

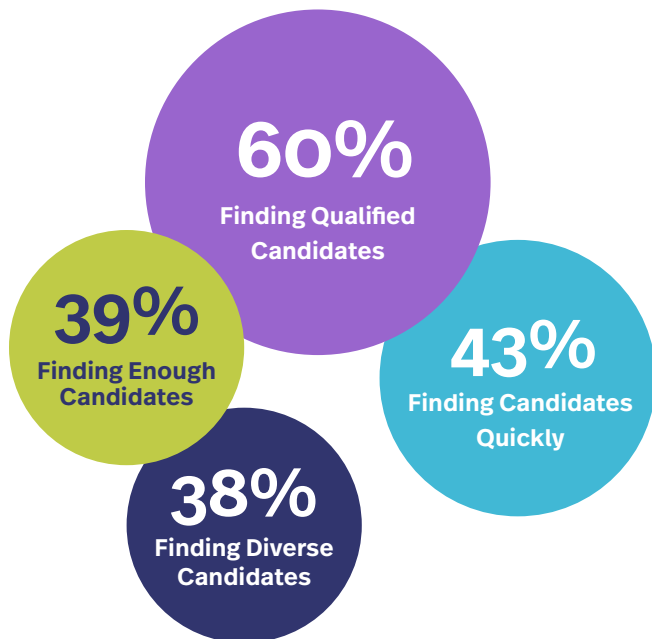
THE EVOLUTION OF HIRING: WHAT MANAGERS KNOW ABOUT, THINK ABOUT AND ARE DOING WITH MICROCREDENTIALS

July 2024 | Amanda Welsh | Shannon Alpert | Anne Nanovic | Jamie Warner

Microcredentials: a category of educational or professional credential that is smaller than a degree.

Managers on hiring: it's an issue of quality, not quantity.

Challenges felt often/very often by managers



“We have had to be a lot more lenient on our requirements than we’d like to because so few *qualified* individuals seem to be looking for work right now.”

Microcredentials are increasingly common.

91%
of managers have seen candidates with microcredentials.

90%
of managers routinely receive information about microcredentials from their tools and HR colleagues, or inquire about them during interviews and look for them on resumes.

Managers are using microcredentials as a way to screen for mindset more than to identify specific skills.

“It shows they have a *learning mentality*.”

Northeastern University
Center for the Future of Higher Education and Talent Strategy

The research included in this report was made possible through funding by the Charles Koch Foundation. The findings, conclusions, and recommendations presented in this report are those of the authors alone and do not necessarily reflect the opinions of the Charles Koch Foundation. The information is from a March 2024 national survey of 1250 U.S. hiring managers.

Read the full report



Unfamiliarity and lack of trust hinder the use of microcredentials in hiring.

Challenges in considering microcredentials in candidate evaluation

38%

It is difficult to get information about what skills were learned through microcredentials.

36%

It is difficult to validate that a microcredential was actually earned.

32%

The quality of microcredentials is too varied to trust them.

30%

There are too many microcredentials to keep track of which ones are relevant to the job requirements.

24%

I'm unsure how microcredentials compare to other qualifications, like degrees or work experience.

11%

I'm unfamiliar with these kinds of credentials, so don't know how to consider them.

18%

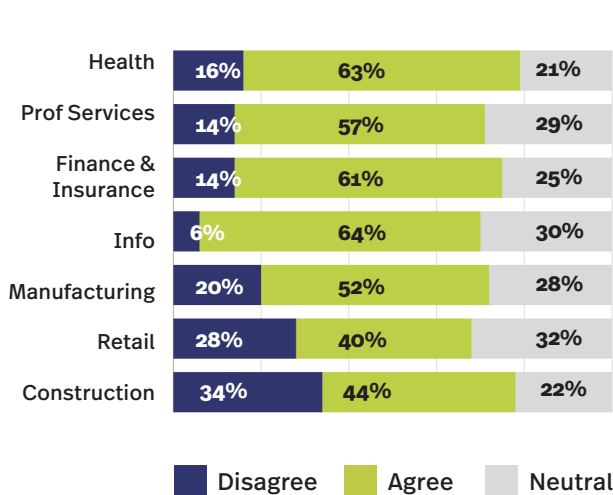
None

Outcomes are better when microcredentials are very clearly aligned to the needs of a job.

