

Skills Validation and Work-Based Learning

Christina Curnow, Catherine Baker-Inzitari | *Workforce: Human Capital Solutions*

Why It's Necessary to Accurately Measure Employee Skills and How to Do It

Introduction

Implementing skills-based practices into the human capital lifecycle of employees has emerged as a more agile means of supporting workforce needs and goals that, not only supports increasing career opportunities for a broader range of people, but also improves organizational diversity. One critical aspect in the implementation of skills-based practices is to be able to accurately measure the skills that employees learn on the job. In this commentary, we discuss the importance of skills validation in the move to skills-based practices. We consider the organization and the ecosystem, review why skills-based practices are of value, and highlight five areas for consideration in the validation of skills, along with related best practices.

The Value

Skills-based practices help to address issues of societal inequity, support a more inclusive talent pipeline, provide a diversified approach to skill development, and generate greater flexibility for organizations in their staffing solutions.

Skills-based practices are a driver of diversity, equity, and inclusivity. In a society where there has been unequal access to quality education and opportunity for economic prosperity, a focus on traditional degrees as a proxy for skills is narrow, and therefore problematic.^{1,2} Prospective workers with skills, but without a degree, have experienced barriers to employment. The broader skills-based perspective acknowledges that competencies can be developed through a tremendous variety of alternative pathways (e.g., education, training, experience). Employers that embrace skills-based practices



Abstract

Organizations are moving to skills-based practices to broaden the talent pool and address shifts in work design fueled by the digital transformation. This more nimble and equitable practice raises the question, “How do we validate the skills a person has to make hiring, promotion, development, and compensation decisions and produce the targeted outcomes desired of the jobs at play?” We offer five questions that highlight different facets relevant in the validation of skills that may be helpful in identifying areas of organizational policy and practice that can be rethought or refined.

and more varied pathways for competency growth, including work-based learning, see benefits both for their employees and the organization.

Employees in organizations that embrace skills-based practices see their expertise as valued, regardless of how they acquired it.³ They can see and experience greater opportunities for advancement. Employers benefit from increased retention where staff feel valued and have career progression opportunities. Employers that hire with a focus on skills are likely to see a broader pool of job applicants. Employers that take a skills-based hiring approach have a better handle on the link between competencies and performance. They focus on identification of the more granular necessary skills for achievement, rather than on traditional proxies such as a degree.

In the globally competitive and rapidly changing workplace, organizations are recognizing that talent agility is crucial. A strong focus on skills allows employers to be nimble and remain competitive in response to their changing business needs, and more rapidly identify and align the capabilities they need their staff to have.³ Regardless of whether the changing need is driven by the economy, a pandemic, or a change in technology, skills-based practices support adaptability. The shift from a rigid job framework to a skills-based approach allows for quick deployment of the necessary expertise, wherever it lies within the organization and without regard for how that expertise was attained. Building and cataloging skills within the organization and adding or expanding skills-focused, work-based learning opportunities as a feeder into career pathways in high-growth industry sectors and occupations helps to address staffing shortages.

The Organization

Skills-based practices require a supportive infrastructure to allow their benefits to be fully realized. This means that organizations need to embrace a “systems thinking” perspective in navigating how and where to implement skills-based practices.

First and foremost, the organization that has a clear mission and vision is better equipped to articulate the competencies needed in its labor force to drive success. When there is a focus on the needed competencies, the groundwork has been laid for furthering skills-based practices. The following five questions highlight different facets of the system that are relevant in the validation of skills and may be helpful in identifying areas of organizational policy and practice that might be refreshed.

1. Has the organization acknowledged its shift to skills-based practices?

- a. A shift in how the workplace is managing talent has implications for organizational culture and processes. Change management strategies are considered to ensure that the shift is understood, operationalized effectively, and solidified as an ongoing expectation.

- b. Appropriate communication is undertaken by organizational leadership to set the tone in a clear endorsement, providing conceptual validation.
- c. Stakeholders are engaged to ensure shared understanding and integrate diverse ideas about process potential.

