

## FROM JOB TITLES TO SKILL PROFILES: EFFECTS OF SKILLS BASED HIRING ON ORGANIZATIONAL AGILITY AND DIVERSITY



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**Abstract:** To examine the causal relationship between Skills Based Hiring (SBH), Organizational Agility (OA), and Workforce Diversity (WD). The study population included all 168 managerial and non-managerial employees, using a census sampling technique. Data were collected through questionnaires, then analyzed using quantitative methods through Partial Least Square (PLS). SBH has a positive and significant effect on OA, which means that skills based recruitment improves the organization's ability to respond to change, accelerates decision-making, and strengthens cross-functional collaboration and an adaptive learning culture. SBH also has a positive effect on WD, indicating that competency-based selection opens opportunities for individuals from various backgrounds to contribute to the organization. Furthermore, OA is proven to have a positive effect on WD, as well as mediating the relationship between SBH and WD. This means that the implementation of SBH not only has a direct impact on workforce diversity, but also indirectly through increasing organizational agility. The implications of the research emphasize the importance of expanding the application of SBH evenly, strengthening agility through rapid decision-making, cross-functional collaboration, and a culture of continuous learning, as well as developing inclusive training programs across generations and gender to create a work environment that is adaptive, innovative, and responsive to the dynamics of the electricity industry.

**Keywords:** Skills Based Hiring, Organizational Agility, and Workforce Diversity

## INTRODUCTION

The digital transformation sweeping across all industrial sectors has had a significant impact on how organizations operate, innovate, and manage their human resources. Technological advances such as Artificial Intelligence (AI), the Internet of Things (IoT), big data analytics, and automation systems have transformed the characteristics of jobs and the skills required across various industries. In this context, organizations are challenged to adapt more quickly to changes in technology, job structures, and increasingly dynamic workforce expectations. One of the most significant changes in human resource management (HRM) is the paradigm shift from a job-based system to a skills based system.

In a job based system, employee roles are organized hierarchically based on predetermined positions, titles, and job descriptions. According to Stefán, (2023) recruitment and career development processes center on rigid positions, with specific qualifications such as educational degrees, length of service, and experience in relevant fields. This approach works well in stable environments, where job changes do not occur rapidly. However, in the era of digital disruption, this approach is starting to be seen as less flexible because it is unable to capture individual potential, cross-disciplinary skills, and adaptability to change (World Economic Forum); (Di Battista et al., 2023).

In response to these changes, a skills based hiring approach has emerged as a strategic alternative that better aligns with current demands. This approach assesses candidates based on their technical skills, social and emotional abilities (soft skills), and adaptability to rapidly changing organizational needs. This model allows individuals with non traditional educational backgrounds or experiences to contribute effectively to the organization (Insights Deloitte, 2022). By prioritizing skills over degrees or formal positions, companies can expand their talent pool, increase inclusivity, and accelerate their response to changing business needs. Dwiatmadja & Dewi, (2018) Skill mismatch and strategies to overcome it, useful as background on why skills based recruitment is important and its implications for the organization's ability to adapt quickly (agility).

This shift relates not only to recruitment strategies but also to a broader transformation of organizational culture. Organizations adopting skills based systems are required to transform the way they assess, place, and develop talent (Kumkale, 2022). By understanding individual skill profiles more deeply, organizations can manage internal mobility, allocate human resources more efficiently, and create resilient and adaptive cross-functional teams. This approach ultimately contributes to increased organizational agility, namely the company's ability to adapt quickly to environmental changes and new market opportunities (Henrich et al., 2022).

PLN, a strategic state owned enterprise in the electricity sector, is facing significant challenges due to changes in the global energy ecosystem, which is increasingly oriented towards efficiency, clean energy, and digital services. Through the PLN Transformation 4.0 program, the company is committed to strengthening innovation, improving technology-based customer service, and optimizing operational efficiency through the digitalization of the electricity system. This transformation demands a workforce that not only excels in electrical technical skills but also possesses digital competencies, cross-functional collaboration, innovation, and strong problem-solving skills.

In the face of these demands, rigid position-based recruitment systems are becoming less relevant. Job positions that were once highly specific now demand greater flexibility as technology has transformed work practices, tools, and business processes. Therefore, implementing a skills based recruitment system at PLN is a strategic step to ensure the organization can acquire and develop talent that truly aligns with future needs. This model allows PLN to restructure its talent management strategy to be more agile and oriented toward individual capabilities, rather than simply formal job structures.

