Connecting Credentials

BUILDING LEARNING-BASED CREDENTIALING SYSTEMS

Advancing scalable employer engagement approaches to improve demand signals and increase relevancy and currency of credentials
Work Group Report
June 2016

Background

Connecting Credentials is a collaborative effort of more than 100 national organizations and more than 2,000 stakeholders to make degrees, certificates, industry certifications, badges and other credentials easier to understand, use and interconnect. Postsecondary credentials (degrees, certificates, industry certifications, and more) are the currency through which skills and knowledge are recognized -- connecting people to jobs, education programs and career pathways.

Connecting Credentials aims at creating a more interconnected credentialing ecosystem — one that is student-centered and learning-based. Such a system is needed for several reasons: to ensure educational quality; increase access; align industry, education and issuers of credentials; multiply the benefits of increased attainment; reduce social inequity; and foster individual progress that results in market-valued credentials.

Participants at the National Credentialing Summit convened by Lumina Foundation in October 2015 identified five priority areas of focus needing more in-depth work. In January 2016, the Connecting Credentials team convened work groups focused on those five topics, charged with developing recommended actions. The work groups, which involved more than 100 leaders from across the country, included:

- **Developing common language** to serve as the basis for a connected credentialing system;

- **Using real-time data and technology** to empower credential users and create continuous feedback mechanisms;

- **Creating nimble end-to-end quality assurance processes** to support portability and trust of credentials;

- **Advancing scalable employer engagement approaches** to improve demand signals and increase relevancy and currency of credentials; and

- **Creating flexible credentialing pathways** leading to family-sustaining jobs to increase equity.

This report and those of the other four work groups can be found at www.connectingcredentials.org. An action plan integrating the work of all five groups will be released in summer 2016.

Problem Statement

Much of the discussion surrounding credentialing systems today focuses on the individuals that receive credentials and the institutions, programs, and organizations that deliver them. However, one of the largest consumers of credentials is the business community, which relies on credentials and the knowledge, skills, abilities, and behaviors they represent for the purposes of hiring and career advancement. To date, employers have had mixed results leveraging credentials for these purposes due, in large part, to the lack of transparency in the credential marketplace. This lack of transparency cuts across all types of credentials from academic degrees to industry credentials and other forms of micro-credentials. The problem is further compounded by the lack of alignment of credentials with the rapidly changing needs of the labor market. The result is a credentialing marketplace that neither serves employers well nor the students and workers navigating credentialing systems.

Scope of Work Group

Based on learnings from prominent business-led initiatives, develop recommendations for the Connecting Credentials initiative that improve employer demand signals and increase the relevancy and value of credentials. The recommendations found in this report are made with the hope and intention that they be pursued and acted upon as essential components of any credentialing initiative moving forward.

Drivers of Change

The following have been identified as significant drivers of change on the demand-side of the credentialing marketplace:

1. Employer associations and business-led collaboratives that can aggregate skill demands and manage talent pipeline partnerships on behalf of a network of employers—including small- to mid-sized enterprises—with education and workforce partners.
2. Employer talent sourcing and hiring practices and the need for tools that dynamically communicate skill and credentialing requirements to education and workforce partners on a regular basis.
3. Federal and state policy frameworks that leverage employer signals and support programs that align with employer requirements while also delivering results.
4. Employers and their associations that are willing to lead the change both regionally and nationally.

Basic Assumptions

The following are basic assumptions that cut across the initiatives and "big ideas" that were presented to the Work Group for the purpose of developing recommendations for the Connective Credentials initiatives:

1. Efforts must be led by and for the business community to manage better market signals for those industries that are experiencing a skills gap or experiencing growth.
2. Credentials of value should be portable and enable labor market mobility and have positive outcomes in terms of further education, employment, and career advancement.
3. Engaging employers at scale requires employer champions as well as employer collaboratives or member associations that are best positioned to function in an intermediary role.
4. Employers can organize around sectors or around core capabilities that cut across multiple industry sectors (e.g., IT functions) or within a supply chain.

5. Solutions should be "bottom-up," generated from market signals at the local/regional level, with employer signals tied directly to their talent sourcing and hiring process.
6. National organizations can help achieve economies of scale and support local/regional efforts through networking, technical assistance, and resources.
7. Generating and aggregating employer demand-signals is not a one-time activity, but rather a continuous and dynamic process that is required for credentials to remain relevant in today's business environment.

