



# How Employers Use Digital Credentials to Make Workforce Decisions



## INTRODUCTION

# Gather Workforce Insights, Increase Employee Engagement

As job openings sit unfilled and skills gaps widen, employers are implementing new tactics to catch up on the skills they need now, and in the future. According to [a global survey conducted by McKinsey in early 2021](#), 87% of executives and managers say they're currently experiencing a skill gap or expect to within the next five years.

**Half of these executives and managers say skill building will be the most effective action for their organization while 31% report hiring as the most effective way to close the ever-growing gap.**

Managing a workforce during a pandemic can often feel like you're juggling chainsaws. However, there is good news: While many of the challenges introduced over the last couple of years are new to HR, hiring managers, and learning and development (L&D) professionals, their solutions have grown in popularity.

As new market and technology trends emerge, it will be critical for organizations to prioritize employee learning and development, reskilling, and skills-based hiring.

This eBook will explore how employers can gather employee and workforce insights, increase employee engagement in internal L&D programs, and make data-driven HCM decisions with verified skills and credentials.

## Navigating the Skills Gap Years

Within the next five years, organizations expect to experience widening skills gaps as a result of the rapid acceleration of automation and economic uncertainty caused by the pandemic. By 2025, the upcoming shift between humans and machines will displace [85 million jobs](#) and create [97 million new ones](#).

This change presents an unprecedented opportunity to reimagine and redefine what learning and development and human resources look like within organizations and in the workforce as a whole.

And it all starts with skills.

## Keeping Up with Automation

In a [study](#) conducted by Northeastern University and Gallup, 10,000 people in the UK, U.S., and Canada shared their thoughts on the impact of AI on jobs. When asked the type of education they'd prefer if their current skills and education were to become outdated, the top three responses were:



**On-the-job training or other training offered by employers**



In-person licensing, certification, or degree-granting program at a university



Online licensing, certification, or degree-granting program from a university

Employees are primarily looking to their employers to help them reskill and upskill through this era of automation.

## How Can Employers Effectively Measure and Quantify the Impact of Their Learning Efforts?

Gathering insights about your employees' skills and engagement levels is a great starting point for mapping out where the strengths and weaknesses in your workforce lie. There are a few different ways to put this data together:

Employee surveys have reemerged as an effective tool to determine engagement levels in your organization. Before addressing the widening skills gap and disengagement within your organization, a baseline survey will help show how far your reskilling efforts have come.

Measuring the impact of learning isn't as straightforward as many professionals once believed. Not all types of learning can be graded, and many desirable soft skills like communication can be difficult to assess.

Digital credentials are another effective tool that organizations have used to increase employee engagement and upskill their workforce. These digital credentials offer a snapshot of your employees' knowledge, skills, and abilities.

## Employee Engagement in Internal L&D Programs

A relevant and impactful workplace learning and development program is a strategy that can move the needle in improving employee engagement and retention.

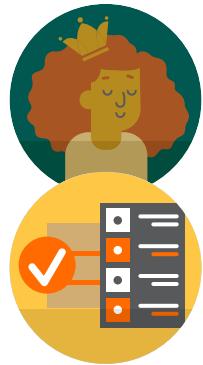
It's no surprise that developing an L&D program requires time, resources, budget, and buy-in from senior leadership to run smoothly. But it can be surprising to discover that once these programs are running, they aren't as effective as executives hope. Southern New Hampshire University's Complete Guide to Learning and Development found that over 84% of executives recognize the need for increased learning and development in their organizations but only 37% believe their current L&D programs are effective.

What's the missing piece?

## The Top Ten Metrics of Employee Engagement

- 01** Recognition
- 02** Feedback
- 03** Happiness
- 04** Personal growth
- 05** Satisfaction
- 06** Wellness
- 07** Ambassadorship
- 08** Relationship with managers
- 09** Relationship with colleagues
- 10** Company alignment

Source: [Officevibe's 2021 State of Employee Engagement](#)



## Employee Recognition = Employee Engagement

Employee recognition programs are an employer engagement strategy that's been gaining traction within organizations over the last few years. Research by [Bersin](#) finds that in organizations where recognition occurs, employee engagement, productivity, and customer service are about 14% better.