The implementation of skills based recruitment has significant potential to increase organizational agility. By understanding employee skill sets, companies can manage rotations, promotions, and cross-divisional assignments more quickly and effectively according to project or transformation needs. This approach allows companies to adapt team composition to market changes and customer demands in real time (Bersin, 2023). Furthermore, diverse skills within a

team enable broader collaboration and accelerated innovation because each individual brings unique competencies.

In addition to agility, this system also contributes to increased workforce diversity. By assessing prospective employees based on competencies, rather than educational background or previous positions, organizations can open up opportunities to candidates from diverse social backgrounds, genders, ages, and educational backgrounds. Research by LinkedIn Economic Graph., (2023) shows that companies that implement skills based recruitment tend to have a more diverse and inclusive workforce. This diversity has been shown to enrich organizational perspectives, increase creativity, strengthen an innovative culture, and foster better decision-making at the strategic level.

Implementing this approach in a state-owned enterprise like PLN faces various challenges. PLN's organizational structure is still dominated by a bureaucratic framework and strict employment regulations, where the employment system is heavily dependent on position, rank, and length of service. Promotion mechanisms, performance appraisals, and compensation systems are still largely oriented toward formalistic factors, rather than individual skills or actual contributions. Another challenge lies in the readiness of the organizational culture, which needs to transform from a hierarchical mindset to one based on competency and cross-functional collaboration (Christiansen & Even, 2024).

Furthermore, adequate digital infrastructure is needed to effectively support the implementation of skills based systems, such as a talent management system platform capable of objectively mapping and measuring each employee's skills. Without integrated technology and policy support, the implementation of skills based systems risks suboptimal performance and becomes merely a formal policy with no real impact on organizational agility and diversity. Therefore, this study is crucial to empirically analyze the impact of skills based recruitment on organizational agility and diversity. This study is expected to fill the literature gap regarding the effectiveness of skills based systems in the context of public organizations or state owned enterprises (SOEs) in developing countries like Indonesia, which still tend to be oriented towards positions and seniority. Theoretically, this study contributes to the development of modern HRM literature, particularly in explaining the relationship between skills based hiring strategies and key variables such as organizational agility and workforce diversity. Practically, the research findings are expected to provide input for PLN management in designing more flexible, responsive, and equitable talent management strategies. Thus, the main focus of this research is to answer how the implementation of skills based recruitment strategies can improve organizational agility and enrich the diversity of the workforce within PT PLN (Persero) UID Central Java and D.I. Yogyakarta. Through this research, it is hoped that applicable recommendations can be obtained in supporting PLN's transformation strategy, both in the context of recruitment, competency development, and career system arrangement. Ultimately, a skills based human resource management system is not just a trend, but an important foundation for building an adaptive, inclusive, and highly competitive organization. For PLN, the implementation of this system is an integral part of the effort to realize the vision of "Becoming the Leading Electricity Company in Southeast Asia and the Customer's Choice for Energy Solutions." Through more skills based HR governance, PLN can strengthen its internal capabilities in facing national and global energy transformation.

## **LITERATURE REVIEW**

### **Skills Based Hiring**

Skills based hiring is a modern approach to human resource management that assesses candidates based on actual abilities, rather than solely on educational background or previous positions. This approach emerged in response to major changes in the world of work caused by technological advances, digital disruption, and the increasing need for a cross-disciplinary workforce (Insights Deloitte, 2022). According to the World Economic Forum, more than 50% of jobs today require a combination of digital, collaborative, and analytical skills that are not always acquired through formal education (Battista et al., 2023). Therefore, global companies are shifting their focus from a job-based system to a competency-based system that emphasizes technical skills, soft skills, and adaptive abilities. A study by Stefán, (2023) confirmed that the traditional job-based approach often limits opportunities for individuals who possess skills but do not meet

administrative criteria such as degrees or specific length of service. This approach also requires changes in the overall talent management system, encompassing recruitment, career development, and performance appraisal (Kumkale, 2022). Thus, skills based hiring not only serves as a recruitment strategy, but also as a foundation in building an organizational culture that is adaptive, competency-based, and oriented towards continuous learning.

