Follow the Data:
What HR Leaders Want Educators to Know Today

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Center for the Future of Higher Education and Talent Strategy
In a Tight Job Market, Talent Strategy Tops the Corporate Agenda

…driving changes in how employers view credentials and relate to higher ed

Attracting and retaining talent: 
top CEO concern

(Federal Reserve/BLS, 2019)

Job openings at all-time highs

(Conference Board, 2019; also PWC Global CEO Survey)

• Embrace of alternative talent pipelines
• Shifts in college recruiting
• Investments in upskilling and retention
The Degree is Doomed
January 8, 2014

Are Master’s Degrees on Their Way Out? Alternatives Grow as Enrollment Fades
April 13, 2015

The End of the Master’s Degree?
August 26, 2015

Biggest Offender in Outsize Debt: Graduate Schools
June 3, 2019

“The end of the master’s degree as we’ve known it?”
August 7, 2019
“Requested Educational Credentials” by Employers
Note: Both “Required” and “Preferred” – Totals Exceed 100%

Degrees Still Highly Demanded in the Job Market

Source: BurningGlass LaborInsight, 2019 Full Year
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

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

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

*Source: Educational Credentials Come of Age, Northeastern University, December 2018 (n=750)*
Alternative Credential Attainment among U.S. Adults

- 27% for any non-degree credential
- 18% for professional license
- 6% for certification
- 8% for postsecondary certificate

*Percentages do not reconcile since categories can overlap*

Source: U.S. Department of Education, “Adult Training and Education: Results from the National Household Education Surveys Program of 2016,” September 2017
Expanding Universe of Non-Degree Credentials
Microcredential Awareness Among Employers is Growing

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

- **Verified Certificate** (e.g., Coursera, EdX): 20% have hired someone who earned this, 30% have encountered this in screening/hiring candidates, 23% have heard of this, 24% have never heard of this.
- **Digital Badge**: 14% have hired someone who earned this, 26% have encountered this in screening/hiring candidates, 34% have heard of this, 22% have never heard of this.
- **MasterTrack Certificate**: 13% have hired someone who earned this, 25% have encountered this in screening/hiring candidates, 27% have heard of this, 32% have never heard of this.
- **Microdegree**: 11% have hired someone who earned this, 22% have encountered this in screening/hiring candidates, 28% have heard of this, 34% have never heard of this.
- **MicroMasters**: 10% have hired someone who earned this, 19% have encountered this in screening/hiring candidates, 31% have heard of this, 36% have never heard of this.
- **XSeries certificate**: 10% have hired someone who earned this, 16% have encountered this in screening/hiring candidates, 23% have heard of this, 46% have never heard of this.
- **Nanodegree**: 7% have hired someone who earned this, 19% have encountered this in screening/hiring candidates, 27% have heard of this, 41% have never heard of this.

Source: Educational Credentials Come of Age, Northeastern University, December 2018 (n=750)
A New Era in Online Education

1990s
- **Courses**
- First-gen technologies
- Online ed novel, stigmatized

2000-2010s
- **Degrees**
- Moving the classroom “online”
- Greater acceptance and quality

Today
- **Microcredentials**
- Stackable, modular; credit fluidity
- High share of post-bacc ed online
Employer Acceptance of Online Credentials Has Trended Steadily Higher Over Time

- **Hiring Leader Perspective**
  - **2004**: Prefer hypothetical candidate w/ online degree
    - **Adams & DeFleur (2005)**: 2%
  - **2010**: Online degrees viewed “favorably”
    - **SHRM (2010)**: 34%
  - **2013**: Online degree “similar quality” to traditional
    - **Northeastern (2013)**: 40%
  - **2014**: Online degree “similar quality” to traditional
    - **Northeastern (2014)**: 48%
  - **2015**: “Interested” in hiring CBE* program grad
    - **Franklin & Lytle (2015)**: 59%
  - **2018**: Online credential generally equal quality
    - **Northeastern (2018)**: 61%
Online Credentials Are Now Mainstream

Perception of Quality for Credentials Earned Online

- 55%: Credentials earned online are generally lower quality than those completed in-person
- 39%: No difference - credentials earned online are generally equivalent to those completed in-person
- 6%: Credentials earned online are generally higher quality than those completed in-person

Source: Educational Credentials Come of Age, Northeastern University, December 2018 (n=750)
Continued Growth for the Online Education Market

- 3.3 million fully online students
- 5% annual growth rate
- 16% of all higher ed enrollment
- Growing area of CAO investment

What Will the S-Curve for Microcredentials Look Like?