2. Has the organization established a culture that supports skills-based practice implementation in hiring and promotion?

- a. Shared, consistent language is used across the organization, highlighting the value of skills-based practices, validating that the organization expects perpetuation of the shift.
- b. Leaders and managers make it clear through their words and actions that they endorse skills developed through pathways other than degrees—for example, through skill-builder courses, micro-credentials, work-based learning initiatives such as internships, project-based learning, apprenticeships, and lived experience.

- c. Hiring managers ensure that they are embracing aligned human resource management processes.

3. Have human resource management processes been updated to reflect a broadening of the way that applicants and candidates for promotion are assessed?

- a. The organization has ensured that job analysis and job specifications have focused on the specific skills required to succeed in a role.
- b. Job descriptions reflect the needed skills rather than simply formal educational qualifications.
- c. Industry certifications and credentials are identified along with the necessary skills in job postings.
- d. Articulated career progression pathways within the organization reflect opportunities for mobility and progression based on skills.
- e. Selection screening devices are built to assess the skills for the role and allow for a variety of pathways in how a candidate may have acquired those skills.

- i. Scoring rubrics for resumes, cover letters, and application blanks focus on skills rather than the pathway to the necessary competencies.



“To overcome talent shortages, future-focused and socially responsible businesses are likely to join industry-wide and cross-section initiatives to agree on skills taxonomies that will inform education and workplace-based learning and certification.”

–The Conference Board
(March 2021)

A valuable resource that supports skills-based practices is the O*NET database, a free resource that contains hundreds of standardized and occupation-specific descriptors for almost 1,000 occupations covering the entire U.S. economy.

www.onetonline.org

O*NET OnLine is sponsored by the U.S. Department of Labor, Employment & Training Administration, and developed by the National Center for O*NET Development.⁴

- ii. Industry certifications and credentials are recognized as a validation of specialist knowledge and skills.
 - iii. Interviews and assessment tests are aligned with the competency model for the role, and allow a candidate to demonstrate their capabilities on the necessary skills for the role.
 - iv. Multiple methods of assessment are used.
- f. Performance management processes focus on goal achievement and focal skills in professional development, providing validation of skills that may be relevant for promotion or compensation adjustment.
 - g. Promotion processes celebrate the achievement of competencies, regardless of the pathways accessed in their development.
 - h. Technology that captures the competencies of staff is harnessed to ensure that the pool of internal capability is being used optimally. The use of key words and fields about skills in stored data allows technology to be harnessed in ensuring mobility. The identification of related and close-match skills allows for quick identification of staff with potential for pivoting to areas where there is a need. AI-enabled solutions mean this creates efficiency for organizations of large scale.
 - i. The organization's compensation structure ensures that alternative pathways to skills development are validated.



In a series of 10 case studies about skill validation, the American Institutes for Research (AIR) found that employers are using a variety of methods to enhance the efficiency of measuring skills, such as integrating skill measurement into daily work (e.g., PetSmart, Pax8), the use of rubrics for observational assessments (e.g., PetSmart, Accenture, CareerWise), and the use of tools for capturing and tracking skill acquisition as it occurs (U.S. Military Apprenticeship Program, IBM). More detail about the findings from this Walmart-funded grant can be found [here](#).

4. Have hiring managers been trained on how to validate skills?

- a. Hiring managers have a solid understanding of both the rationale for, and the need to honor, breadth in skill development pathways.
- b. Hiring managers understand and embrace the importance of a skills focus and are active in identifying specific competencies of value that are being demonstrated. They also take the time to highlight where there are gaps in competencies that are important for organizational success and establish training and development opportunities to build those competencies.
- c. Hiring managers have had frame-of-reference training to support rater consistency in evaluation of skills and use this expertise to confirm that staff and job applicants have the necessary competencies for the role and the organization, regardless of how the individual developed that competency.