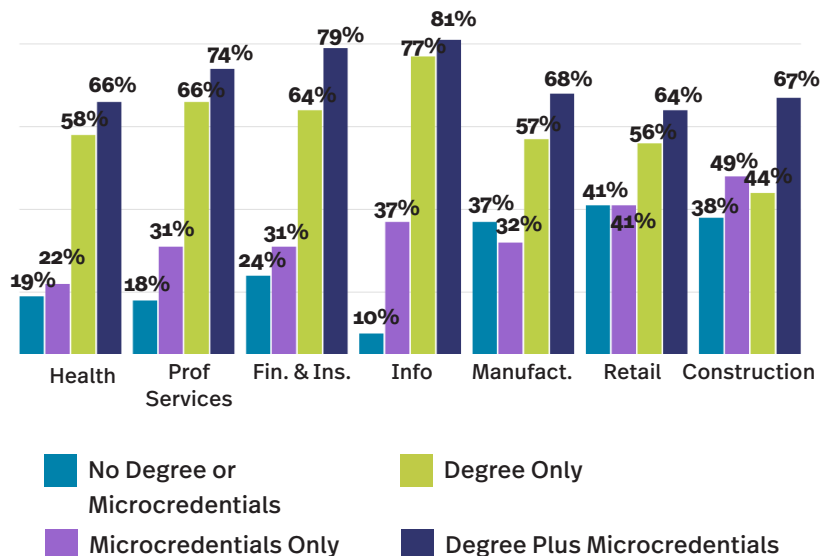
“I would consider microcredentials when hiring if they are relevant to the specific skills or knowledge required for the position, demonstrating a candidate’s commitment to continuous learning, specialization, or proficiency in a niche area.”

Industry plays a part in how managers hire. The very pro-degree field of information services has a surprisingly high number of managers making microcredential-only hires.

Percentage of hiring managers in different industries who feel a degree better prepares candidates

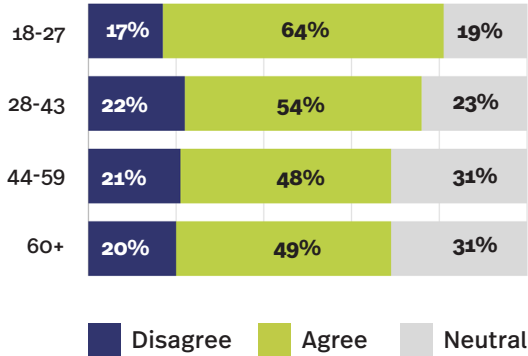


Percentage of hiring managers in different industries who hired this profile in the last 3 years

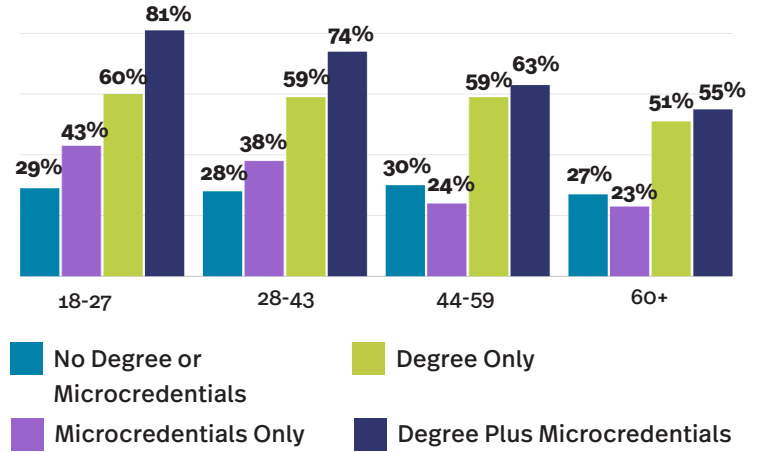


Younger managers value degrees more highly, but see more candidates with microcredentials and have hired from this pool more often.

