

## Call for a National Conversation on Creating a Competency-based Credentialing Ecosystem

The undersigned individuals<sup>1</sup> believe that the time has come for key stakeholders in our Nation's credentialing system to come together to increase transparency, trust and portability in the credentialing marketplace to improve employer competitiveness, reduce skill shortages, expand career advancement opportunities for workers, reduce time to credential for workers and students, and improve returns of accredited credentialing systems relative to costs. We believe that large scale expansion of the use of credentials that recognize an individual's competencies – regardless of means of acquisition – is essential to meet the demands of students, job seekers, employers, government and education and training providers.

Below, we describe the crisis of credibility in our complex and highly fragmented credentialing system. Next, we broadly outline the components of what a fully functioning ecosystem would include. We then pose questions to reviewers about whether we have captured the key issues and strategies that will be needed to move an action agenda forward. We end by asking reviewers whether they are willing to participate in a leadership role in this quest.

### A Crisis of Credibility in Education and Workforce Credentials

The U.S. has a widely varied education and training system that provides multiple routes to educational and career advancement for people and a diverse multi-layered credentialing marketplace of degrees, certificates, certifications, licenses and badges that are offered by a wide variety of educational institutions and credentialing organizations. While this dynamism in educational offerings and credentials creates many new options, the proliferation of credentials without an underpinning of consistent definitions, standards and quality assurance mechanisms has left employers, government, students, job-seekers, workers, and education and training providers confused about the quality and market value of the credentials being offered.

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<sup>1</sup> This paper is the collaborative effort of a group of stakeholders, representing national education and workforce organizations and individuals, who have been meeting over the past year to frame a national conversation on addressing the crisis of confidence in education and workforce credentials. These efforts represent a commitment to broaden the conversation to other key stakeholders in our credentialing system so that we can jointly develop an action agenda for building a competency-based ecosystem for education and training in the United States. This commitment does not represent an endorsement of any policies or practices.

The perpetually volatile economy is increasing risks for employers and job seekers. Within this environment, both are looking to workforce and education credentials to reduce their risk. Employers, seeking the best possible talent, often rely on credentials as signals to screen prospective candidates for the knowledge, skills and abilities they require for business success and competitiveness. Young people and adults seek credentials that provide them with valued evidence of their marketable skills to help them secure employment and advance in their careers.

The problem is that not all credentials have clearly understood market value. People seek guidance they can trust on the market value of different credentials so that they mitigate the risk of investing their time or money into education and training that will either not pay off with desirable employment or might even detract them from their aspirations.

The importance of understandable, reliable credentials as a common currency of exchange in an already complex marketplace is becoming even more crucial. The fast-paced expansion of technology-based educational alternatives-- including the Massive Open Online Courses (MOOCs) -- is revealing the potential both for deinstitutionalizing education and for new forms of credentialing such as “micro-credentialing systems” (e.g. digital badges) that could expand the variety of potential credentials significantly beyond the thousands currently offered.

These new options increase the necessity of linking credentials with skills and knowledge that can be demonstrated and applied in the marketplace, rather than with using “seat time” as the basis for awarding credentials.

Three key elements are missing from our current credentialing system:

- **Transparency** – Users must be able to easily understand what a credential represents, including what competencies holders should have, what has to be accomplished to obtain it, and the rigor of how it was developed to ensure the validity;
- **Trust** – Users need to be able to know that a credential accurately reflects the competencies it asserts; and
- **Portability** – Users need to be more able than now to put together and use multiple credentials across an array of boundaries – across industries, states, countries, and credentialing organizations, including education and training providers.

The lack of transparency, trust and portability in the current credentialing marketplace results in high costs for employers, government, students, job seekers, and educators: wasted time, inadequately informed decision-making, and missed opportunities. For example:

- Despite the increased reliance on credentials, employers in multiple industries can't find job candidates who possess needed skills and abilities and job seekers with credentials can't find employment that uses their skills and abilities;

- Thousands of U.S. veterans struggle to translate skills they obtained while in service into civilian credentials, jobs and career pathways;
- Individuals entering the labor market don't know what credentials have market value to get them where they want to go and how best to obtain needed credentials;
- Individuals who need to make a career transition are challenged about how to translate and generalize the skills and knowledge they've acquired into options in different occupations and industries;
- Individuals often can't "get credit" for training they have already completed, because credentials don't move with them from one job, or one region, to the next, and frequently, they don't count toward higher education and degrees;
- Educational institutions struggle to describe learning outcomes so as to clearly express marketplace value;
- Students lack information they need to manage their own education, training, and career development process, such as reliable information about the quality and success results of education and training institutions as well as about reputable credentialing programs valued by industry; and
- Policy makers can't rely on credential attainment as a reliable performance metric for holding education and training providers accountable for students' learning outcomes.

