Likert-scale questions that measured the awareness and adoption of the skills framework and the effectiveness of talent acquisition and internal mobility. Cronbach's alpha was used to measure the reliability, and the values of all the constructs were above 0.8, which is high internal consistency. Despite the correlation analysis having been used to view the relationship between dimensions, descriptive statistics would satisfy summarizing the impressions of respondents. Organizational support was researched as a mediator on the regression models to find the determinants of internal mobility and acquisition of talents. The degree of relationships between the outcomes of organizations, the adoption of the framework, and the hiring skills awareness was confirmed by hypothesis testing. The quantitative results were coupled with the qualitative interview with the HR executives that gave the contextual insights to the strategy objectives as well as the implementation issues. This approach had ensured high data triangulation and created greater validity and dependability and had provided a thorough understanding of the effect of skill-based recruiting in revolutionizing the labor environment in the Indian setting.
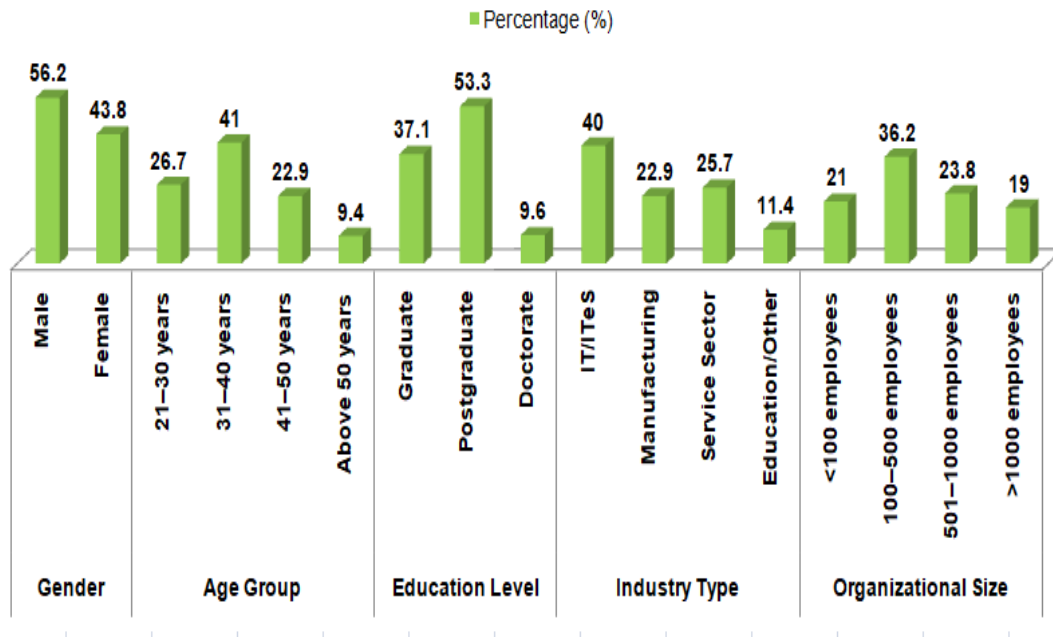
DATA ANALYSIS

Figure 1: Demographic Profile of Respondents (n = 105)
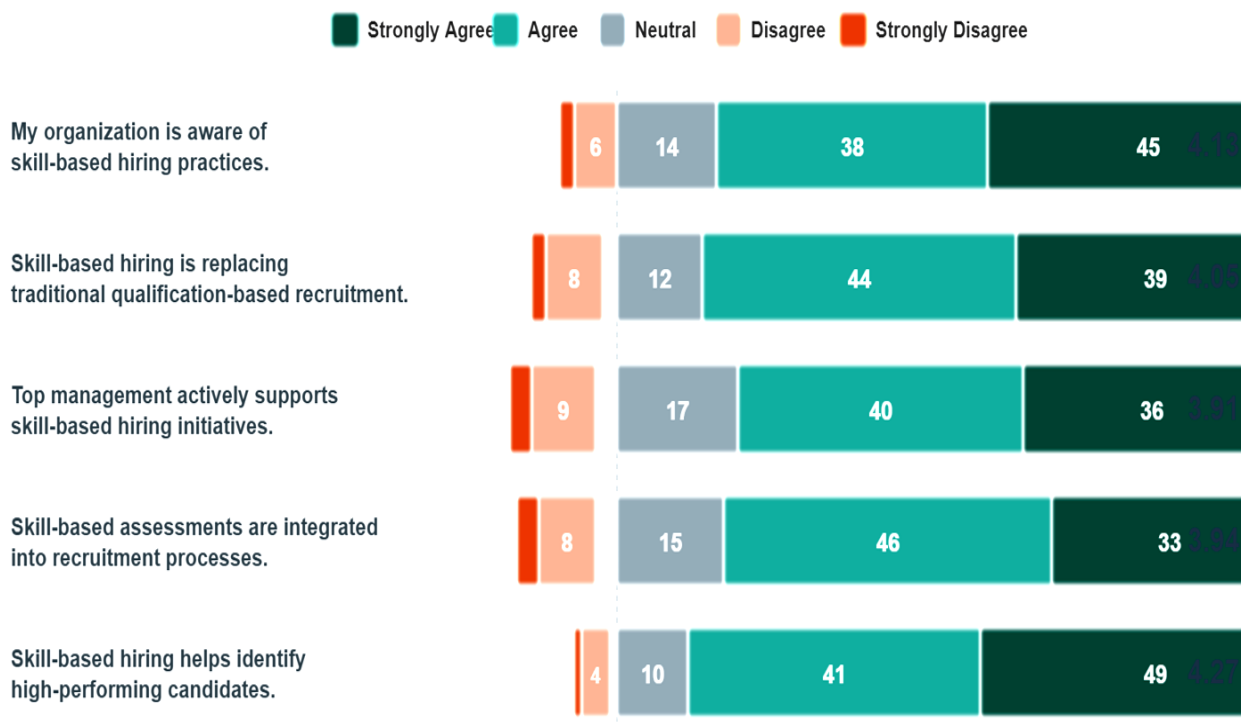