### **Organizational Agility**

Organizational agility is defined as an organization's ability to adapt quickly to environmental changes, anticipate opportunities, and respond effectively to threats (McKinsey & Company, 2022). In the modern context, agility is key to organizational success in the digital era and global market volatility. According to Gautam et al., (2022) organizational agility depends not only on a flexible structure but also on the ability of its human resources to learn, adapt, and collaborate across functions. In this regard, a skills based hiring system plays a crucial role in creating a workforce capable of dynamically adapting to business needs. Research by Jooss et al., (2024) shows that talent management practices focused on skills matching can enhance organizational strategic agility through optimal utilization of human resources. By identifying and managing employee skill maps, organizations can form cross-divisional project teams that are responsive to market needs and changes in corporate strategy. In the context of state-owned enterprises (BUMN) such as PT PLN (Persero), the implementation of skills based hiring can strengthen organizational agility by enabling employee rotation based on actual competencies, not just length of service or formal position. This is in line with the concept of dynamic capabilities (Teece, 2018) which emphasizes that organizations that are able to identify and mobilize key skills quickly will be superior in facing industrial disruption.

### **Workforce Diversity**

Workforce diversity refers to individual differences within an organization based on social background, education, age, gender, and professional experience. In modern HRM literature, diversity is viewed as a strategic resource that can enhance innovation, creativity, and decision-making (Cox & Blake, 1991). The implementation of skills based hiring has been shown to expand access for candidates from non-traditional backgrounds, as the selection process focuses not on formal qualifications but on actual competencies relevant to the job LinkedIn Economic Graph., (2023). Research by Bersin, (2023) shows that organizations with skills based recruitment systems have up to a 25% higher diversity rate than those still using a position-based approach. In addition to increasing inclusivity, workforce diversity also positively impacts organizational performance. A study by Homan et al., (2007) found that teams with diverse backgrounds produce more creative solutions and are more adaptable to changes in the business environment. In the context of PLN, workforce diversity will enrich ideas and strategies in the digital transformation process and customer service innovation.

### **Tantangan Implementasi Skills based Hiring di Lingkungan BUMN**

Despite its significant potential, the implementation of skills based hiring in public organizations or state-owned enterprises (SOEs) such as PLN faces structural and cultural challenges. Gonzalez & Denham, (2025) highlight that organizations with strong bureaucratic systems tend to be slow to adopt skills based models due to their hierarchical employment regulations. Furthermore, SHRM, (2023) notes that the main obstacles to implementing skills-first HR in the public sector lie in three aspects: (1) a mismatch between career systems and actual skill measurements, (2) organizational cultural resistance to change, and (3) limited digital infrastructure to support employee competency mapping. To address these challenges, integration between HR policies, talent management systems, and organizational culture transformation is needed. This aligns with the OECD, (2024) perspective, which emphasizes the importance of skills data analytics as a foundation for building a skills based recruitment and career development system in the public sector.

### **METHODS**

This study uses a quantitative explanatory research design that aims to examine the causal relationship between skills based recruitment, organizational agility, and workforce diversity at PT PLN (Persero) UID Central Java and D.I. Yogyakarta. This study uses a survey method with a

structured questionnaire distributed to employees who have undergone recruitment, development, or placement in the company's digital transformation program. This design was chosen because it allows for empirical hypothesis testing and statistical measurement of the influence between variables, in line with previous human resource management studies (Lamb Charles et al., 2016).

The population of this study included all employees of PT PLN (Persero) UID Central Java and D.I. Yogyakarta, both at managerial and non-managerial levels. The total population was estimated at approximately 168 employees. The sampling technique used was a census technique, in which all members of the population were sampled. This study targeted all valid responses to ensure the reliability and stability of the model (Hair et al., 2013). Data were analyzed using Structural Equation Modeling (SEM) with SmartPLS 3.0 due to its suitability for testing complex models with latent constructs and reflective indicators (Harahap, 2020).