5. Have training and development opportunities been aligned with this initiative?

- a. Development opportunities in the organization focus on skills, rather than proxy labels, and there is variety in the types of internal upskilling or reskilling opportunities offered to staff for their professional development.
- b. Work-based learning is a powerful education, workforce, and economic development solution, and the organization has established processes and collaborative efforts to build work-based learning offerings, such as job shadowing, internships, pre-apprenticeships, and apprenticeships.

These five questions have highlighted areas of the organizational system that are relevant in the validation of skills and where there is opportunity for the organization to act to support skills-based practices, including work-based learning.

The Ecosystem

Looking beyond the organization, the broader ecosystem is advancing ways to validate skills that have been acquired through varied pathways. There are many such initiatives. Digital credentialing technology (e.g., Badgr and Credly) is being implemented by many employers as a means of facilitating skill validation and tracking, and in some cases, also offering portability of credentials. Some organizations are offering their own micro-credentials (e.g., IBM). Blockchain technology is being explored to better support portability of confirmation of credentials and to allow the individual to hold ownership of their accumulation of credentials.

Organizations have an opportunity to get involved in generating work-based learning experiences that could be credentialed in some way. Organizations also have the opportunity to embrace the breadth of emerging micro-credentials and to provide validation of those credentials through linking the credential to work performance. Better data regarding the connection between competencies and performance allows individual organizations to be more focused about the competencies they view as important, and with that, to be more efficient. As organizations build their competency-performance data, this validation will serve the broader ecosystem, allowing industries to better understand key drivers of success.



Registered Apprenticeship programs are an example of skills-centric work-based learning, with skills validation occurring through training assessments and certifications, coupled with hands-on learning with employers who evaluate progress over time. AIR and CompTIA, two organizations partnering in the federally supported CompTIA Apprenticeships for Tech program, are encouraging employers to take a fresh look at the Registered Apprenticeship model. Registered Apprenticeships are not just a validated skills-based model, but one that expands opportunity. Approximately 80% of apprentices participating in the CompTIA Apprenticeships for Tech are from groups that are underrepresented in the tech workforce.

Conclusion

Skills-based practices allow for individuals from a breadth of backgrounds to flourish in an organization and are important in building a diverse talent pool that will provide employers and industries with the workforce that they need. Endorsement by organizations of the importance of skills-based practices serves to validate that work-relevant skills are important, regardless of how they were acquired. Organizations have an opportunity to improve how they assess skills, making sure that they have processes in place that can reliably evaluate and validate the skills that current staff as well as applicants bring to the organization.

An ecosystem that leverages a variety of credential types will build efficiencies, and at the same time support the development of a diverse talent pipeline.

This commentary shared areas of focus to support the legitimizing of skills-based practices through validation and identifies areas that are ripe for changes in organizational policy and practice.

From partnering to define employer-aligned skill needs and implementing validated skills-based practices to research and evaluation of the impact of those practices on the broader workforce including job seekers and incumbent workers, AIR helps design and implement high-performing human capital solutions.

References

¹ Social Finance, Federal Reserve Bank of Atlanta, & Federal Reserve Bank of Philadelphia. (2021). *Workforce realigned: How new partnerships are advancing economic mobility*. <https://socialfinance.org/wp-content/uploads/2022/11/Workforce-Realigned-Full-Book-Social-Finance-and-Federal-Reserve-Banks.pdf>

² Fuller, J., Langer, C., & Sigelman, M. (2022, February 11). Skills-based hiring is on the rise. *Harvard Business Review*. <https://hbr.org/2022/02/skills-based-hiring-is-on-the-rise>

³ Business Roundtable Multiple Pathways Initiative. (2022). *Skills-based internal mobility playbook*. <https://s3.amazonaws.com/brt.org/Business-RoundtableMultiplePathwaysInitiativeSkills-BasedInternalMobilityPlaybook.pdf>

⁴ O*NET OnLine. (n.d.). U.S. Department of Labor, Employment & Training Administration. www.onetonline.org



1400 Crystal Drive, 10th Floor
Arlington, VA 22202-3289
+1.202.403.5000 | AIR.ORG

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