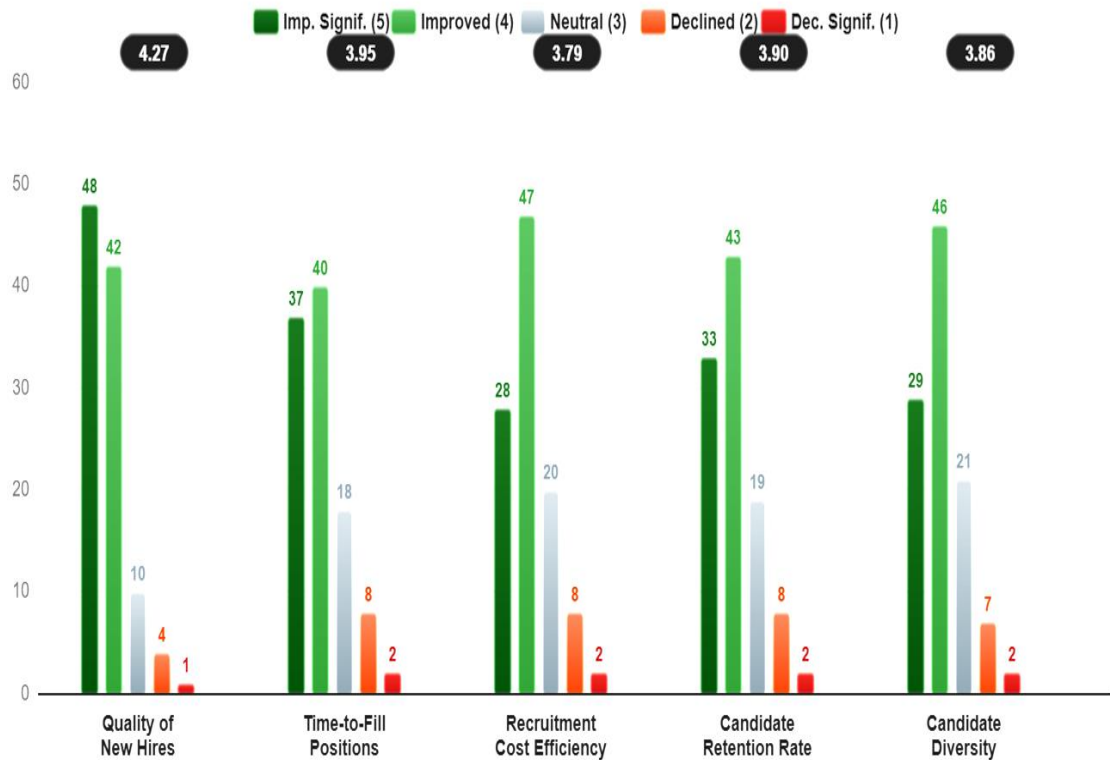**Figure 2: Awareness and Adoption of Skill-Based Hiring Practices**

