

FOUR WAYS TO INCREASE THE VALUE OF SHORT-TERM CREDENTIALS

Executive Summary



A growing number of people— from recent high school graduates to middle-aged workers— are pursuing alternative educational credentials in order to acquire specialized job skills and knowledge. Community colleges and other organizations offer a dizzying array of short-term credential programs for multiple industries, causing a lot of confusion about course content and whether the credentials are worthwhile. Many credentials were created to close the skill gap between what workers know and can do and what industries need. But ironically, employers often do not understand the value of these credentials, and as a result, do not factor them into hiring and promotion decisions.

This report sets out to explore the causes of this disconnect and offer community colleges some solutions that would better align their credentials with labor market need and create greater awareness of the value of these programs. In order to illuminate the challenges from multiple perspectives, JFF conducted in-depth interviews with a broad range of stakeholders, including community college faculty and administrators, employers, workforce development professionals and representatives from research organizations, government agencies and credentialing bodies.

Among The Key Insights from Employers:

- Most employers interviewed placed more value on candidates being able to demonstrate mastery of a skill rather than the possession of a non-degree credential. They viewed credentials as often rewarding “seat time,” not competency, perceived inconsistencies in requirements for any given credential and pointed to the lack of documented ROI for employers who hire credentialed employees.
- Employers said requiring jobseekers to have certain credentials would severely limit candidate pools and potentially eliminate highly-skilled applicants that may not possess these credentials.

Among The Key Insights from Community Colleges:

- Colleges lack sufficient marketing resources to effectively educate industry stakeholders and job seekers about the value of credentials.
- The relationships colleges have with employers and industry representatives are not producing the information needed to improve credentialing programs and increase awareness of their importance.
- Internal obstacles such as faculty resistance and bureaucratic hurdles inhibit the development of new credential programs and the nimbleness of existing ones.

Recommendations

Developing programs that confer short-term credentials with quantifiable labor market value must be a collaborative effort by all stakeholders. Community colleges must also do a better job of marketing their credentialing programs and demonstrating their value to industry. Specific recommendations include:

- **Build closer, more productive partnerships with industry:** Assist with helping employers identify and communicate the skills and knowledge workers need; collaborate on curriculum design and ROI measurement; and work with employers to begin factoring credentials into hiring and promotion decisions where appropriate.
- **Market short-term credentials more creatively:** Leverage social media and other communications channels such as alumni networks; promote ROI data and success stories to obvious and less obvious stakeholders (such as local legislators); and partner with local companies to spread awareness of the value of credentials during industry events.
- **Shake up institutional culture and engage faculty more fully:** Accelerate the development, approval and review of programs to keep credentials from getting stale. Identify strategies for overcoming the status quo that may exist among faculty.
- **Look to all stakeholders as potential allies:** Nurture relationships with workforce development organizations, policymakers, small business associations, etc. These stakeholders can strengthen the credibility of short-term credentials, assist in their development, identify funding sources to help defray costs and increase the diversity of students recruited into programs.

The report includes additional detail on the challenges facing employers and community colleges with respect to credentialing, as well as additional strategies that have the potential to improve the impact of credentials. It also includes a primer on the complex credentialing landscape, explaining the differences among the three main types of short-term credentials; a research-based list of the eight characteristics of a high-quality credential; and examples of efforts to increase the value and transparency of credentials.