We must do better.

### **The Starting Point: Our Current Dysfunctional Credentialing System**

The figure below illustrates the complexity of the U.S. education and workforce credentialing system. The system is made up of many credentialing organizations and processes; each has its own role in creating or attaining a credential. These processes are quite different from each other, with no common quality assurance criteria/standards upon which to base learning and credentialing pathways. These processes involve different stakeholders, including education and training providers, federal and state governments, employers and employer organizations, personnel certification bodies, professional societies, education accrediting bodies, and accreditation organizations and certificate issuing bodies.

These multiple institutions that comprise the system are highly dedicated to fulfilling their role within their scope and charter and as part of a credentialing pathway. This is not the issue. We see no need to create a single unified accrediting body as other countries have done; rather, the challenge for us is to improve the interoperability of the diverse parts of our complex system in order to improve the combined impact of these institutions quality student outcomes that are transparent, trusted and portable.

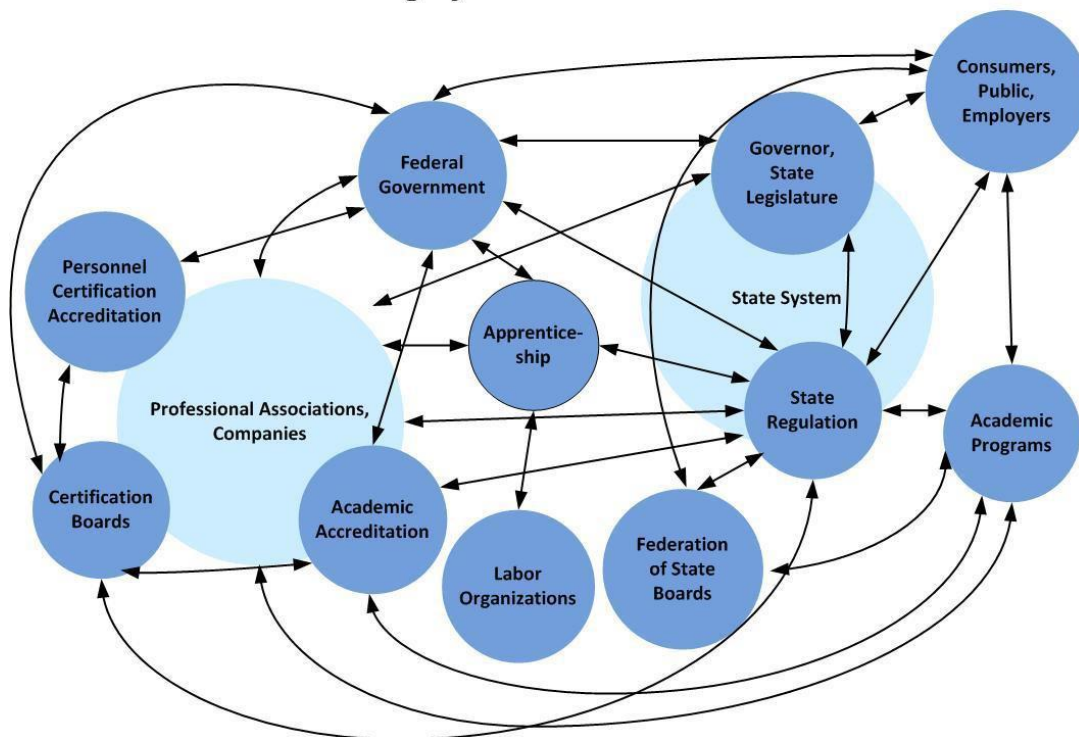
Because of the complexity of our credentialing environment, the users -- education and training providers, individuals, and employers -- do not have a common view of quality and confidence in the

signal that credentials are sending. For example, accredited educational institutions may be awarding credentials based on seat time and number of hours spent. The design of these degree and certificate programs are driven by many factors: student interest; instructor qualifications and interest; funding and accountability standards; and institutional brand. However, there often is no requirement to ground the content in competencies identified in the labor market or to assure that the resulting credential is based on competency attainment using appropriate competency assessment mechanisms. Labor market value is uncertain and varies widely.

Numerous professions/occupations, through their professional societies, determine how they want to credential their members. The variety of mechanisms used for professional/occupational credentialing includes state licensure, voluntary national certifications, and recognition by the federal government, such as through use of a “registry” based on qualifications, or registered apprenticeships.

