

Credentials, Competencies, Careers, and Customers: Building a Competency-Based US Credentialing System

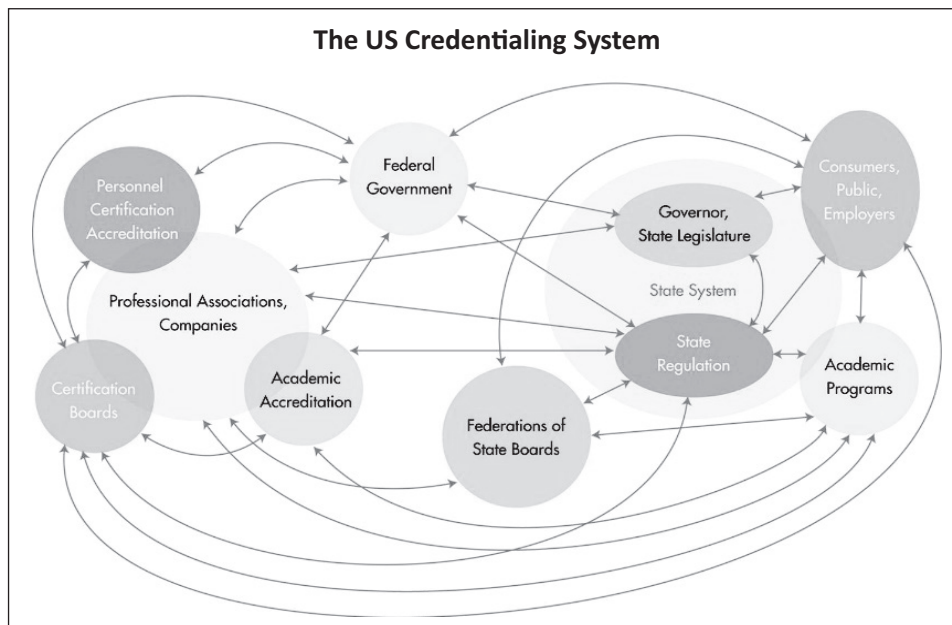
by Roy A. Swift, PhD

We've all heard terms like certificates, certifications, badges, and licenses . . . but what are they worth to the workforce? The last decade has seen huge growth in the number and variety of credentials, and this explosion has fueled a great deal of confusion among students, workers, job seekers, employers, and other consumers of credentials.

Today's US credentialing system is fragmented and

complex, leaving job seekers and employers alike to navigate the credentialing maze without a guiding compass. Workers, job seekers, and students struggle to determine if a credential will get them where they want to go, if they have to renew it and how often, and whether it will be a stepping stone to higher-level credentials. At the same time, employers want to know what competencies a credential holder has, how it compares to other credentials, and how much to trust the claims made.

Credentials can act as the critical connection that both job seekers and employers need to identify real knowledge and skills, and match them with appropriate opportunities. As more and more jobs require applicants to have training, education, or experience beyond a high school diploma, industry-based credentials have become a growing part of a competent workforce, providing new opportunities for job seekers and employers. But with less than ten percent of the more than 4,000 personnel certification bodies active in the United States accredited by a third party, there is no common definition of



quality or market value, varying levels of confidence, and little consistency across industry sectors. Most certifications would not meet ISO/IEC 17024, *Conformity assessment — General requirements for bodies operating certification of persons*, which outlines requirements for personnel certification bodies, and the development and maintenance of personnel certification schemes. And in terms of creating a common language, ISO/IEC TS 17027, *Conformity assessment — Vocabulary related to competence of persons used for certification of persons*, is a step in the right direction, but remains to be put into global use.

The situation may be even worse for education and training certificate programs. ASTM E2659, *Standard Practice for Certificate Programs*, provides guidelines for quality certificate program development and administration, and is an important step forward. Unfortunately, most certificate programs do not meet this standard. There are hundreds of thousands of certificates issued to obtain jobs, and many of these certificates do not adequately or

appropriately assess learning outcomes. As a result, a worker may hold a certificate but not possess the competencies to do the job.

We can do better. When it comes to growing our national economy, there is no more pressing concern than workforce development. That's why in 2014 the American National Standards Institute (ANSI) formed Workcred, a new 501(c) (3) affiliate organization focused on workforce credentialing. Like ANSI, Workcred shares a commitment to addressing key issues impacting the standardization community and the nation. Workcred's mission is to strengthen workforce quality by improving the credentialing system, ensuring its ongoing relevance, and preparing employers, workers, educators, and governments to use it effectively. Our vision is a labor market which relies on the relevance, quality, and value of workforce credentials for opportunities, growth, and development.

A Common Language

The lack of transparency in the credentialing market has created a buyer-beware environment. The wide variety of approaches and languages currently used by higher education institutions and industry certification bodies to describe credentials makes it nearly impossible to understand and compare them. Like a box of assorted chocolates, you never know *what* you are going to get!