Initiatives Underway
The initiatives described herein are reflective of the "big ideas" that were shared during the three webinars held by the Work Group. They are as follows:

CompTIA Credentialing – The Computing Technology Industry Association (CompTIA) is the voice of the world's information technology industry. Its members are the companies at the forefront of innovation; and the professionals responsible for maximizing the benefits organizations receive from their investments in technology. CompTIA is dedicated to advancing industry growth through its educational programs, market research, networking events, professional certifications, and public policy advocacy. Their work has focused on building credentialing pathways for the IT industry that leads to high-growth careers.
Website: www.CompTIA.org

National Network of Business and Industry Associations (NNBIA) – Convened by ACT Foundation and Business Roundtable, the National Network of Business and Industry Associations is coordinating cross-sector efforts to close the "skills gap." Members include leaders in the manufacturing, retail, healthcare, energy, construction, hospitality, transportation and information technology sectors. Their efforts have focused on supporting stackable credentials, common employability skills that cut across sectors, and hiring based on competency.
Website: http://actfdn.org/business-industry-groups-advance-efforts-close-skills-gap/

Talent Pipeline Management (TPM) – The U.S. Chamber of Commerce Foundation is engaging employers and their partners across the country in developing a new demand-driven approach to close the skills gap. Through extending lessons learned from innovations in supply chain management, this is a call to action for employers to play a new and expanded leadership role as "end-customers" of education and workforce partnerships.
Website: www.TheTalentSupplyChain.org

Employer-led Quality Assurance – The U.S. Chamber of Commerce Foundation is changing the debate on quality assurance in higher education and is exploring an employer-led, complementary form of accreditation in higher education to help close the skills gap in America. This effort calls for stronger involvement of the employer community in the governance of existing accrediting agencies and for employers to develop a complementary system, led by the business community that recognizes and endorses programs based on their ability to prepare a career-ready workforce.
Website: www.TheTalentSupplyChain.org

Credential Transparency Initiative (CTI) – George Washington University's Institute of Public Policy, Workcred – an affiliate of the American National Standards Institute, and Southern Illinois University have launched a national initiative to create greater clarity and transparency in the U.S. credentialing marketplace. The initiative will develop common terms for describing key features of

credentials; create a voluntary, web-based registry for sharing the resulting information; and test practical apps (software applications) for employers, students, educators, and other credential stakeholders.
Website: www.credentialtransparencyinitiative.org/

Employer-Driven Energy Workforce Planning – With support from the Center for Energy Workforce Development (CEWD), energy industry members in more than 30 states have established employer-led state energy workforce consortia. The consortia focus on state or regional strategic planning, beginning with quantifying job demand and supply in partnership with their education providers and state workforce systems. A goal of state energy workforce consortia is to assist educators with embedding standard energy curriculum and awarding preferred energy industry credentials to ensure a qualified and diverse workforce.
Website: http://www.cewd.org/state-consortia/

Retail+Plus and National Retail Services Competency Model – Led by Innovate+Educate together with the Walmart Foundation, Retail-Plus seeks to grow a skilled workforce for the rapidly growing Retail Services sector in Dallas. The project seeks to advance entry level incumbent workers to supervisory level positions based on skills and competencies achieved through training and validated via assessment(s). This is part of a broader effort to leverage competency models for retail services and adjacent industries that will serve as the foundation to educate, recruit, hire, promote, and retain a highly skilled and credentialed workforce.
Website: http://www.innovate-educate.org/#innovate-educate

Competency-Centric Analysis to Inform Planning – An effort pioneered by College for America to leverage labor market trends and workforce analytics to identify leading and cross-cutting competencies in an in-demand field. These trends are then validated with partner employers. This information is used to support the development of competency-based programs delivered on flexible learning platforms. These platforms are used to support talent pipelines for partner companies while providing pathways for the advancement of new and incumbent workers.
Website: www.collegeforamerica.org/healthcare-workforce-report

Essential Competencies Project – Led by the Committee for Economic Development, this project is a four-year study of competency-based hiring by a select group of businesses. Many employers are uncertain about the skills and knowledge that predict job performance and lack reliable ways of assessing applicant skills. As a result, employers rely instead on educational attainment as a predictor of how well qualified the applicant is. This study will examine the feasibility and efficacy of competency-based hiring and potentially provide a "proof of concept" for this innovation.
Website: https://www.ced.org/projects/single/essential-competencies-project/all

National Coalition of Certification Centers – The National Coalition of Certification Centers (NC3) was established to address the need for strong industry partnerships with educational institutions in order to develop, implement and sustain industry-recognized portable certifications that have strong validation and assessment standards. In partnership with market leaders, NC3 has developed certifications in transportation, aviation, manufacturing, horticulture, and energy, which are offered through a network of secondary and post-secondary institutions around the country.
Website: http://www.nc3.net/

National Aviation Consortium CertTEC Certification- This critical aviation certification, Cert*TEC* Aviation Mechanical Assembly, is a comprehensive assessment of technician skills and knowledge in aviation manufacturing, such as Drilling and Riveting, Sealing Application, and Electrical Bonding and Grounding. It was driven by a first-time partnership of major aviation manufacturers across the country, including Boeing, Spirit, and others, to fill an identified gap in the industry. The certification is closely aligned with the curriculum taught at the National Aviation Consortium (NAC) colleges, specifically the National Center for Aviation Training (NCAT). Website: https://www.certtec.com/aviation-assembly

