



Credly

UNLEASH THE WORKFORCE

# Making the Organizational Shift to Skills-Based Hiring & Learning

Original Air Date: January 21, 2020

**#SkillsForHiring**

# MEET OUR PANELISTS



**Jonathan  
Finkelstein**

**CEO & Founder  
Credly**



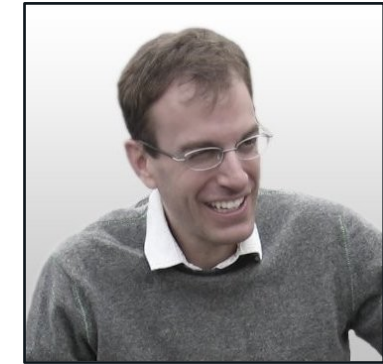
**Kelli  
Jordan**

**Director, IBM Careers  
& Skills, IBM**



**Jared  
Auclair**

**Associate Teaching  
Professor, Northeastern  
University**



**Ryan  
Craig**

**Founding Partner,  
University Ventures**

# WHY NOW?

#1

Millennials want Learning & Growth

89%

Engagement the Top Priority for HR Pros

70%

Skill-Based Hiring Reduces Costs Significantly

85%

Employers know Resumes Lie

43%

The Gig Economy is Here

51%

Skill-based Learning is Industry Standard

Demand for skills-based learning & hiring at scale



**Portable, digital, verified achievements**

**Credly**

# HIRING FOR SKILLS INSTEAD OF DEGREES

- IBM, Google, Apple and others have removed the degree requirement for new hires
- Vetting skills with digital credentials
- Colleges and universities seeking to be more responsive to a work environment seeking proof of specific skills



# THE NEED IS REAL & PRESENT

- **Automation and AI** are changing the way we work
- **120 million** American workers will need retraining in the next 3 years to continue to earn a living
- **Upskilling** impacts every single sector in the economy



# OUR PANELISTS



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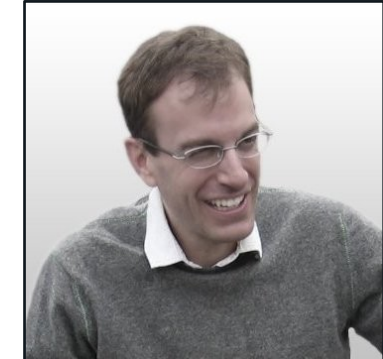
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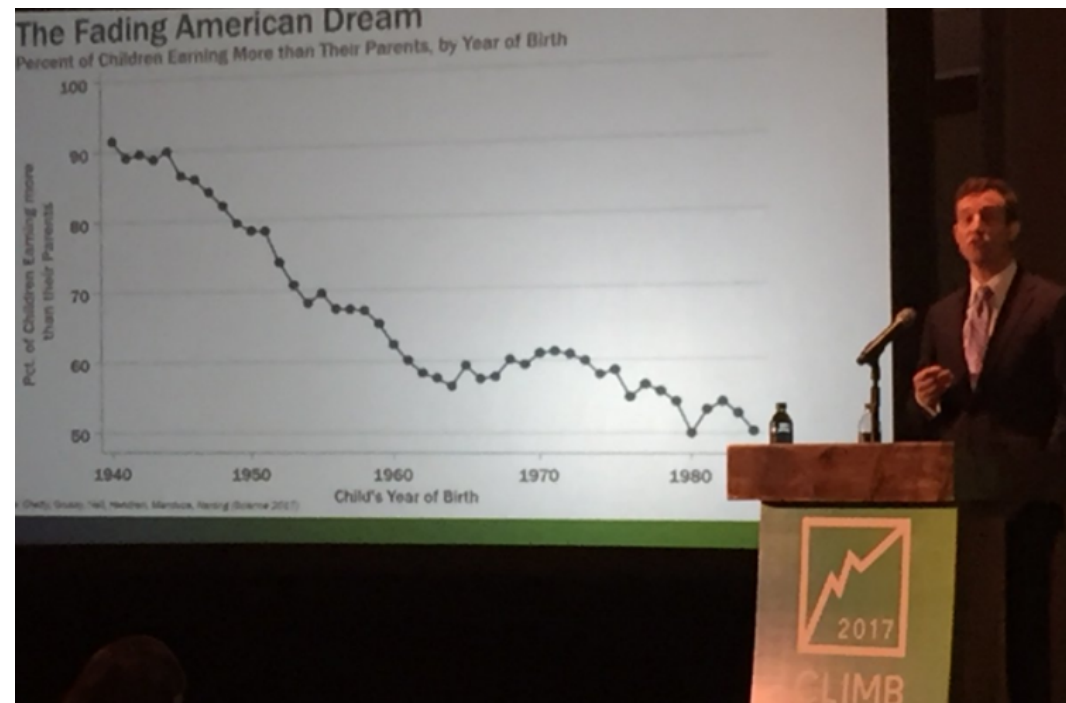