**Table 1. Variables and Indicators**

Variable	Dimension / Indicator	Reference
<b>Skills Based Hiring (X)</b>	1. Competency-based selection	Insights Deloitte (2022); Stefán (2023); WEF, (2023)
	2. Technical and soft skills assessment	
	3. Inclusion of non-traditional candidates	
	4. Continuous skills mapping	
<b>Organizational Agility (Y<sub>1</sub>)</b>	1. Responsiveness to change	Henrich et al. (2022); Jooss et al. (2024)
	2. Speed of decision-making	
	3. Cross-functional collaboration	
	4. Adaptive learning culture	
<b>Workforce Diversity (Y<sub>2</sub>)</b>	1. Gender diversity	Cox & Blake (2022); LinkedIn Economic Graph (2023)
	2. Diversity of educational backgrounds	
	3. Generational inclusion	
	4. Cultural and social inclusivity	

**Source:** Deloitte Insights (2022), Stefán (2023), World Economic Forum (2023), Henrich et al. (2022), Jooss et al. (2024), Cox & Blake (2022), & LinkedIn Economic Graph (2023).

## FINDING

Based on the results of data analysis, the descriptive variables are as follows:

1. Skills Based Hiring (SBH) variable, it is known that the level of implementation of skills based recruitment is in the moderate category, with an average value between 2.93–2.97. This indicates that PLN has begun to adopt a competency-based approach, although its implementation is not yet evenly distributed across all work units. In the SBH1 indicator (Competency-Based Selection), the mean value of 2.94 indicates that there are efforts to consider the actual competencies of prospective employees, but it is not yet consistent across all units. SBH2 (Assessment of technical and soft skills) has the highest value (2.96), indicating that the integration of technical and soft skills assessments is starting to be implemented although not yet uniformly. The SBH3 indicator (Inclusion of non-traditional candidates) with a mean of 2.97 reflects openness to candidates from diverse backgrounds, but its implementation needs to be expanded. Meanwhile, SBH4 (Continuous Skills Mapping) with a mean of 2.93 indicates that the skills monitoring system is not yet optimal and still focuses on formal positions. Overall, PLN has shown a positive direction towards a skills based recruitment system, but still needs to be strengthened in terms of consistency of implementation, inclusivity, and development of a competency mapping system to be more adaptive to future workforce needs.
2. The Organizational Agility (OA) variable shows that the organization's agility level is in the moderate category, with an average indicator value ranging from 2.88 to 2.95. This indicates that the organization has a basis for agility in responding to change, but its implementation is not yet fully optimal across all operational aspects. Indicator OA1 (Responsiveness to Change) has a mean value of 2.94 with a standard deviation of 0.88, illustrating that some employees consider the organization to be quite responsive to changes in the business environment, although there are still variations in perceptions between units. OA2 (Speed of Decision

Making) also shows a mean value of 2.94 and a standard deviation of 0.92, indicating that the decision-making process has begun to be carried out quickly, but is not yet fully efficient or well-coordinated across all levels of management. Meanwhile, indicator OA3 (Cross-Functional Collaboration) obtained the highest mean value, namely 2.95 with a standard deviation of 0.88, indicating an increase in cooperation between departments in facing strategic change. However, its consistency still needs to be strengthened through more open cross-functional communication. Finally, OA4 (Adaptive learning culture) obtained the lowest mean score of 2.88 with a standard deviation of 0.82, indicating that a culture of adaptive learning and innovation has not yet fully taken root in the organization. Overall, these results confirm that PLN has shown a positive direction in building organizational agility, but still needs improvements in terms of decision-making speed, adaptive learning, and cross-functional collaboration to be more responsive to the dynamics of the modern business environment.

- The Workforce Diversity (WD) variable shows that the level of workforce diversity is in the moderate category, with an average indicator value ranging from 2.89 to 2.95. These results indicate that although the organization has begun to pay attention to diversity aspects in the workforce, its implementation is still not evenly distributed across all work units. Indicator WD1 (Gender diversity) has a mean value of 2.93 with a standard deviation of 0.77, indicating that PLN has shown efforts in creating gender balance in the workplace, but there is still room for improvement, especially in managerial and technical positions. Indicator WD2 (Diversity of educational backgrounds) obtained a mean of 2.89 with a standard deviation of 0.83, illustrating that the company has begun recruiting employees from various disciplines, although most positions are still dominated by the technical field. Furthermore, indicator WD3 (Generation inclusion) has a mean of 2.89 and a standard deviation of 0.74, indicating that collaboration between generations (for example, between young and senior employees) is not yet fully optimal, possibly due to differences in work styles and experience. Meanwhile, WD4 (Cultural and Social Inclusivity) obtained the highest mean score of 2.95 with a standard deviation of 0.78, indicating that PLN is relatively successful in creating a work environment that respects differences in social and cultural backgrounds. Overall, these results indicate that PLN has made positive steps towards an inclusive workforce diversity, but still needs strengthening strategies in the aspects of gender, education, and cross-generational collaboration to create a more adaptive and innovative work environment.

