

Human Capital Watch™

Different in Degree: Closing the Talent Gap with Alternative Credentials

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Today's Presenters



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What we will be covering today...

- What are credentials and alternative credentials?
- What are the benefits of and barriers to alternative credentials today?
- How are organizations using alternative credentials?



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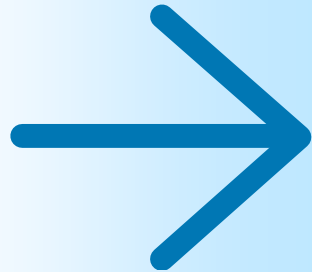
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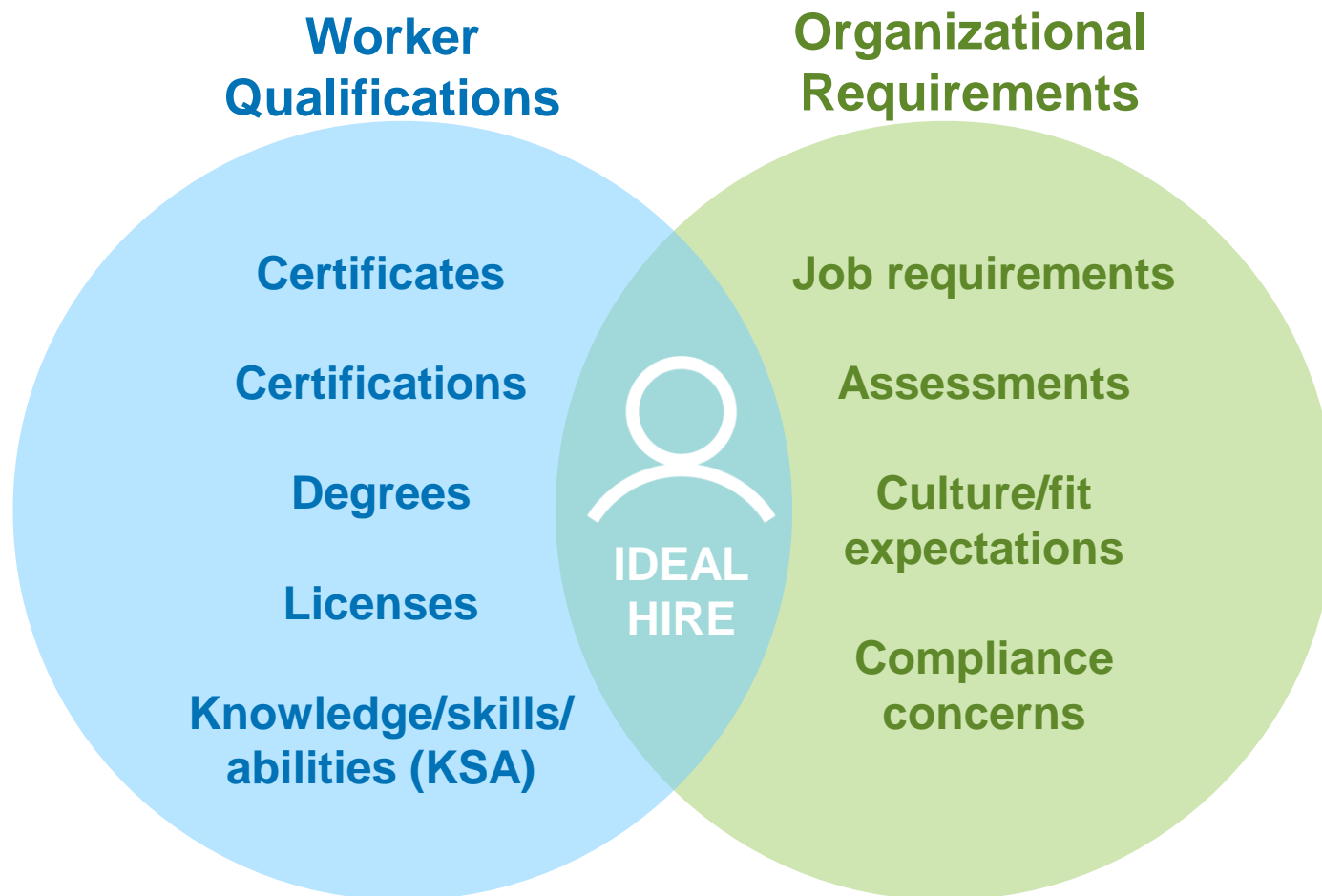


What are credentials and alternative credentials?