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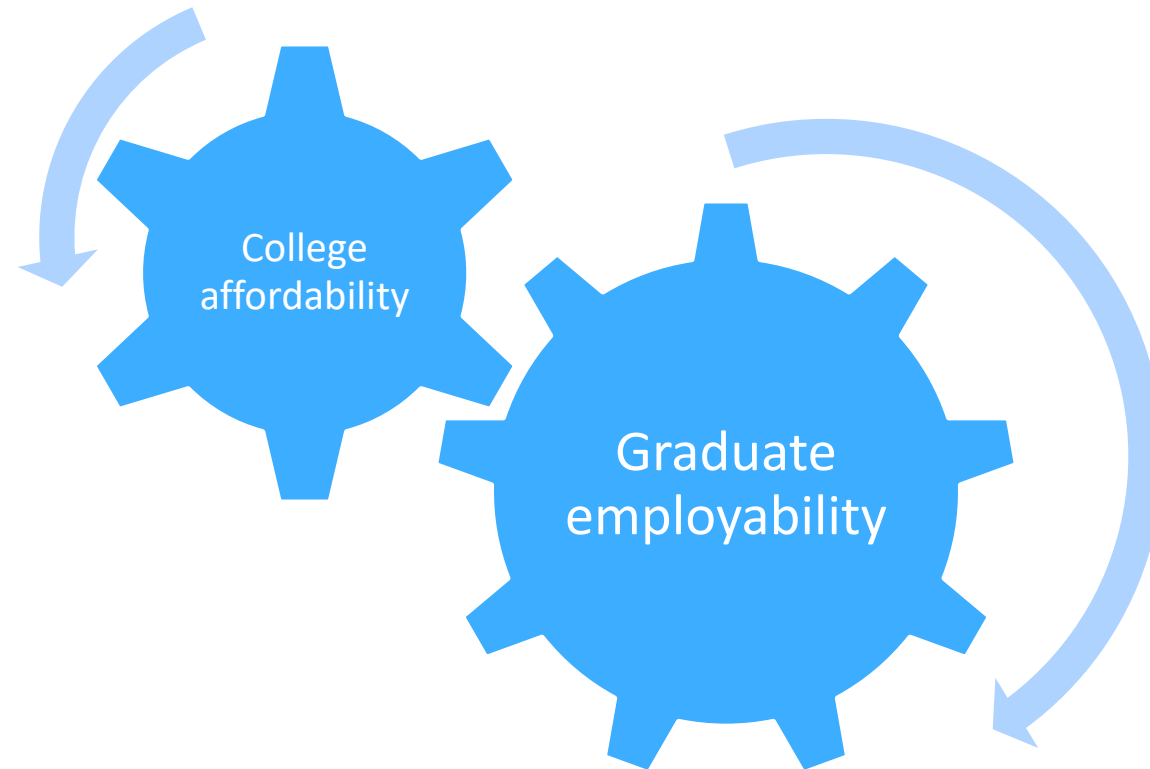
# Millennials: The Cursed Generation

