

# Employer Insights on Digital Credentials and Skills Profiles: Lessons Learned

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A report by UpSkill America commissioned by Western Governors University.

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## Introduction

In March 2024, UpSkill America, in partnership with Western Governors University (WGU), held interviews with 12 employer partners representing a variety of roles, organizations, and industries with the aim of understanding the requirements of employers for digital credentials and skills profiles. Employers were candid, sharing their feedback and insights about where existing efforts to build digital credentialing systems and skills profiles have added value, where they fall short, and additional areas of improvement to consider in future program development.

In this piece, we share insights and lessons learned from this qualitative research in order to support continued learning among organizations responsible for development and implementation of Learning and Employment Records (LER), and to identify motivations, interests, and demands among employers for LER products, as well as some of the key design features that facilitate their use. In Part I, we examine digital credentials and then, in Part II, turn to Skills Profiles.

## Part I: Digital Credentials

### What Employers Want

Employers are seeking strategic impact for their organizations — measurable outcomes and solutions to complex talent management problems — and view digital credentials as a potential opportunity to create order in a “complex web of mess,” according to one talent acquisition lead. The representatives interviewed are all considering skills-based approaches in one way or another, but none have fully implemented systems that recognize digital credentials at scale. They want:

**Competency Data** – Particularly for digital credentials, but even more generally, employers are seeking clearly articulated competency data, enabling them to understand what credentials mean and which competencies jobseekers possess.

**Verification** – While they don’t often use the term “verification,” and instead use terms like “trust,” “standards,” “legitimacy,” and related words, employers are seeking means of understanding what credentials represent in terms of rigor, learning outcomes, and preparation for jobs.

**Simplicity** – Despite generally wanting more information about the learning, assessment, and outcomes for credentials, employers uniformly do not want too much information. From a design perspective, this will require a constant balance between making information immediately apparent and enabling interested users to dive deeper via click-throughs.

### Understanding and Foundations

Generally, the interviewed employer representatives have some knowledge of what digital credentials are and an idea of how they differ from traditional credentials:

“From what I’ve seen, a digital credential is a badge. If you have a profile on LinkedIn, you’d put your badge up for the skills or credentials that you’ve earned that might be enticing to an employer.”

“It’s your digital resume. In today’s world, instead of putting your learning record on paper, it’s digital.”

They understand that digital credentials are, of course, digital, available online, and available in a way that is “owned” by the learner/earner. And they understand that digital credentials take different forms than traditional credentials; interviewees frequently implied that digital credentials are less formal, and often used “digital credential” and “badge” interchangeably.

Interestingly, all the respondents included mention of skills, competencies, or learning outcomes in their response to the question, “Can you share your understanding of digital credentials?” They expected skills and learning to be articulated within the digital credential.

Only a few employer representatives mentioned that digital credentials are verified (more on understanding of this term below). Few touched on aspects of accessibility and shareability that are key to the format.

Multiple representatives noted that they understood the definition and meaning of “digital credentials” from the context of the interview but noted that digital credentials are also credentials in digital fields/skills and that this can be confusing.

## Use of Digital Credentials

None of the employer representatives interviewed are using digital credentials in the hiring process in any systemic way, though the majority are in some stage of thinking and planning. They indicate:

- 1) They struggle with the huge variety of digital credentials available.
  - a. “We don’t have a standard way of understanding them. People have digital credentials, but we don’t have a way to say that this credential equates to this skill, equates to this job. We need a magic decoder ring.”
  - b. “There are lots of different types of credentials that could be appropriate or could build the skills that are necessary, but it’s hard to know unless you know the specific role and the specific industry. You almost have to know the specific provider and have a sense of their quality to make an assessment of the credential, and for the individual. Digital credentials are generally good, but often confusing, requiring deep understanding of the types of providers and the relevance for one’s own roles and roles within the industry.”
- 2) Their technology/Applicant Tracking System (ATS) has not caught up and does not support integration.
- 3) Employers are in a stage where supply has not quite caught up with demand — not enough learners have digital credentials to generate changes to their hiring systems and processes.
- 4) Alternatively, they don’t yet have demand — digital credentials and skills-based approaches are still marginal practices and ideas within companies and haven’t yet caught on enough to drive broad changes.