What are the benefits of and barriers to alternative credentials today?

How are organizations using alternative credentials?

Intersection of Qualified Candidates and Organizational Requirements May Be Very Small



Source: Deb Cohen and Robin Erickson, *Different in Degree: Closing the Talent Gap with Alternative Credentials*, The Conference Board, 2020.



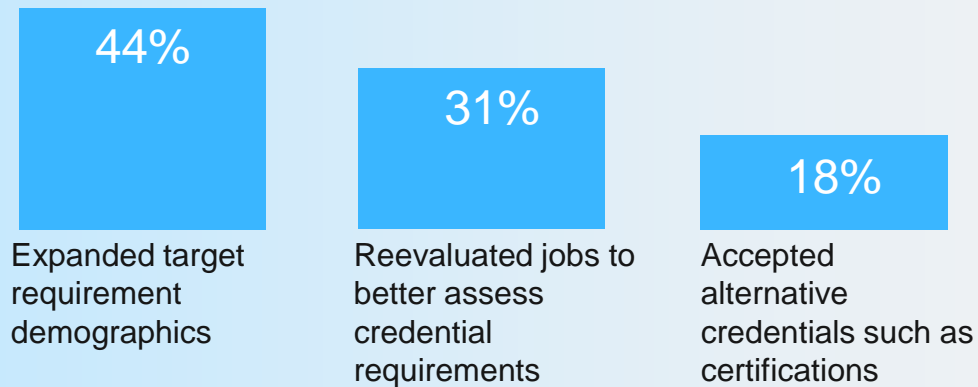
The Conference Board **Definitions**

A **credential** is the qualification or evidence that an individual possesses to be considered for a job. Official credentials take many forms such as degrees or licenses.

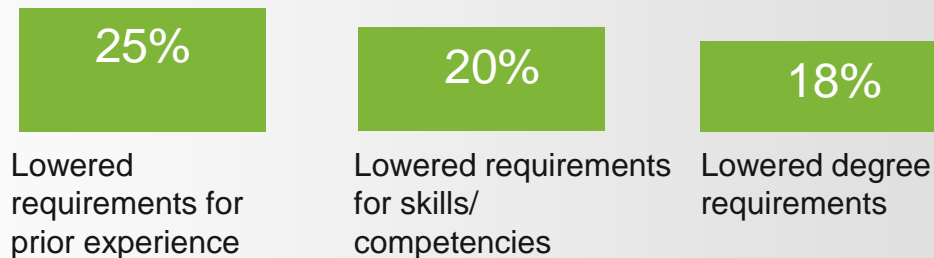
An **alternative credential** may include certifications, certificates, or successfully performing and demonstrating proof of competence.

Few Organizations Accept Alternative Credentialing

Substitutes



Requirements

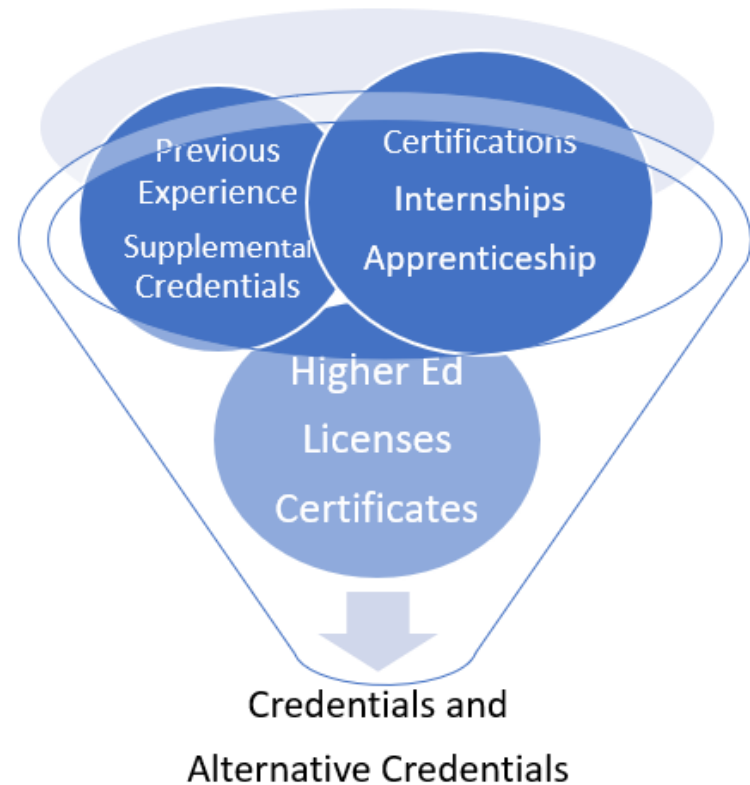


Source: Gad Levanon et al., *US Labor Shortages: Challenges & Solutions*, The Conference Board, January 2020.