[Other studies](#) have drawn more direct correlations between employee recognition and engagement, productivity, and retention. Organizations with reskilling programs have experienced a 73% increase in employee satisfaction, 62% increase in customer experience, and 50% increase in employee retention. And, when the skills gap closes and the best employees stay or are promoted, organizations notice a positive impact on their bottom line—it's [significantly less expensive](#) to train existing employees than to find new ones.

Employees also support these claims, sharing that they have higher satisfaction rates and feel more actively engaged with their work when on-the-job training is part of their [overall benefits package](#).

For L&D and HR professionals looking to engage, upskill, and reskill employees, the use of employee learning, development, and recognition technology like digital credentials is key. A learning and development program powered by digital credentials can help organizations recognize employee achievements and boost engagement.

### **Technology: The Key to Engaging a Remote Workforce**

Before the pandemic changed the business landscape, most employees across the globe worked in offices and spent only [50% of their time learning and upskilling online](#) and the other 50% in a traditional classroom setting. Now, the vast majority of business and continued education are conducted almost solely online, on digital platforms.

This shift presents an opportunity for L&D executives and HR managers to recruit skilled talent beyond the previous geographic constraints previously in place.

Traditionally, hiring and training have existed within organizations as separate functions. But it's starting to become clear that these business functions are closely related and can work together to help organizations prioritize skills and move toward skills-based talent management. When these functions have access to digital credentials, they can deconstruct roles into skill sets that help managers easily identify candidates with the required skills internally, or highlight an area of need for external recruiting.

*“The definite trend toward a distributed and more virtual workforce is a massive opportunity to recruit and develop talent wherever workers may live.”*

— [Deloitte's Diving Deeper: Five Workforce Trends to Watch in 2021](#)

Here are some other examples of how digital credentials make learning and training more tangible and engaging:

**01 Digital credentialing programs help identify existing talent.** When companies are ramping up new initiatives, individuals can stand out by the digital badges they've earned for skills mastered.

### **02 Recognition technology gets results.**

Companies that incorporated employee recognition technology saw a 48% increase in employee engagement across all stages of workers, according to a report from O.C. Tanner Institute.

*“The lost productivity of not engaged and actively disengaged employees is equal to 18% of their annual salary,” [Gallup's State of the Global Workplace: 2021 Report](#).*

## **Making Data-Driven HCM Decisions With Verified Skills and Credentials**

Why would HCM professionals make the leap to a digital credentialing program? Research indicates that a certified staff increases revenue.

According to [Global Knowledge's 2020 IT Skills and Salary Report](#), when asked about the impact certified employees had on their organization, respondents noted an increase in annual revenue when compared to their non-certified peers. They also indicated that digital credentialing reduces employee turnover and makes hiring easier.

Not only that, but an organization that actively upskills their employees instills confidence with their customers and business partners.

*“Having these credentials helps the customer trust my (and our company’s) advice and therefore is more willing to continue the relationship.”*

— ForgeRock digital credential earner

## Conclusion

In today's hyper-competitive market, organizations can increase employee engagement and retention through skills training, and digital credentials are the tool of the modern, remote workforce.

Credly is helping the world speak a common language about people's knowledge, skills, and abilities. Thousands of organizations use Credly to attract, engage, develop, and retain talent with enterprise-class tools that generate data-driven insights to address skills gaps and highlight opportunities through an unmatched global network of credential issuers.

[Schedule a free demo today.](#)

## About Credly

Credly is helping the world speak a common language about people's knowledge, skills, and abilities. Thousands of employers, training organizations, associations, certification programs, and workforce development initiatives use Credly to help individuals translate their learning experiences into professional opportunities using trusted, portable, digital credentials. Credly empowers organizations to attract, engage, develop, and retain talent with enterprise-class tools that generate data-driven insights to address skills gaps and highlight opportunities through an unmatched global network of credential issuers.