The results of SEM analysis using SmartPLS 3.0 are presented in Figure 1 below.

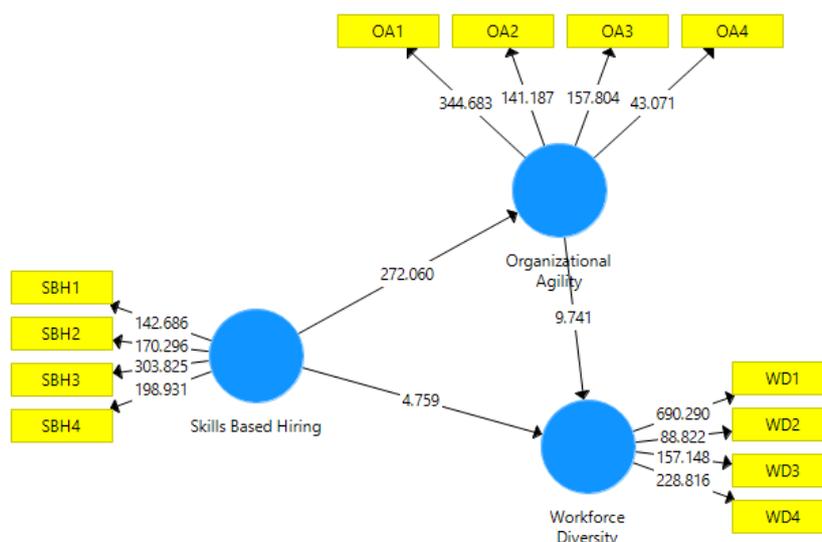


Figure 1. Output SEM Analysis, 2025

The Validity and Reliability Test in this study uses an evaluation of the measurement model (Outer model) produced in the Full Model Output using SEM-PLS Smart-PLS 3.0 as in Figure 1. The measurement of the outer model using Partial Least Square (PLS) requires three criteria, namely Convergent Validity, Discriminant Validity, and Composite Reliability.

## Hypothesis Testing and R Square Modified Model

Furthermore, the results of the hypothesis testing and R square values can be presented in Table 2 and Table 3 below.

**Table 2.** Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Skills Based Hiring -> Organizational Agility	0.979	0.978	0.004	272.060	0.000
Skills Based Hiring -> Workforce Diversity	0.922	0.920	0.194	4.759	0.000
Organizational Agility -> Workforce Diversity	1.821	1.820	0.187	9.741	0.000
Skills Based Hiring -> Organizational Agility -> Workforce Diversity	1.782	1.781	0.184	9.672	0.000

Source: Output SmartPLS 3, 2025

**Table 3.** R square

	R Square	R Square Adjusted
Organizational Agility	0.958	0.957
Workforce Diversity	0.881	0.879

Source: Output SmartPLS 3, 2025

Based on Table 2 and Table 3, it can be seen that Skills Based Hiring (X) on Organizational Agility (Y1) has a positive and significant influence with a very large effect size, while Skills Based Hiring (X) on Workforce Diversity (Y2) has a positive and significant influence with a fairly high effect size, and Organizational Agility (Y1) on Workforce Diversity (Y2) has a positive and significant influence with a large effect size. Furthermore, Skills Based Hiring (X) on Workforce Diversity (Y2) through Organizational Agility (Y1) has a positive and significant influence with a large effect size, it can be concluded that Organizational Agility (Y1) mediates the indirect influence of Skills Based Hiring (X) on Workforce Diversity (Y2), then the Organizational Agility variable (Y1) has a value of 0.958 or 95.8% and the Workforce Diversity variable (Y2) has a value of 0.881 or 88.1% which is included in the good category.