Most of the employers interviewed have some form of internal digital credentialing or badging systems, where incumbent employees are able to record and aggregate learning and achievements, often managed through organizations’ learning management systems (LMS). While a few companies do record and refer to the credentials and new skills gained for advancement and talent management, the majority are still figuring out what to do with this information. They struggle with:

- How to gain widespread adoption of learning, credentialing, and skills platforms and profiles within the company, especially without strong incentives for use.
- How to directly connect digital credentials (whether generated internally or externally) to advancement and talent decisions, especially for roles that are not regulated and where credentials are not required.
- Whether to make these internal credentials public and portable outside of the organization, viewing sharing this information as akin to “giving away the secret sauce.”

Among respondents, there are some cases where internal badging and credentialing systems did gain some degree of cultural uptake, where employees celebrate each other’s accomplishments, and use the credentials informally to identify internal experts or people they can go to for help.

While digital credentials do not yet have systemic impact on their organizations, employers are mindful of what digital credentials signal for individual job seekers. Most of the employers interviewed indicated that they view candidates with digital credentials positively, with digital credentials signaling that they are go-getters, continuous learners, and the kind of people they want to hire.

“I am looking for a candidate who has the mindset of continuous learning. In the manufacturing world, it used to be that you could come in and the company would teach you how to do a task and you’d do it for the rest of your life. It’s no longer like that, and it has been hard for us to get people to understand that.”

Another representative added:

“If someone has credentials that are not degrees but are related to the work they’re doing, it shows they are proactive and they’re seeking out the learning and skills they need, so that is a positive. I see, here is someone who takes their own development seriously.”

## Verification

As noted above, employers are looking for validation that credentials are valuable and accurate signals of competency and skill. They want both a clear articulation of what a credential means, specifically in terms of the competencies and skills that the credential is designed to confer, and proof that the credential holder has those skills and competencies.

“From a recruiting perspective, what I am interested in with any credential, especially one that I am not familiar with, is what is this credential signifying. What is the subject matter, what is it about, what is covered in this, what methodology, framework, what skills. And then, what is this credential signaling that this person can do — are they a practitioner in a certain methodology. I am willing to dig in on this because I think that is the murky water right now in so many areas, there are so many new credentials coming into the market, and there is ambiguity in what they mean. In talent acquisition, I am looking to distinguish between awareness of a topic vs. mastery and doing. I need to know what level and specifics — what they can do.”

Employers are also highly focused on understanding the level of rigor and evidence of work accomplished through a credential. They want to be able to “match” a credential to a job level effectively, while also taking work experience and other factors into account.

For the employers who have a strong sense of which credentials and skills they want and need, verification seems to be an easy concept to grasp. They recognize that accredited, authorized external providers are using assessments that have been constructed based on agreed-upon standards and frameworks.

For others, verification can sometimes get conflated:

**Accreditation** – Depending on their familiarity with systems, employers may not have a strong understanding of accreditation and what it is and is not. They occasionally conflate accreditation with verification, and except in cases where occupational programs (pharmacy, etc.) are separately accredited, they may not know the differences between and among accreditors.

**Assessment** – Employers may have a strong understanding of assessment of work-based learning but may not necessarily understand academic assessment, especially competency-based and demonstration-based assessment.

**Standards** – Employers will likely know standards in their own industries very well but may have little working knowledge of other industries or more general frameworks.

**Trust and Reputation** – Like everyone, employers still rely heavily on their existing knowledge of a provider's reputation to inform how they view credentials, digital or otherwise. Given the relatively early stage of the field, this existing knowledge may still be the most important factor in how employers weigh the value of credentials.

- Complicating this is the mass of online programs on the market. One employer shared his own experience: "I've completed an online badge from a top-rated school, and it was junk. What I learned is that there are programs, and I don't know if the school was even a part of it, but it was linked to the college for marketing. The material was not good. That made me think differently. For the reputation associated with the school, it was not what I would have expected."

When given the opportunity to consider how they would view or value credentials verified by providers/licensing bodies, other employers, or unverified/self-asserted credentials, employers continue to strongly value education providers. While they seek ways of understanding this value more deeply and creating more meaning from it, employers do ultimately look to colleges, universities, and training organizations to provide education and credentials and stand behind them.