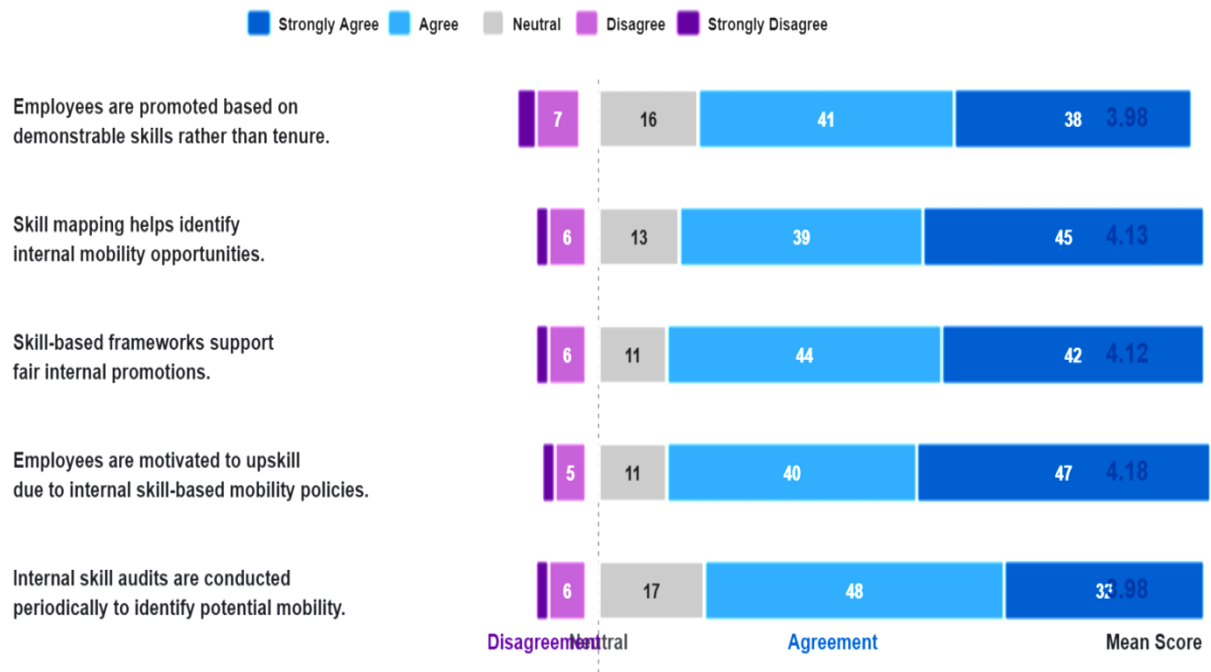**Figure 3: Impact of Skill-Based Hiring on Talent Acquisition Effectiveness**

Figure 4: Effect of Skill-Based Hiring on Internal Mobility and Career Progression

Table 1: Hypothesis Testing Results

Hypot hesis No.	Statement	Statistical Test Used	Calculated Value	p-value	Result	Decision
H_1	There is a positive correlation between the success of the talent acquisition and skill-based hiring awareness.	Pearson Correlation	r = 0.684	0.000	p < 0.01	Accepted
H_2	Skill-based frameworks are of great effect on internal mobility opportunities.	Simple Linear Regression	β = 0.406, t = 5.12	0.000	p < 0.01	Accepted
H_3	The relationship between organisational support mediates the outcome of hiring based on skills and talent acquisition.	Multiple Regression	β = 0.318, t = 4.43	0.000	p < 0.01	Accepted

FINDINGS/RESULTS

Table 2: Reliability Analysis (Cronbach's Alpha)

Construct	Number of Items	Cronbach's Alpha (α)	Interpretation
Awareness of Skill-Based Hiring	5	0.884	Excellent reliability
Impact on Talent Acquisition	5	0.862	Good reliability
Internal Mobility and Skill Mapping	5	0.879	Excellent reliability
Organizational Support for Skill Frameworks	4	0.841	Good reliability
Overall Instrument Reliability	19	0.901	Excellent reliability

Table 4: Descriptive Statistics of Key Variables

Variable	Mean	Standard Deviation (SD)	Minimum	Maximum	Interpretation
Awareness of Skill-Based Hiring	4.06	0.63	2.6	5.0	High awareness among respondents
Adoption of Skill Frameworks	3.98	0.71	2.4	5.0	Moderate to high adoption
Talent Acquisition Effectiveness	4.00	0.68	2.7	5.0	Positive perception of impact
Internal Mobility Enhancement	4.08	0.65	2.9	5.0	Strong improvement in mobility
Organizational Support	3.95	0.74	2.2	5.0	Good managerial support

Table 3: Correlation Analysis

Variables	1	2	3	4
1. Skill-Based Hiring Awareness	1.000			
2. Adoption of Skill Frameworks	0.742**	1.000		
3. Talent Acquisition Effectiveness	0.684**	0.701**	1.000	
4. Internal Mobility Enhancement	0.658**	0.713**	0.746**	1.000

Note: Correlation is significant at p < 0.01 (2-tailed)

Table 5: Regression Analysis — Impact of Skill-Based Hiring on Talent Acquisition and Internal Mobilit