Gaps Identified
The above mentioned initiatives have been launched, in part, to address major systemic gaps in the credentialing marketplace as they pertain to employer demand signals, or they have identified previously unforeseen gaps that remain to be addressed:

1. Consistent employer leadership and engagement in demand signals and uneven participation among employer collaboratives and associations in organizing employer demand signals.
2. Lack of models designed to attract and engage employers of all sizes to ensure the employer voice is truly representative of the range of workplace skill needs.
3. Greater transparency and comparability among all credentials relevant to the talent acquisition process.
4. Tools designed for employers to communicate shared competency, credentialing, and other demand signals relevant to the talent sourcing, hiring, and career advancement process around critical function or occupations.
5. Performance data and labor market value of third-party industry recognized credentials.
6. Systemic and scalable employer endorsements of credentials of value and the institutions and programs that deliver them.

Recommendations
Below are recommendations from the Work Group to the Connecting Credentials initiative that build off of the major initiatives and gaps profiled above. The recommendations are categorized by how to organize and how to support implementation. The recommendations are not organized to reflect prioritization, but instead are listed to follow a logical sequencing.

How to Organize:
1. Work at all levels—national, state, and local—to build awareness among employers about the opportunities for becoming engaged in the connecting credentials initiative and how to contribute toward better demand signals in the marketplace.
2. Organize and leverage the business community by industry sector verticals at the national or state level to communicate regular updates to common industry skill and credentialing requirements as well as identify where there are shared skills across industries.
3. Enable employers at the regional and local level to communicate—by sector or common workforce needs (e.g., IT capabilities)—their hiring and partnerships preferences and requirements (e.g., competencies and credentials).
4. Where possible leverage larger companies to educate and organize their suppliers to secure interest, buy-in, and participation from small- to mid-sized employers.
5. Begin with sustainability in mind and develop a new funding mechanism to work with partners and organizers at the local level that are trusted by employers and who will provide the backbone infrastructure and capacity to carry the work forward (e.g., chambers of commerce and economic development organizations).

How to Support Implementation:
6. Build tools that facilitate and streamline demand planning and communicating skill/competency requirements as a shared activity across employers and education and training partners.
7. Develop standards setting and auditing capabilities for managing quality assurance among talent suppliers.
8. Engage HR leadership and develop new HR tools and practices to facilitate hiring based on competencies that enhance the transparency and value of credentials.
9. Organize and credential authentic project based learning experiences that support interdisciplinary teams of student working in cross-functional teams.
10. Develop and capture employer facing outcome and performance measures to better evaluate the value and ROI of credentials.

Policy Levers/Issues
The following policy levers/issues have been identified as important if the credentialing marketplace is to improve alignment with employer demand signals:

1. Guidance for recognizing, preferring, and requiring credentials as part of the hiring process without creating disparate impact.
2. Defining industry recognized credentials as those credentials that can demonstrate that they are recognized and endorsed by actual employers and employer associations and that have tangible labor market outcomes.
3. Ensuring prior learning credit for—and college credit for the attainment of—industry recognized credentials that have labor market value.
4. Improving the transferability and "stackability" of credentials of value across institutions and programs.
5. Incorporating the attainment of industry recognized credentials towards institutional and programmatic performance and accountability systems at the federal and state level, including allowing the use of funds to cover the cost of credentialing.
6. Promoting accountability and improved information for students, job seekers, and employers by collecting and sharing data about how credentials and training programs are meeting the skills needs of employers and advancing careers and earnings for workers.

Equity Actions/Issues
The Work Group believes that a more effective, efficient, and transparent credentialing marketplace that is aligned with employer demand signals will promote equity and upward mobility for all students and workers. However, certain conditions need to be met to ensure that employers are able to access the full diversity or the talent pool, including the following:

1. Employer sourcing and hiring practices should create an even playing field in terms of ability of credentialing organizations to align with and meet demand while promoting diversity.
2. Increased transparency in the credentialing marketplace should enhance—not diminish—the ability of credentialing organizations to align with employer demand and thereby increase equitable access to the labor market.
3. Better demand signals should provide more transparency for students and workers to access career pathways that deliver results in terms of employment transitions and career advancement.

4. An improved and more transparent credentialing system should support equity beyond access to jobs, but should promote more equitable treatment of incumbent workers in terms of compensation and career advancement.
5. Availability of education and training funding that promote equity and upward mobility for all students should be available for use in obtaining key industry recognized credentials.

Intersections with Other Work Groups

1. Developing common language to serve as the basis for a connected credentialing system
2. Using real-time data and technology to empower credential users and create continuous feedback mechanisms
3. Create nimble end-to-end quality assurance processes to support portability and trust of credentials
4. Create flexible credentialing pathways leading to family-sustaining jobs to increase equity, with a special interest in the important of work-based learning experiences that extend beyond traditional models such as internships, provide opportunities for all students, and incorporate more real world project-based learning experiences that build critical employability skills.

Appendix
Membership

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