Employers are curious about opportunities presented by credentials verified by other employers. They recognize there are large employers that provide, credential, and verify their training programs. In those circumstances, it appears employers view the training gained through these corporate training and certification programs as among the most trustworthy. This trust, too, is highly based on reputation and existing knowledge of strength in a field. One representative noted, "I want to know about learning objectives, activities, and evidence of development in all cases, but I don't necessarily trust [employers] over [education providers]. In certain cases, though, large professional services firms put a lot of effort into their own internal training. I would likely favor a credential from [consulting firm] over a university in strategy consulting."

Broadly, though, relatively few employers credential and share their own learning programs externally. UpSkill America published a short piece exploring this idea of "[employer a verifier](#)," which identified four significant challenges (echoed in conversations with employers here) that prevent employers from sharing the details and outcomes of their learning programs publicly:

- Legal, where employers are often discouraged from opening themselves to anything with legal risk, especially having to do with skills and performance (and even something as innocuous as employment dates).
- Alignment, where employers are challenged by understanding how their own skills frameworks and assessments align with those of other employers.
- Financial, where there is no clear ROI for employers acting in this role, and there are apparent costs, including the need for learning software and time for verification activities.
- Competition, where, in the words of one of our employer partners, “No company I know of is willing to share detailed information. I like the idea, but I don’t know how practical it is.”

## Digital Credential Design Features

Employers want digital credentials that make important information immediately accessible and allow users to explore additional data as needed.

### Verified

- When a credential is verified, employers want to see that clearly, whether it comes in the form of a checkmark or “verified” language.

### Credential Information

- Employers want to see basic credential information clearly, including:
  - Date the credential was earned
  - Credential issuer
  - Whether the credential expires or requires continuing education
  - Type of credential (certification, certificate, etc.) with context about rigor and effort; they are interested in understanding how many credit hours the credential required, the level of credential (undergraduate or graduate), etc.
  - Competencies gained and assessed through the credential. This is particularly relevant for new credentials.
    - o Employers also asked for information about how competencies were assessed.
    - o Where possible, employers are also interested in understanding the level of proficiency gained through the credential. They want to know whether the credential prepares the holder for entry-level or expert work.

### Systems Integration

Lacking full integration with existing human resource information systems (HRIS) and/or ATS platforms, employers indicated they might click through to credential information if a link was given, but encouraged thoughtfulness about two issues:

1) LinkedIn Friendliness – Many of the employers interviewed use LinkedIn as a recruiting tool. Efforts to make the experience of sharing links or digital credentials via LinkedIn as easy and seamless as possible will be well-received.

2) Timing – Employer representatives mentioned they would likely not drill down into credential data until late in the hiring process. Absent system integration where this data could potentially be used to identify and winnow candidates, employers envisioned that their processes would remain largely the same until final interviews, at which point this information may be a useful differentiator.

a. That said, once integration does occur, employers are eager to explore how digital credentials can be most useful in all stages of their hiring processes.

Broadly, they appreciate credential information and view it as a net positive and a move in the right direction in building the trust and right underpinnings of a skills-based hiring system. However, employers had trouble envisioning how their own systems would handle this data. While there are some companies with remarkably sophisticated data infrastructure, huge talent teams, and the capacity and governance structure to make decisions and implement them seamlessly, those companies are not the norm. More typical are companies like that of one partner who commented, “Today, there isn’t a way for us to determine even what level of education an incumbent employee has. When we hire, we have that information in one portal, but it doesn’t come over to the employee’s record. The employee might come in, populate that data in their profile, but it’s not consistent or easily reportable.”

## Insights and Recommendations

While the content of a digital credential is critical, how employers access and use the information also has a dramatic impact on how digital credential data is used and incorporated into hiring and recruitment processes. For that reason, employer feedback is vital in designing how this information can be presented to employers in the most useful ways and ensuring that its value is clear.

1) There are already several components that employers across industries have indicated that they are looking for in credential design:

a. Bite-sized, easily digestible media about credentials, especially for newer credentials.

b. Better understanding of what learning described by credentials prepares earners to do in the workforce, at the skill level. This may be a reframing of competencies toward position description language.

c. Better visibility into, and understanding of, what verification means for their purposes — is it a “quality guarantee?” A “this person is who they say they are” stamp? A “this credential is real” signal? All of these?

i. Verification has, to a large degree, been defined for technology and academic purposes; employers who will be end users and beneficiaries of these tools may need a tailored definition.

ii. Despite general lack of clarity about what verification specifically denotes, employers are looking for signals to trust, mitigate fraud, and transition into environments where these data can be shared seamlessly.