## DISCUSSIONS

Discussion of research results regarding the influence of skills based hiring on organizational agility and diversity from position to skill profile:

### Skills Based Hiring (X) on Organizational Agility (Y1)

The results of the study indicate that Skills based Hiring (SBH) has a positive and significant effect on Organizational Agility (OA), with a very large effect size. The higher the implementation of skills based hiring, the greater the organization's ability to respond to change, accelerate decision making, strengthen cross functional collaboration, and foster an adaptive learning culture. This finding aligns with Deloitte Insights, (2022) and Stefán, (2023) which state that skills based hiring creates a dynamic and relevant workforce in the face of industry disruption. Theoretically, this relationship can be explained through Dynamic Capabilities Theory Teece, (2018) which emphasizes the importance of learning and adjustment of internal resources in enhancing an organization's ability to adapt. Skills based hiring serves as a strategic mechanism for building flexible and responsive workforce capabilities (Jooss et al., 2024). In the context of a public organization, specifically PLN, which is currently undergoing a digital and energy transformation, this research demonstrates that the implementation of SBH not only improves recruitment efficiency but also strengthens organizational agility through the integration of technical competencies and adaptive behaviors across work units. Thus, SBH is not merely a human resource management strategy but also functions as a strategic enabler that accelerates the transformation process of public organizations toward agile and performance oriented ones. The results of this study are also consistent with the findings of Henrich et al., (2022) and the World Economic Forum (2023) which show that skill focused organizations have high resilience, productivity increases of up to 30%, and innovation is faster. Practically, the implementation of

this system is a key driver of organizational agility at PLN. By placing talent based on factual competencies and adaptive capabilities, PLN is better prepared to face the challenges of digitalization, the energy transition, and changes in the electricity business model, while strengthening the organization's competitiveness and sustainability. The recruitment and selection process focuses on employee performance, which is relevant to the implementation of SBH in improving OA. (Rosalina, 2021).

### **Skills Based Hiring (X) on Workforce Diversity (Y2)**

The research results show that Skills based Hiring (SBH) has a positive and significant impact on Workforce Diversity (WD), with a relatively high effect size. This suggests that the greater the implementation of a skills based recruitment system, the greater the level of workforce diversity within an organization. Skills based recruitment allows companies to assess prospective employees based on factual competencies, rather than solely on educational background, age, or gender, thus opening opportunities for individuals from diverse backgrounds to contribute to the organization (Deloitte Insights, 2022). Theoretically, this relationship can be explained through Human Capital Theory Weiss, (2015) which emphasizes that investment in skills and competencies increases the value and diversity of human resources. Furthermore, the Resource-Based View Barney, (1991) states that workforce diversity resulting from a skills based selection process can be a source of competitive advantage because it creates a unique combination of perspectives and experiences. This research provides empirical evidence that the SBH system in public organizations like PLN can reduce traditional recruitment bias, which tends to be oriented towards educational background and seniority. Furthermore, this research shows that SBH not only increases demographic diversity but also cognitive diversity, namely variations in ways of thinking, innovating, and solving problems. Previous research supports these findings, such as studies by Jooss et al. (2024) and Henrich et al. (2022) found that organizations implementing a skills based hiring approach tend to have a more diverse and inclusive workforce. This diversity enhances collaboration, creativity, and the organization's ability to adapt to changes in the business environment. Therefore, the implementation of SBH at PLN not only strengthens employee competency but also acts as a catalyst for creating an inclusive, innovative, and equitable work environment.

### **Organizational Agility (Y1) on Workforce Diversity (Y2)**

The results of the study indicate that Organizational Agility (OA) has a positive and significant effect on Workforce Diversity (WD), with a large effect size. This means that the higher the level of organizational agility in responding to change, making quick decisions, and encouraging cross-functional collaboration, the greater its ability to create and maintain a diverse workforce. Agile organizations tend to have a work culture that is open, adaptive, and inclusive of differences in gender, generation, educational background, and culture (Doz & Kosonen, 2010). Theoretically, this relationship can be explained through Dynamic Capabilities Theory Teece, (2018) which emphasizes that an organization's ability to adapt to change depends on its internal capabilities to learn, innovate, and utilize diverse human resources. Workforce diversity enriches perspectives in decision-making and strengthens an organization's resilience to disruption (Eisenhardt & Martin, 2017). Previous research also supports these findings. A novel aspect of this research is the discovery of a bidirectional relationship between organizational agility and diversity. Not only does agility enhance diversity, but diversity also strengthens agility through the exchange of ideas, collaborative innovation, and cross-generational adaptation. This finding extends previous theoretical models by positioning organizational agility as a "cultural amplifier" that activates the values of inclusivity and cross-functional collaboration in public organizations. A study by Harsch & Festing, (2020) showed that agile organizations more easily integrate diversity due to their flexible communication and coordination systems. Meanwhile, McKinsey & Company, (2022) found that companies with high levels of agility are 35% more likely to create diverse and inclusive work teams. Thus, increasing organizational agility at PLN directly contributes to strengthening a work culture that values differences and expands innovation potential through workforce diversity.