- Wealth
- Income
- Housing
- New business creation



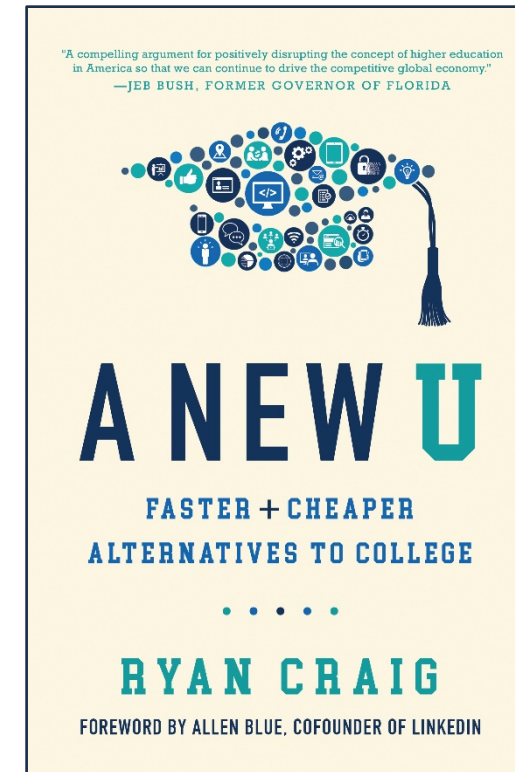


# Twin Crises Lead to Poor Economic Outcomes



# Graduated into Underemployment

- **Samantha Wolverton**
  - George Mason international relations with minor in software engineering; worked in restaurant for a year after graduating
- **Christina DiMartino**
  - Mediocre grades in high school, then worked as waitress
  - Enrolled in business program at community college, dropped out
  - Attended for-profit college, got low-paying job as medical assistant
- **Morgan Combs**
  - Degree in psychology, then worked in restaurant
- **Yasmine Sadid**
  - Kent State computer science; best job was as realtor's assistant
- **Wendy Pei**
  - Graduated from SF State, then worked in restaurants and retail for a decade
- **Jeffrey King**
  - Completed AA degree at CC, then worked as a waiter
  - Returned to UNLV to earn degree in actuarial sciences, still couldn't get a job



# Crisis of Underemployment

- Not unemployment, as student loans causing graduates to take first job that allows them to make loan payments.
- But “underemployment”:
  - Federal Reserve Bank of NY estimate: 45% of new college grads are underemployed.
  - Nearly 5M working part-time, would like full-time
  - Underemployed earn \$10k less p.a.
  - Strada/Burning Glass finds pernicious persistence: 2/3 are still underemployed after 5 years, and 1/2 after 10 years.
  - Strada/Gallup survey: landing a job before graduation makes you 2.4x more likely to eventually exceed \$60k vs. waiting (which leads to underemployment).