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evaluated. It is only through transparent competencies that one is able to stack credentials efficiently and navigate a career pathway within or across industries. When competencies are measurable, it becomes clearer what assessments have to be conducted to determine if knowledge and skills have been acquired.

However, one of the biggest challenges is the fact that the word “competencies” is used and interpreted so differently by various audiences that it has almost completely lost its meaning. The wide variety of approaches and languages currently used by higher education institutions and industry certification bodies to describe credentials makes it nearly impossible to understand and compare them.

A common language for describing competencies and other key features of credentials is sorely needed to bring clarity to the labor market. How else will we know what knowledge and skills stand behind a credential, how a BS in computer science from one university compares to another, what two years of military training is worth, or how to compare two or more certifications that say they certify individuals in the same occupation such as cybersecurity?

A transparent credentialing marketplace—one that all stakeholders can understand and use effectively—is essential to advancing American workers and business. That is why Workcred—along with George Washington University’s Institute of Public Policy and Southern Illinois University—is leading the *Credential Transparency Initiative (CTI)*, to create a more coherent and transparent US credentialing system.

Funded by Lumina Foundation, the initiative will develop common terms for describing key features of credentials to enable a common understanding of these terms and, in turn, a more informed market. The initiative will build and test a first-of-its kind credential registry and software applications that will allow users to compare the quality and value of workforce credentials with information provided directly by the institutions issuing the credentials. The goals are transparency and clarity, and to help align credentials with the needs of students, job seekers, workers, and employers.

the Committee for Economic Development of the Conference Board (CED), the Manufacturing Institute, the US Chamber of Commerce Foundation, and the University Professional and Continuing Education Association (UPCEA).

The credential registry is on target to launch in the spring of 2016. The CTI project team is working closely with pilot-site partner credentialing organizations to make information about their credentials and quality assurance processes available for the pilot test. These pilot-site partners include universities and community colleges

that award a variety of credentials—from certificates and AA degrees to BA and BS degrees—as well as organizations outside higher education that award industry certifications, certificates, and credentials such as licenses, microcredentials, and badges. (Microcredentials and badges are alternative credentials that speak to the attainment of specific knowledge and/or skill bundles. They are generally issued after completion of a short educational module, which many times focus on industry-specific skill requirements.)

Workcred is proud to be part of this exciting partnership. After all, when it comes to building a competency-driven workforce credentialing ecosystem, strong partnerships among stakeholders are key. More details about the CTI are available at www.credentialtransparencyinitiative.org.

The Skills Mismatch

Even as the economy rebounds and unemployment drops, the United States faces a serious skills gap. This skills deficit stems from a mismatch—many of today’s job seekers do not have the competencies

All Americans Have a Stake in an Effective Credentialing System

- ✓ **Students, job-seekers, and workers** need to know what jobs the credential will actually qualify them for, what bump in earnings they are likely to experience, and whether the credential is a stepping stone to higher levels.
- ✓ **Young adults and career-changers** need to know which credentials will get them where they want to go, how best to obtain them, and how to maximize the value of their skills and knowledge.
- ✓ **Employers** need to clearly signal to the education and credentialing community the validated knowledge and skills needed on an on-going and systematic basis. In addition, employers must also develop an understanding of what skills and knowledge level a particular credential represents, how it compares to other credentials, and whether its claims can be trusted.
- ✓ **Education, training, and credentialing organizations** have an interest in the ability of the market to recognize the distinct features, quality, value, and effectiveness of the credentials they award.
- ✓ **Governments and the general public** look to credentials for assurance that workers they rely upon have the knowledge and skills needed to practice their occupations.

The efforts of the initiative are driven by a collaborative of key stakeholders who share in the vision of a more coherent and transparent credentialing marketplace. The collaborative and its committees will determine evaluation criteria for the pilot test, interpret the resulting data, and guide any subsequent efforts to take the credentialing registry to scale. Ongoing leadership of the CTI is provided by an executive committee involving senior officials of the American Council on Education (ACE), the American Association of Community Colleges (AACC), the Business Roundtable,

needed for today's high-skill manufacturing, technology, and service jobs.

According to the Association for Talent Development (formerly the American Society for Training & Development, ASTD), the skills gap is "a significant gap between an organization's current capabilities and the skills it needs to achieve its goals. It is the point at which an organization can no longer grow or remain competitive because it cannot fill critical jobs with employees who have the right knowledge, skills, and abilities."¹

A 2013 survey from Accenture revealed that nearly half of businesses—forty-six percent—reported a skills gap, meaning they did not feel they have the employee skills necessary to compete effectively in the coming years.² And a September 2014 survey by the Business Roundtable found that fifty-two percent of member CEOs considered the skills gap to be either "problematic" or "very problematic." What's even more alarming is that only three percent viewed the issue as "not a problem" at all.³

Workcred sees the nation's skills gap as a major concern. Job seekers can't tell which credentials will help them earn and demonstrate their competencies, and obtain employment. Employers can't identify the credentials that will ensure that employees know what a piece of paper says they know. If the skills gap is left unaddressed, the nation will not be able to keep pace with the demands of the economy or the needs of employers.