Most professional/occupational pathways have no quality assurance mechanism associated with the credential and most credentialing agencies self-declare the market value and quality of the credential. More than 4,000 personnel certification bodies are at work in the United States and less than 10% are accredited or reviewed by a third party. Even if quality practices are considered on a case by case basis, there is no system wide consensus or definition of quality to depend upon, even though many times an individual is eligible to obtain a certification or license only after they have graduated from an accredited education institution and the specific academic program is accredited.

### Credentialing System in the United States



This picture reflects the limits in credentialing within the U.S. today: a complex, difficult maze to navigate that lacks consistent quality assurance and adequate interconnections and alignment. A list of roles played by some of the major system participants can be found in Appendix A.

### **Our Vision: A Competency-Driven Credentialing Ecosystem**

A high quality credentialing ecosystem for the dynamic 21<sup>st</sup> century economy must be equally dynamic, grounded in competencies, regardless of the type of credential. As employers continually recalibrate the knowledge, skills and abilities their jobs require, and as occupations are created and adapted, the U.S. needs a credentialing ecosystem that combines rigor and agility to produce credentials valued by employers, government, educators, students and job seekers.

We use the term “ecosystem” intentionally. Credentialing in the U.S. involves diverse organizations and approaches; we don’t see that reality transforming into a single, hierarchical approach. Rather, we envision embracing the agility of decentralization and in fact strengthening it by improving how various actors and credentials interconnect. We envision an ecosystem that is supported with shared language, tools and approaches that promote transparency, trust and portability of credentials, including pathways among the disparate credentialing siloes that now exist. Needed supports include:

- *Consistent definitions and language* about competencies and credentialing mechanisms that are used across credentials;
- *Shared quality assurance mechanisms* that span process quality, content quality, and user quality and collectively ensure credentials are trusted by employers, government, workers, and educators; and
- *Shared public-private data infrastructure* to facilitate open exchange of information and analysis among stakeholders and more user-friendly information for consumers.

Using competency as the basis for credentials would create a transparent student-centered approach to credentialing . A common phrase used in the military is, “You can standardize training but you can’t standardize learning.” Learning can only be determined through an effective assessment process that measures what each individual has learned as a result of the education, training, or work/life experience.

We envision an ecosystem in which:

- Competency-based credentials are widely and consistently used in the United States;
- Diverse credentials are both easy to understand and to use by employers, individuals and educators;
- All stakeholders – employers, learners, educators and accreditors -- see a clear return on investment from acquiring and using competency-based credentials;
- Micro-credentials are understood and accepted, and can be combined in “bundles” that enhance their relevance and value;

- Users can rely on the quality of credentials, including their accuracy in representing the competencies possessed by a credential holder;
- Credentials are continually refreshed and validated to ensure that they stay relevant to changing requirements ;
- Credentials are transparent to allow the user to understand how credentials are interconnected and facilitates occupational transitions during a career life cycle;
- Users doing career planning or making job transitions can combine “micro credentials” easily into customized bundles that aggregate to fit their needs; and
- Credentials emerge and are modified continually to align with emerging industries and occupations.

Building blocks already exist. Competency-based credentials can be found in thousands of places – diverse industries, educational institutions, assessment organizations, government agencies, and more. We need to scale and connect.

### Charting the Way Forward

We call upon the multiple users, producers and accreditors of education and workforce credentials to come together to build this ecosystem. We want to engage key stakeholders in conversations about how to proceed so that the time, resources and political capital it will take to create the kind of competency-based credentialing ecosystem we envision will pay off in real benefits for all stakeholders. We pose the following questions to start the conversation:

#### All Stakeholders

- What should be done to improve upon the way we have framed the challenges for employers, government, students, job seekers and educators in our current system and our vision for a competency-based credentialing ecosystem?
- What is the cost of the lack of a coherent, quality assured credentialing ecosystem to the stakeholders in the current system?
- What benefits from the ecosystem, as outlined, would have to accrue to your constituency to motivate them to help create such a system?
- What current practices represent building blocks that can be used as foundational parts of a competency-based credentialing ecosystem?
- What are constraints to creating a coherent national credentialing ecosystem and what strategies could be used to overcome these constraints?
- What role do you see for your organization and/or constituency in transforming credentialing in the United States?

#### Employers and Employer Associations

- How can employer organizations engage their members in widened use of competency-based credentials?
- How can employers contribute to ensuring credentials are of high quality?

- How can employers leverage the value of quality credentials in their talent management practices?

### **Professional Societies**

- How can professional societies expand the use of competency-based program standards and credentials within their occupational fields?
- How can professional societies contribute to ensuring credentials are of high quality?
- How can professional societies coordinate more closely in the development and deployment of professional credentials to promote compatibility across occupations?

### **Accreditation Bodies**

- How can the use of competency-based credentials be encouraged and supported through accreditation processes?
- How can the accrediting of personnel certification bodies be expanded?