Source: Asymco
What Attributes Signal Credential “Quality?”

Importance of Various Factors in Determining Quality and Value of Online Credentials as Hiring Signals

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

- **Validation by industry/evidence of alignment with employer needs**
  - Extremely important: 19%
  - Very important: 33%
  - Important: 37%
  - Somewhat important: 10%
  - Not at all important: 1%

- **Experience with previous hires and performance results**
  - Extremely important: 19%
  - Very important: 36%
  - Important: 31%
  - Somewhat important: 10%
  - Not at all important: 3%

- **General reputation and brand**
  - Extremely important: 18%
  - Very important: 33%
  - Important: 33%
  - Somewhat important: 14%
  - Not at all important: 3%

- **Operating history/longevity**
  - Extremely important: 16%
  - Very important: 36%
  - Important: 33%
  - Somewhat important: 13%
  - Not at all important: 2%

- **Transparency and granularity in terms of competencies and outcomes**
  - Extremely important: 15%
  - Very important: 33%
  - Important: 38%
  - Somewhat important: 13%
  - Not at all important: 2%

- **(Issues by) a local and well-known organization**
  - Extremely important: 13%
  - Very important: 31%
  - Important: 33%
  - Somewhat important: 18%
  - Not at all important: 5%

- **Third-party endorsement of quality or accreditation**
  - Extremely important: 11%
  - Very important: 24%
  - Important: 35%
  - Somewhat important: 24%
  - Not at all important: 7%

Source: Educational Credentials Come of Age, Northeastern University, December 2018 (n=750)
Data is Beginning to Reshape Hiring and the Setting of Qualifications

17% engaged in “talent analytics”

Source: Northeastern University, Educational Credentials Come of Age, 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**

- **22%** We’re not doing this - but might consider it in the near future
- **39%** We’re exploring and considering this direction
- **23%** We have made a formal effort to move in this direction
- **13%** We’re not doing this - and not likely to consider in the near future
- **2%** Not sure/ don’t know

*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

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>1st Rank</th>
<th>2nd Rank</th>
<th>3rd Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include real-world projects and engagements with employers and the world of work</td>
<td>23%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Provide academic credit for experience and on-the-job learning</td>
<td>16%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Include more industry and employer validation of curriculum e.g., with certifications</td>
<td>10%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>Provide better systems to verify and validate credential authenticity</td>
<td>11%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Engage in more rigorous forms of quality assurance and accreditation</td>
<td>12%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Greater transparency in competencies and outcomes from the program</td>
<td>8%</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Rigorously confirm of students’ identity through proctoring</td>
<td>6%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Digitize the credential in a way that is more transparent about competencies and skills</td>
<td>4%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Achieve greater integration of credential data into HR/Applicant Tracking Systems (ATS)</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Create more shorter-form credentials (such as certificates) that “unbundle” the degree</td>
<td>3%</td>
<td>5%</td>
<td>8%</td>
</tr>
</tbody>
</table>

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

- Short, Targeted
  - Certificates of Completion / Exec. Ed.
  - "Micromasters"
  - MOOC-based Certificates
  - "Nanodegrees"
  - University Partnerships

- Long, Broad
  - Associate Degrees
  - Master's Degrees
  - Bachelor's Degrees
  - Doctoral Degrees

- Orientation to Market
  - Traditional, Accredited Institutions
  - "Non-Institutional Providers"
• Additional research and practical experiments in the works

• Technical AND conceptual standards crucial

• Both/and – digitization of all credentials, stackability into degrees

• Industry validation and work-integrated learning

• Ongoing data-driven shifts in HR/hiring potentially transformative

• Focus on outcomes and transparency
Discussion

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