Types of Credentials & Alternative Credentials

Higher education
Licenses
Certifications
Internships
Certificates
Apprenticeship
Supplemental credentials
Previous experience
Digital credentials



Source: Deb Cohen and Robin Erickson, *Different in Degree: Closing the Talent Gap with Alternative Credentials*, The Conference Board, 2020.



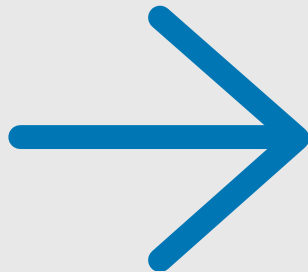
Guide to Different Types of Credentials (page 1)

Type	Description	How obtained	Evidence to employer
<p>HIGHER EDUCATION</p> <p>Examples:</p> <ul style="list-style-type: none"> • BBA • BS • MBA • PhD 	<p>College or university degrees from accredited educational institutions can be conferred in person or online; the wide array of degrees offered includes associate degrees, 4-year degrees, master’s degrees, or doctorates.</p>	<p>Degrees are awarded after a specific course of study that includes passing a specified number of required for-credit courses established by the educational institution and often accredited by an official accrediting body.</p>	<p>Degrees may or may not demonstrate knowledge of a certain level but do come with this assumption. A GPA is sometimes considered as a signal of known performance.</p>
<p>LICENSES</p> <p>Examples:</p> <ul style="list-style-type: none"> • CPA • JD • MD 	<p>Proof of a specific knowledge and skill in an occupation that requires evidence of being qualified for or given legal permission to perform.</p>	<p>Awarded by a state or federal agency upon demonstration of specific skills and sometimes experience—often after a course of study or a validated assessment.</p>	<p>Obtaining a license is a signal for:</p> <ul style="list-style-type: none"> • Legal permission • Knowledge and skill
<p>CERTIFICATION</p> <p>Validated Nonvalidated</p> <p>Examples:</p> <ul style="list-style-type: none"> • Project Management Professional (PMP) • Certified Information Systems Security Professional (CISSP) • Amazon Web Services (AWS) 	<p>Certification is the awarding of an official document by an industry body or government agency attesting to a level of achievement based on a set of industry standards. Skills and knowledge are typically measured using an independent third-party exam or assessment.</p>	<p>Examinations and assessments range in intensity, rigor, length, and difficulty. Body of knowledge outlines (i.e., industry standards) may or may not be validated, and the assessments used may or may not be validated.</p>	<p>Obtaining a certification can be a signal for:</p> <ul style="list-style-type: none"> • Knowledge • Skill mastery • Competence <p>Certifications that are validated and follow accepted quality standards for development and administration can be an excellent source of data about a candidate.</p>

Source: Deb Cohen and Robin Erickson, *Different in Degree: Closing the Talent Gap with Alternative Credentials*, The Conference Board, 2020.



What are credentials and alternative credentials?



What are the benefits of and barriers to alternative credentials today?

How are organizations using alternative credentials?

Benefits of Using Alternative Credentials

Widens the **candidate pool**

Sends messages that there are other pathways to success

Saves money in long run by bypassing entry-level training



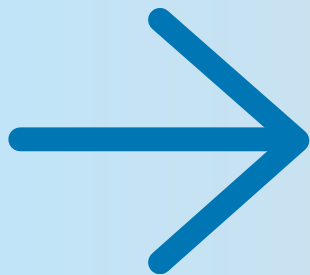
“It’s important to look at the cost of education on the availability of diverse talent pools. In the 2007–08 time frame, degrees were an artificial barrier to screen out candidates because unemployment was so high.”

Vice President, Talent Acquisition and Mobility, Chief Diversity Officer, large medical research and treatment center



What are credentials and alternative credentials?

What are the benefits of and barriers to alternative credentials today?



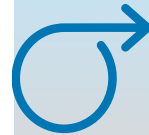
How are organizations using alternative credentials?

How Organizations Are Using Alternative Credentials

**Workforce planning
and strategy**

Training and reskilling

Recruitment processes



“If you truly want to build a great company, team, culture, or organization whether it be your team of 5 or 5000, you have to do the hard work evaluating people on their ability to perform the job, not their ability to get certifications in x, y, or z.”

