Employer Perspectives on Non-Degree Credentials: Recent Research Results and Implications for Future Study

Sean Gallagher, Ed.D.
Executive Director & Executive Professor of Educational Policy
Northeastern University Center for the Future of Higher Education & Talent Strategy
@HiEdStrat
A National Survey of Employers

• Role of educational credentials in hiring understudied

• New developments further complicate the picture:
  o New types of credentials
  o Online learning
  o Technology-driven shifts in hiring practice

• National survey of 750 HR leaders (Aug-Sept 2018)

• Census-representative across industry sectors and company sizes

• Focus on perceptions, policies, practices
Over the Last 5 Years, the Value of Educational Credentials in Hiring Has *Increased or Stayed the Same* for Most Employers

Relative change in the value of educational credentials compared to 5 years ago:

- **48% increase**
- **29% stayed the same**
- **23% decline**

*Source: Educational Credentials Come of Age, Northeastern University, December 2018 (n=750)*
Microcredential Awareness is Growing

Figure 8. Level of Awareness or Experience with the Various Types of “Microcredentials” that May Appear on a Candidates’ Resume

- Other types of NDCs
- Unpacking the “certificate”
- The hiring experience and comparison
- In what specific cases are NDCs substituting for (rather than supplementing) degrees?

Source: Northeastern University national employer survey of hiring leaders, September 2018 (n=750)
Online Credentials Are Now Mainstream

Perception of Quality for Credentials Earned Online

- Differences by job and degree level
- Impact of new models (e.g. MOOCs) on perception of quality
- Granularity of competencies in digital credentials
- Exploring and overcoming legacy of stigma
- Employer-side online credential outcomes

Source: Educational Credentials Come of Age, Northeastern University, December 2018 (n=750)
What Attributes Signal Credential “Quality?” (Issuer)

Importance of Credential Issuer Attributes in Signaling Quality

- What models of industry validation are most effective and valued?
- How is employee performance being measured?
- How can third-party quality assurance be made more important?
Talent Analytics is Beginning to Reshape Hiring and the Setting of Educational Qualifications

- 17% engaged in talent analytics - “rigorous and data-driven process”
- 41% more are in the beginning stages

Source: Educational Credentials Come of Age, Northeastern University, December 2018 (n=750)
Growing Momentum for Skills-Based Hiring

Extent to Which Organizations Have Formal Skills-Based Hiring Initiatives Underway or Are Considering a Strategy That De-Emphasizes Degrees and Prioritizes Skills

Source: Educational Credentials Come of Age, Northeastern University, December 2018 (n=750)
Work-Integrated Learning: A Key Theme in Employers’ Recommendations for Colleges & Universities

Top 3 Ranking

- Include real-world projects and engagements with employers and the world of work: 23% (23%), 17% (17%), 13% (13%)
- Provide academic credit for experience and on-the-job learning: 16% (16%), 15% (15%), 12% (12%)
- Include more industry and employer validation of curriculum e.g., as with certifications: 10% (10%), 11% (11%), 13% (13%)
- Provide better systems to verify and validate credential authenticity: 11% (11%), 11% (11%), 12% (12%)
- Engage in more rigorous forms of quality assurance and accreditation: 12% (12%), 12% (12%), 10% (10%)
- Greater transparency in competencies and outcomes from the program: 8% (8%), 10% (10%), 11% (11%)
- Rigorously confirm of students’ identity through proctoring: 6% (6%), 6% (6%), 7% (7%)
- Digitize the credential in a way that is more transparent about competencies and skills: 4% (4%), 6% (6%), 7% (7%)
- Achieve greater integration of credential data into HR/Applicant Tracking Systems (ATS): 5% (5%), 5% (5%), 6% (6%)
- Create more shorter-form credentials (such as certificates) that “unbundle” the degree: 3% (3%), 5% (5%), 8% (8%)

Source: Educational Credentials Come of Age, Northeastern University, December 2018 (n=750)

- Work-integrated learning – big frontier
- Models for actively mapping work experiences to credit
- Standards and systems
- ATS protocol impact/policies
Concluding Thoughts

• Broader talent strategy and workforce planning - where NDCs fit in
• Fragmented decision-making: policies and practices
• Education and experience intertwined: unpacking this and W.I.L.
• Understanding employer-side outcomes of NDC hires
  - Leading to potential shifts in talent acquisition
• Understanding potentially significant differences by context:
  - Industry sector; occupational type/level; geography; employer scale
• An employer network/standing intelligence - vs. recreating the wheel
• Tracking impact of continuous innovation in credential types and forms
• What does the ideal non-degree credential look like in various contexts?