In today's market, competition for talent is global. US workers are competing with skilled workers in China, India, Brazil, and elsewhere. For employers, success depends not only on recruiting, hiring, and retaining the right people, but also on ensuring that the upcoming workforce has the necessary skills and credentials needed.

To address the nation's workforce development challenge and fill jobs and industries here in the United States, as well as remain competitive in the global marketplace, we must deliver improved educational and certification outcomes and ensure that students and workers are equipped with the needed in-demand skill sets. We need to do a better job of defining competencies of future workers. And we need to define and establish transparent career pathways that

allow workers to navigate multiple careers with competency-based credentials that can be "stacked" for our future workforce. To do this, the alignment between what industry needs, what education produces, and what the certification body tests, needs to be improved.

Working for Solutions

Workcred is here to help. Through research, consulting, education, and fora, Workcred is working to promote awareness of competency-based, industry-recognized workforce credentials, and to support efforts to improve the quality, transparency, portability, and market value of these important tools.

Through our consulting services, we are working closely with government, corporations, education institutions, and professional and trade organizations to evaluate the quality and value of current credentials to industry, revise current credentials, and build new credentials to meet a specified standard and validated industry needs. We are also helping these organizations create appropriate credentials for a specific career pathway, stack credentials efficiently, and align them to education/training, credentialing, and validated industry needs.

At Workcred, we are also examining research to address industry and public needs. Our research interests are initially focused on several key areas in the workforce credentialing space:

- **Examining the Relationship between Quality, Labor Market Value, and Effectiveness**

With the tremendous growth of certifications in this country, it has become more difficult to discern quality certifications from those of lesser caliber. Workcred is beginning to look at research to examine the linkage between "quality," "labor market value," and effectiveness. Information gleaned from this research will be useful to employers who are creating criteria for the selection of credentials that have value for their organization; certification bodies as they market the predictive validity of their credentials; states who are looking for quality certi-

fications that align with their education programs; and individuals who are seeking credentials that will make a difference in obtaining employment and demonstrate value to the organization after employment.

- **Mapping the Credentialing Landscape**

To date, no known comprehensive mapping of credentials has been done that looks at the growth of specific credentials, how they are defined, and what, if any, the relationships are among the credentials. This type of information would help credential seekers understand how they would benefit more from one credential than another and how the credentials could be used to build a career pathway.

- **Employer Signaling**

Although some theoretical work has been done, there is no clear agreement on the mechanism by which employers make their decisions regarding competency and skills requirements and related credentialing requirements, and communicate or "signal" these decisions to the market. Workcred is pursuing research to examine how employers define their requirements and how they choose to communicate their requirements. This research would identify leading and proven employer practices that have positive outcomes, and help employers to identify different decision-making models for signing competencies on an on-going systematic basis. Individuals looking for employment would be able to identify if they have the specific competencies signaled by the employer. Educational institutions would be able to build mechanisms to identify the signals from employers and build content in a timely manner on an ongoing basis.

- **Globalization of Credentials**

With the goal of determining best practices and tools that can be used by companies and organizations operating in the global market, Workcred is examining research to examine how organizations that have successfully globalized a credential have done so effectively.

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The Road Ahead

Workforce development is a shifting, growing landscape that needs an ongoing, systematic approach. It's a vast field of inquiry, and there is a lot of opportunity to make a strategic difference. Achieving a coherent and navigable competency-based credentialing system is no simple matter, but it *is* within our reach. Like any worthwhile endeavor, it will require strategic partnerships and close collaboration between stakeholders—the business community, credentialing organizations, federal, state, and local governments, educational institutions, philanthropic associations, and more.

Workcred invites the standardization community and organizations involved in the marketplace to join the call to action. If your organization is interested in teaming up with Workcred on research or collaborative activities focused on improving and standardizing the US credentialing system to improve talent supply chain management, or can benefit from Workcred's expertise, contact us at info@workcred.org. Visit www.workcred.org for more information about Workcred.

About the Author

Dr. Roy Swift is currently the executive director of Workcred. He previously served as the chief workforce development officer and senior director of personnel credentialing accreditation programs at the American National Standards Institute (ANSI), and from 1993 to 1998 he was executive director of the National Board for Certification in Occupational Therapy (NBCOT). Prior to that, he served for twenty-eight years in the United States Army Medical Department, where he was chief of the Army Medical Specialist Corps in the Army Surgeon General's Office with policy responsibility for Army occupational therapists, physical therapists, dietitians, and physician assistants throughout the world.

Dr. Swift holds a BS in occupational therapy from the University of Kansas, an MS Ed. from the University of Southern California, and a PhD in continuing and vocational education with an emphasis on continuing competency in the professions from the University of Wisconsin-Madison.



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