Director of Staffing at a large technology company



Workforce Planning and Strategy

Helps **narrow talent pools** to
qualified workers with
the right skills

Creates new pathways for
new and existing workers

To **focus on** what the company
needs during labor shortages

Building out capabilities
into job descriptions



“Companies are starting to create their own credentials. It’s risky because how do you make them transferable, BUT there’s also a great risk only focusing on college degrees for intelligence and potential.”

Vice President, Talent Acquisition
and Mobility, Chief Diversity
Officer, large medical research
and treatment center



Training and Reskilling

For **upskilling talent** to adjust to future skill needs

Use **training as an indicator** for job-related skills

Use **analytics to track** the effectiveness of any employees who have obtained alternative credentials or received training



“If we can hire workers who have been educated and trained with entry-level skills, then our investment in training can focus on the next level of skills. Looking closely at what certain alternative credentials include saves us money.”

Global HR Executive at a large power company



Recruitment Processes

Use **competency language** to cut through the complexity and confusion of alternative credentials

Fit **job descriptions** to a **job profile**

Many organizations **use experience**, which is also an alternative credential, as a substitute for a degree in their job descriptions, especially for promotion



“We have “knockout” questions but also have strength questions that allow hiring managers to give extra weight and value to candidates for qualifications that may not fit neatly into a credential box.”

Senior Director, financial services corporation



Hiring for Potential

Culture, longevity, and values as a basis for hiring

● High-performing organizations ● Low-performing organizations



N=1,220

Source: Robin Erickson and Denise Moulton, *High-Impact Talent Acquisition: Six Key Insights to Put Talent Acquisition at the Center of Business Strategy and Execution*, Bersin, Deloitte Consulting LLP, 2018. The authors surveyed global HR, TA, and business professionals from organizations of all sizes.



Questions to Consider When Evaluating an Alternative Credential

CREDENTIAL PROGRAM	QUALITY ASSURANCE	STUDENT/WORKER FOCUSED
<p>Is the educational or training organization offering the credential transparent concerning the program, instructional methods, learning objectives, and expected outcomes?</p> <p>Is the credential accredited by a third party? What is their reputation?</p> <p>What is the reputation and stability of the organization awarding the credential? Does it offer other credentials or training for preparation?</p> <p>How many people hold the credential? Is the profession or skill area <i>demanding</i> the credential, and are those pursuing careers in the area obtaining the credential?</p>	<p>Is an advisory body or subject matter experts guiding the curriculum, and how often is the curriculum updated?</p> <p>Are there published learning objectives and an outline of what is included in the credential? How does the curriculum align with your organizational needs?</p> <p>Has the curriculum been developed with business and professional partnerships to ensure alignment with industry needs?</p> <p>Does the program produce the knowledge, skills, and abilities that it purports to offer?</p> <p>What is the reputation of the program and are they known for other credentials?</p>	<p>Is the credential affordable and is the composition of those completing the credential diverse?</p> <p>Is a test of knowledge, skill, or performance expected at the conclusion of the program to obtain the credential?</p> <p>How do students demonstrate learning and skills?</p> <p>Are there continuous learning requirements to maintain the credential?</p> <p>Is there evidence that acquiring the credential helps to obtain employment?</p>

Source: Deb Cohen and Robin Erickson, *Different in Degree: Closing the Talent Gap with Alternative Credentials*, The Conference Board, 2020.



Partnering with Educators & Educational Institutions



Engage/partner with local schools to identify the alternative credentials they may offer to ensure the content fits with your needs



Serve on advisory panels in the development and offering of alternative credentials



Partner with credentialing bodies to ensure that certifications and certificates provide the skills that are needed



Insights for What's Ahead

- To find qualified candidates in the current and future labor market, employers need to take the time to **understand the array of alternative credentials** available
- To both hire and retain workers, organizations should **invest in reskilling/upskilling and expanding their benefit policies** to include earning specific alternative credentials
- In terms of talent acquisition, employers should invest the time to **reassess job descriptions and train hiring managers and talent acquisition staff** to recognize an expanded view of acceptable credentials



Insights for What's Ahead

- To prepare for the ever-evolving roles needed in the future, organizations need to **hire for potential** as well as for specific skills
- To avoid skill shortages for specific roles and anticipate the skills needed in the future, **employers should partner with educators** to ensure that curriculum options reflect what is needed in the workforce



Questions?



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September 16, 2020

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Moderator



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Human Capital
The Conference Board





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