## **Skills Based Hiring (X) on Workforce Diversity (Y2) through Organizational Agility (Y1)**

The results of the study indicate that Organizational Agility (OA) positively and significantly mediates the relationship between Skills based Hiring (SBH) and Workforce Diversity (WD), with a large effect size. This means that the implementation of skills based hiring not only directly increases workforce diversity but also indirectly strengthens it by increasing organizational agility. When organizations like PLN implement SBH, they build a competent and adaptive workforce foundation, which then encourages the creation of an agile and diversity-focused organizational culture (Deloitte Insights, 2022). Theoretically, this mediation relationship can be explained through Dynamic Capabilities Theory Teece, (2018) which emphasizes that an organization's ability to adapt to change depends on internal learning processes and the flexibility of its human resources. Skills based hiring strengthens dynamic capabilities, which in turn creates an inclusive and collaborative work environment (Jooss et al., 2024). Previous research supports these findings. The main novelty of this research is the empirical evidence of the mediating role of agility in the context of public organizations in Indonesia, which has not previously been systematically tested. This research shows that agility is not simply a result of the implementation of SBH, but rather a reinforcing mechanism that deepens the impact of SBH on creating sustainable workforce diversity. Theoretically, this research extends Dynamic Capabilities Theory by adding the dimension of "inclusion" as a result of organizational adaptive capacity, which can be called a new concept: Inclusive Dynamic Capability. Harsch and Festing (2020) stated that agile organizations are able to manage diversity effectively through flexible work systems. Meanwhile, Henrich et al. (2022) found that a skills based hiring approach increases organizational agility, which in turn strengthens the inclusiveness and diversity of the workforce. Therefore, it can be concluded that increasing agility is an important mechanism that bridges the influence of SBH on WD, making organizations more adaptive, collaborative, and oriented towards sustainable diversity. Organizations need to pay attention to developing self-efficacy and provide comprehensive training, as well as encourage a variety of skills to optimize employee performance, (Widowati et al., 2025).

## **CONCLUSION**

Based on the research that has been conducted and has gone through the stages of data collection, data processing, analysis and interpretation of data on the influence of skills based recruitment on organizational agility and diversity from position to skill profile, using SmartPLS 3.0, the following conclusions can be drawn.

1. Skills Based Hiring has a positive and significant impact on OA. The implementation of a skills based recruitment system can improve an organization's ability to respond to change, accelerate the decision-making process, strengthen cross-functional collaboration, and foster a culture of adaptive learning. This demonstrates that competency-based recruitment serves as a strategic foundation in building an agile organization that is responsive to industry disruption.
2. Skills Based Hiring also has a positive and significant impact on WD. The skills based selection process creates fairer opportunities for individuals from diverse genders, ages, educational backgrounds, and cultures to contribute to the organization. Thus, PLN has successfully created a more inclusive recruitment system that focuses on factual competencies, rather than solely on formal backgrounds.
3. Organizational Agility has a positive and significant impact on WD. Agile organizations have a work culture that is open, adaptive, and flexible in dealing with differences. Increased organizational agility encourages cross-functional collaboration and strengthens inclusivity in the workplace, ultimately increasing workforce diversity.
4. Organizational Agility is proven to positively and significantly mediate the relationship between SBH and WD. This means that the implementation of skills based recruitment increases organizational agility, which in turn strengthens the influence on creating a diverse and inclusive workforce. This finding confirms that agility is a key mechanism that bridges the influence of SBH on WD, in line with Dynamic Capabilities Theory (Teece et al., 1997) and Human Capital Theory (Becker, 1964).

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