Percentage of hiring managers by age who feel a degree better prepares candidates

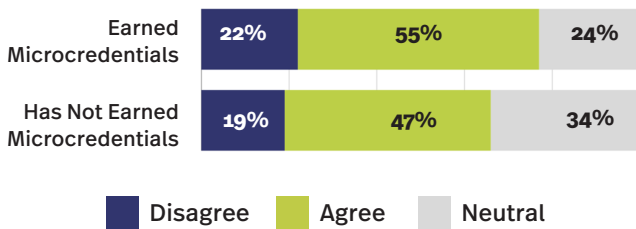


Percentage of hiring managers by age who have hired these profiles in the past 3 years

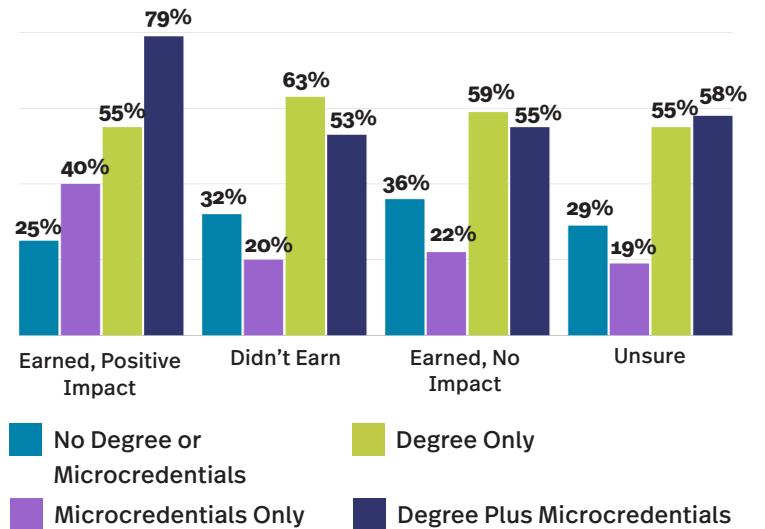


More managers who have earned a microcredential that has helped them in their career are hiring microcredential-only and degree-plus-microcredential candidates.

Percentage of hiring managers with microcredentials who believe a degree better prepares candidates

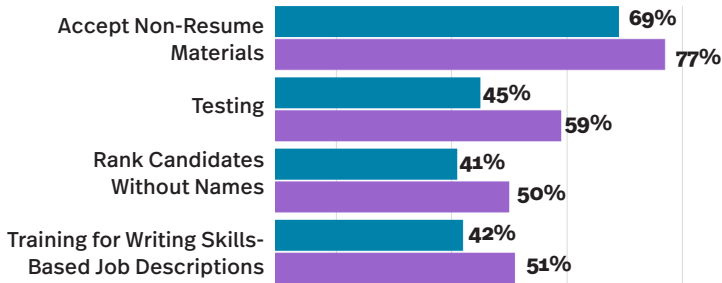


Percentage of hiring managers with microcredentials who have hired these profiles in the past 3 years



Managers who hire candidates with microcredentials report higher company support for professional development, training, and rethinking of hiring processes.

Hiring processes adopted by and training provided to managers



Professional development provided to managers



■ All ■ Managers Who Have Hired a Candidate with Only a Microcredential

To support managers in effectively considering microcredentials in their evaluation of candidates, companies can consider the following:

1

For Managers, The Problem Is One of Optimization Not Shortage.

While third-party websites and agencies have eased candidate shortage problems, managers now face a problem finding candidates who are properly qualified. Companies can recognize that the pain for managers is about a need to optimize more than a need to source candidates. Encouraging serious consideration of information from microcredentials in hiring can help identify and better match quality candidates to roles.

2

Microcredentials Work Best When They Signal Skills As Well As Mindset.

Hiring managers are already highly aware of microcredentials, but they often regard them as supplementary to candidate evaluation rather than as significant indicators of skills. Concerns about the quality of microcredentials persist, but the more pressing issue is uncertainty about their relevance. Companies can address this by more clearly identifying those microcredentials that align with their needs.

3

Investment in Professional Development Is a Powerful Lever.

Managers who have earned a microcredential are more likely to see their value, and more likely to hire candidates who hold them. The most effective way to change how managers make hiring decisions appears to be to enhance their personal experience with microcredentials. Companies can reconsider investments in professional development to include support for microcredentials to encourage this.