Dependent Variable	Independent Variables	Unstandardized β	t-Value	Sig. (p-value)	R²	Adjusted R²
Talent Acquisition Effectiveness	Skill-Based Hiring Awareness	0.432	4.98	0.000	0.512	0.505
	Adoption of Skill Frameworks	0.361	4.21	0.000		
Internal Mobility Enhancement	Adoption of Skill Frameworks	0.406	5.12	0.000	0.528	0.521
	Organizational Support	0.318	4.43	0.000		

DISCUSSION

The outcomes of the research indicate that the issues of talent acquisition and internal mobility are influenced by the skill-based recruiting reform to a strong degree. Based on the reliability and regression research, hiring, retention rate, and career advancement of the employees are increased significantly as a result of knowing and applying the skill framework. These results support the claims in the past that by aligning talents with organizational requirements, the talent management systems provide an avenue on which the talents are recruited and the workforce is planned (Schweyer, 2004). In line with the fact that the rates of internal mobility have been rising steadily, the employability-link model also highlights the importance of skill fit in the process of moving the existing jobs to new career orientations (Thijssen et al., 2008). Considering the findings of the research, which reveal that skill-based frameworks should improve acquisition performance, value-based process frameworks in talent management structures have been forwarded as necessary in increasing organizational competitiveness (Sparrow and Makram, 2015). The predictive people analytics has also been identified to streamline workforce mobility and retention, which explains the mediating status of organizational support noted above (Afriyie, 2017). This survey, in continuation of the favorable sentiments that have been broadcasted, also reflects the difficulties of Industry 4.0, which help emphasize the significance of flexibility and expertise in companies (Whysall et al., 2019).

The said findings are corroborated by more recent studies, which elucidate how the use of AI in the recruiting process makes it more efficient and fair and foster the use of skill-based tests in the recruiting process (Pillai and Sivathanu, 2020). Given the systemic reviews of AI-oriented technologies, digital technologies have been changing the HR competencies and the outcomes of both acquisitions and internal mobility (Deepa et al., 2024). The concept of ephemeral careers underlines the need for flexible working patterns to cope with the technological changes that are taken into account in the motivation of employees who have to upskill, which is apparent in skill-based models (George, 2023). Following the findings of the research, in which the models of skills contribute to organizational flexibility, the skills-matching perspectives, in their turn, have been found to contribute to the strategic agility (Jooss et al., 2024). Another way that AI-enhanced HR systems help with Industry 5.0 is their emphasis on the significance of skill-based models to the company's development and human empowerment (Thangararaj et al., 2024). Lastly, the results of this research are justified with the assistance of competency-based hiring frameworks that include micro-credentialing and AI-based talent matching frameworks that provide decent evidence that talent-based recruiting promoted continuous learning and mobile variations (Evans-Uzosike et al., 2025). All these outcomes lead to the assumption that skill-based recruiting fosters the culture of sustainable organizational well-being and flexibility in professional relationships even further than the increase in the effectiveness of acquiring.

FUTURE RECOMMENDATIONS

In order to identify the differences in the adoption and results of skill-based hiring, further research should broaden its scope to represent the diverse geographical area and industry. It is suggested that longitudinal research should be followed to trace the manner of how the attitude of employees and the organizational processes change over the course of time, specifically as the levels of digital technologies and micro-credentialing begin to rise. A bit of information about the effects of the policy and culture on the skill-based systems could be provided to take comparative research within the boundaries of nations. Organizations should also invest in the AI-based recruiting systems and internal talent markets to improve skill mapping and be able to progress through the career chart. The other issue that should be researchable is the psychological implications of skill-based recruiting that encompasses employee motivation, employee engagement, and the perception of employee justice. Lastly, it may be possible to combine both behavioral analytics and HR processes, resulting in the emergence of novel strategies of how to break the resistance and speed up the process. These suggestions will shape into a holistic total of information, which will confirm the reinforcement of the concept that skill-based recruiting is a progressive workforce innovation.

CONCLUSION

According to the research results, overhauling the skills-based recruiting process has a drastic influence on internal mobility and talent acquisition competence. The results were that knowledge of, as well as adoption of skill frameworks has a positive impact on the quality of hiring, retention, and career progression opportunities. The organizational support supports the interrelation between the effectiveness of skill-based practices and the performance of the workers, which is disclosed through the regression analysis. The workers of the companies that adopted the competency-based models were more ready to enhance their skills, and this point makes it clear that career building must go hand in hand with recruitment. The internal mobility that used promotions depending on the set competencies and not on seniority was more successful in ensuring equity and transparency. It is also stated in the report that the use of AI-enhanced platforms and digital technologies in the development of the skill-based recruiting process is an important factor and guarantees its productivity and scalability. Overall, the study confirms that skill-based recruiting is an organizational tool of resilience, flexibility, and sustainability, but not a new way of hiring employees. Through pooled acquisition and transfers of workforces, organizations can come up with future-ready workforces who can operate in the dynamic work environments.

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