2) Opportunities to validate credential information are vital. As noted above, employers are finding it difficult to sort through and understand what credentials are, whether they are high-quality, and what earners can do with them.

Employers will trust data and evidence, but they highly value their peers' opinions and insights. Consider ways that credential platforms might incorporate employer ratings or feedback, particularly about how credential holders performed on the job.

a. "If I were hiring someone, I'd want to know the rigor of the credential — the learning outcomes, understanding how much work they're doing — but I'd also want to understand what other employers think. If I see that others find this valuable, I'm interested."

3) Aligning credentials to skills proficiency scales in widely used talent management tools can help with employer integration. These tools (like SuccessFactors, Gloat, etc.), need to be able to read and integrate digital credential data. Doing so ensures that credential skills data can be imported into employer learning management systems and learning platforms (Degreed, etc.), which often rely on employee-populated data.

4) Until such time as digital credentials can integrate with employer ATS, HRIS, learning management systems (LMS), etc., employers want to see that digital credentials can be used on LinkedIn. Employers use LinkedIn as a primary tool for their recruiting and hiring practices. Prospective employees who understand that employers view digital credentials as a positive signal when they are recruiting, and that they should include these credentials as live links (whenever possible), help to build familiarity and can help an applicant in a hiring process.

5) Employers don't know what they don't know, and it is the rare employer who has enough time to read up and explore the latest innovation in a space outside their own industry. Once LER platforms have a critical mass of digital credential holders, partnerships with organizations like the Society for Human Resource Management (SHRM), chambers of commerce, employer intermediaries, and corporate partners can help to share information about how digital credentials can help employers make sense of a very complex and quickly shifting education and learning environment. This type of education to employers can also help them become better consumers of credentials, demanding more of their providers and vendors.

## Part II: Skills Profiles

Of course, hiring and advancement decisions are not made at the credential level; they are made at the individual level. As noted above, there is appetite among employers to translate the skills and competencies gained through digital credentials for use in hiring and talent management decisions.

The same challenges to implementation for digital credentials exist for individual skills data, made even more complicated by lack of integration between ATS, HRIS, and LMS systems in many cases; misaligned and non-transparent skills and competency definitions; poor assessments (or no assessments); misalignment of proficiency levels, and more.



## What Employers Want

As noted above, employers want to understand both what a candidate knows and what they can do with that knowledge. They value credentials as a means of delivering competencies and skills, and keeping them organized, but in the vast scheme of things, seem to care less about credentials than they do about competencies.

They want:

**Contextual Understanding** – Employers are seeking ways of understanding what skills and competencies mean in context. It's not enough to say that a candidate possesses a skill, especially a specialized or essential workforce skill; employers want to understand the context or environment in which a candidate practiced or gained a skill.

**Proficiency** – Employers are interested in understanding the level of mastery that a candidate or employee possesses. Awareness or exposure, or a simple listing of a skill in an inventory, does not appear to be compelling enough data to make a hiring decision.

**Accuracy and Targeting** – Employers are seeking specific skill sets in their hires. While they are generally interested in understanding how well-rounded a candidate is, they mostly care that a candidate has the specific competencies required for the role, and they need to be able to identify those quickly and easily.

**Speed and Ease of Use** – Employers want information and data that is easy to digest and is visually logical and intuitive. They will spend 30 seconds (or less) reviewing a resume, and likely the same amount of time reviewing a skills profile. Data in the profile should be easy to see, find, and extract for the employer.

## Use of Skills Profiles

Many employers are already using some form of internal skills management system designed to help the company support and advance employees' careers, and to help employees understand their own career pathways. UpSkill America released a [public case study](#) of Target's work in this area, shared here as an example. Target supported a deep dive into roles that comprise a majority of the company's workforce and is consistently working to build employees' skills. However, these internal approaches differ from LER models in a variety of ways. In these cases, skills are not verified. They are self-attested, they are not linked to credentials, and they are not (at least not yet) portable beyond the boundaries of the company. In addition, no company interviewed has expressed a desire to share their internal skills data.

- For skills data that might come from an external source, as mentioned, similar problems exist. In the words of one employer, "Where would that data live?"