### **Certification Bodies**

- How can certification bodies ensure transparency, consistency and standardization of personnel certification bodies?
- How can academic programs be developed to prepare individuals in personnel certification to acquire the necessary competencies to direct and staff these crucial credentialing agencies?

### **Education and Training Providers**

- How can education and training providers expand their use of competency-based credentials?
- How can competency-based credentialing contribute to increasing students' success in completing their education and workplace goals?

### **State Government**

- How can states increase policy coherence and articulation across elementary, secondary, post-secondary, and training institutions through the use of shared competency-based metrics for the award of credentials and license to practice in the market place?
- How can collaboratives of states increase consistency of licensure and credentialing requirements across states to facilitate reciprocity and increased portability of quality credentials?

### **Federal Government**

- How can federal policy changes encourage expanded and consistent use of high quality, competency-based credentials across multiple departments/agencies?
- How can federal agencies use discretionary funding to promote the portability of credentials across geographic, enterprise, and career boundaries?
- How could the federal government contribute to developing shared definitions across relevant federal workforce, secondary and post secondary education, career-technical, and adult education programs?

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## Appendix A: Current Roles in Credentialing within the United States

### Federal Government

The federal government roles include:

- Serving as a model credentialing user for federally regulated sectors responsible for the health and safety of the public;
- Promoting capacity of institutions through supporting research focused on improving and connecting the processes and content of credentialing education and training and quality assurance systems;
- Supporting shared definitions across the federal agencies;
- Providing policy guidance for grant in aid programs and rewarding innovations such as efforts to reduce barriers between credit and non-credit programs;
- Providing support to ensure consumer access to information regarding credentials that have met national volunteer quality assurance standards;
- Supporting research to promote continuous improvement of content of standards, learning systems, and assessment tools as well as the processes used to develop and recognize competencies;
- Supporting the establishment of a public/private convening body centered on connecting key stakeholders to promote the escalation of the envisioned ecosystem; and
- Providing support for small agencies to obtain accreditation to demonstrate their quality outcomes and be competitive.

### State Government

State government roles include:

- Designating or creating a current cross institutional body that brings together public and private stakeholders to review the state of practices in the state using competency based strategies in their processes and content to promote transparency and user trust;
- Assuring policy coherence and articulation across elementary, secondary, post-secondary, and training institutions through the use of shared competency-based metrics for the award credentials and license to practice in the market place;
- Promoting policy criteria for use in recognizing accreditation and licensure bodies that promotes competency based approaches in their operating criteria;
- Supporting the establishment of sector focused convening body(ies) composed of employer networks and education and training institutions to assist in the development of curricula and assessment processes that promote career pathways built on competency models;
- Supporting development of tools to assist employers identify return on training investments;
- Developing and maintaining data systems and career information systems to support individuals access to information for developing stackable credentials, and the cost of education and the labor market value of education and industry-based credentials; and

- Creating standards for licensure programs that would be adopted by all states and allow for transparency and portability across states.

### **Employers/Employer Organizations/Unions**

Employers/employer organizations/unions play multiple roles, often in partnership with government to ensure public resources help prepare individuals needed in the labor market. These networks operate on many levels but key roles include:

- Developing industry skill standards used by education and training institutions;
- Supporting third party assessments to certify competency of individuals and in some industry sectors managing certification programs; and
- Providing work-based learning. Unions provide a major role in the organization and management of these functions for many technical/craft occupations.

### **Professional Societies**

Professional societies focus on specific occupational clusters that establish standards of practice used in (1) technical education specialty programs of study in institutions of higher education or technical professions, including law, engineering, various medical specialties in postsecondary institutions;(2) managing certification programs and (2) framing license to practice laws in states.

### **Accreditation Organizations**

Accreditation organizations recognize institutions offering educational credentials. At the K-12 level about 20 states directly manage this process supplemented by six regional accreditation organizations, three of which are now operating under the banner of one company. The regional organizations were originally created to assess the quality of high schools and ensure that they were producing college-ready graduates. At the post-secondary level there are over 60 plus institutional and programmatic organizations that are recognized by the U.S. Department of Education and state approving agencies.

### **Education and Training Providers**

Education and training providers play several roles in credentialing, including:

- Awarding degrees, diplomas and certificates to learners who successfully complete programs of study;
- Undertaking institutional and program accreditation through relevant accreditation organizations;
- Aligning technical programs of study with relevant industry certifications;
- Employing credentials covering smaller modules of learning that can be combined/stacked into larger scale credentials;
- Recognizing competencies students achieved in non-collegiate and work-based experiences; and
- Partnering with employers to provide meaningful combinations of work and learning that develop result in attainment of competencies.