## Understanding and Foundations

Employers are eager to understand individuals' unique skills and competencies. The opportunities for both cost savings through improved hiring time (quicker matches and decreased time to hire) and improved retention (better fit) are exciting prospects, if yet unproven.

“The dollars that we could save on having the candidate and the skill at the right fit would be huge. We have our highest turnover in our first year, and that is all due to mismatch — either the person determines that the job isn’t what they thought it would be, or we determine that the employee isn’t what the job requires.”

Employers are also interested in the concept of developing “talent marketplaces” within their organizations, facilitated by having completed and validated competency records of new and incumbent employees.

## Skills Profile Design Features

Employers are very interested in understanding the specific skills and competencies that individuals and candidates possess. However, they elevated multiple opportunities for LER designers to better align skills data with their priorities. More than anything, they are looking for skills profiles to add value for:

- The jobseeker, setting them apart from others with clear evidence of their skill, experience, and proficiency, and letting them show themselves in the best light.
- The hiring manager, letting them know quickly and easily whether the candidate has the skills they’re looking for AND evidence of acumen, practice, and aligned context.

## Curating Skills

Employers want to understand specifically how a candidate’s or incumbent employee’s skills align with the requirements of a role. They recognize and value that people have many skills, but for the purposes of talent management, they want ways to understand and visualize the alignment between a candidate and a role.

“If I was someone searching for a job, I’d love to see how my skills align with roles and tell me what I’m a match for. As an employer, I want to see a list of everyone who matched with the job, who is the highest ranked — give me a list of people who have applied who reach a certain proficiency level.”

“When I’m looking to fill a role, it’s not the number of skills, it’s the right skills to do the job.”

“I’m looking for depth. If I’m looking to hire someone, I need to know that they know this piece of software, that they have these three skills.”

## Skills Information

Employers are seeking information about not just whether an employee has the skills for the role, but what those skills are and how they are verified:

**Filter:** Employers want to be able to understand where and whether certain specific skills showed up in a profile relative to their need by the employer.

**Verification:** They want to know which skills, at a glance, are verified vs. selfattested.

**Acumen/Proficiency:** Employers want to see a reflection of expertise and proficiency.

- “I am always looking for some sort of delineation — what level is that skill. Some way to differentiate would be really useful.”

## Conclusion

Learning and Employment Records — individual, portable, verified records of achievements, credentials, and skills — hold tremendous promise. That’s true for the individuals who will benefit from having their learning and accomplishments articulated and accessible, to education providers whose value can become even clearer, and to employers who want a more transparent skills environment and the broader and deeper talent pools that environment will create.

However, employers cannot benefit unless they are prioritized in the development and design of LERs; nor will individuals or education providers fully realize the benefits of LERs unless employers are deeply engaged at scale.

There is still much to learn. UpSkill America is grateful for WGU’s support and interest in answering these important questions and its contributions to the learning and employment record space through the WGU Achievement Wallet initiative.

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## About UpSkill America

UpSkill America, an initiative of Aspen Institute Economic Opportunities Program, supports employers and workforce organizations to expand and improve high-quality educational and career advancement opportunities for America’s frontline workers. We seek to create a movement of employers, civic organizations, workforce intermediaries, and policymakers working collaboratively to implement education, training, and development strategies that result in better jobs and opportunities for frontline workers, more competitive businesses, and stronger communities. Learn more at [upskillamerica.org](https://upskillamerica.org).

## About Western Governors University

Western Governors University, the nation’s leading nonprofit, online university, is transforming higher education to be more student-centric, affordable, accessible to all and relevant to the workforce. Established in 1997 by 19 visionary U.S. governors, WGU creates life-changing pathways to opportunity for those underserved by traditional institutions—working adults, historically underrepresented communities and a diverse, growing number of learners looking for a flexible, online model that better suits their life circumstances. WGU’s competency-based education model allows students to demonstrate mastery as they progress through programs at their own pace. Accredited by the Northwest Commission on Colleges and Universities, WGU operates in all 50 states and offers more than 80 degrees in health, education, technology and business. Additionally, WGU provides individual courses and certificates for students preparing to pursue a degree. WGU serves nearly 176,000 students nationwide, with more than 340,000 alumni, and has awarded more than 390,000 degrees. Learn more at [wgu.edu](https://wgu.edu). Follow WGU on X at [@wgu](https://twitter.com/wgu) and on [LinkedIn](https://www.linkedin.com/company/wgu).