## The Permanent Detour



# Most Significant Change in Higher Education

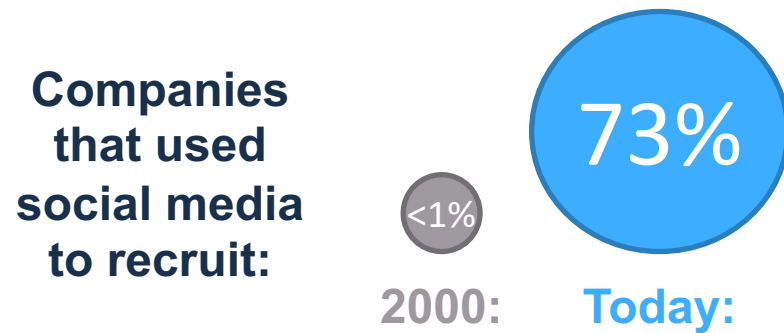
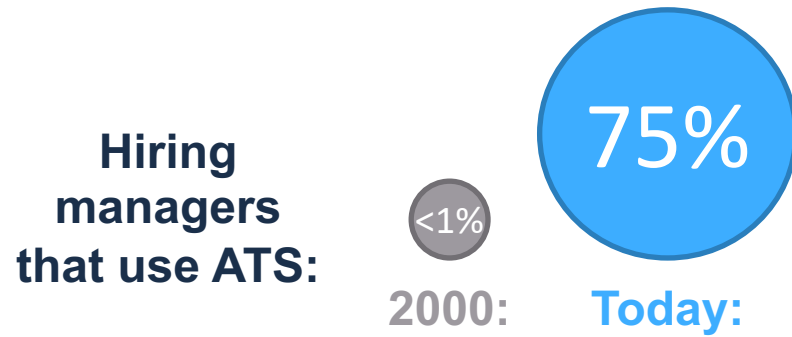


- Only ~50% of matriculating students reported that their primary or sole motivation for commencing postsecondary education was employment/income related.



- 90%+ report primary or sole motivation is employment/income related.

# But Not Entirely Higher Education's Fault: Mechanics of Hiring Have Changed



# Why Are Employment Outcomes Worse? Proliferation of Technical Skills

<b>Career Area</b>	<b>Technical Skills Specified</b>	<b>Cognitive and Soft Skills Specified</b>
Information Technology	75%	25%
Healthcare	74%	26%
Engineering	71%	29%
Life/Physical Science and Math	68%	32%
Manufacturing and Production	68%	32%
Design, Media, and Writing	66%	34%
Research, Planning, and Analysis	65%	35%
Personal Care and Services	63%	37%
Finance	62%	38%
Marketing and Public Relations	62%	38%
Management and Operations	61%	39%
Education and Human Services	60%	40%
Hospitality, Food, and Tourism	59%	41%
Sales	59%	41%
Human Resources	57%	43%
Clerical and Administrative	57%	43%
Customer and Client Support	49%	51%

# What Are These Technical Skills?

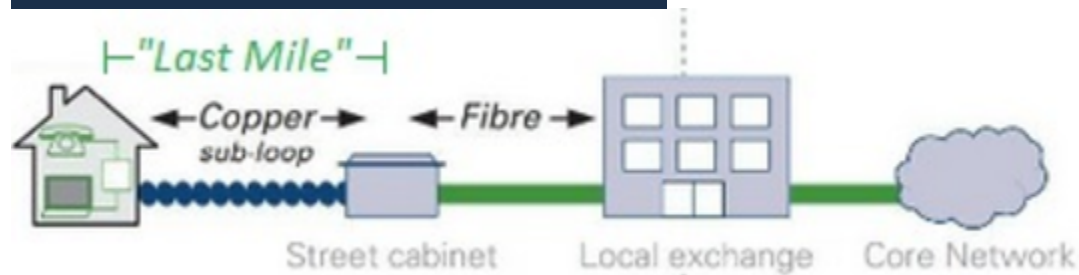
The image displays a grid of logos categorized by industry. The categories are: ENERGY/UTILITIES, REAL EST/CONSTR, HOSPITALITY, GOVERNMENT, HEALTHCARE, EDUCATION, RETAIL, and OTHERS. Several logos are circled in red, and lines connect them to larger versions of those logos on the right side of the slide.

- STAYINTOUCH**: Located in the HOSPITALITY category, circled in red.
- blackbaud**: Located in the GOVERNMENT category, circled in red.
- salesforce**: Located in the RETAIL category, circled in red.
- Epic**: Located in the HEALTHCARE category, circled in red.
- Clio**: Located in the LEGAL category, circled in red.

# Last-Mile Training



## Borrowed from Telephony



- Hardest + most expensive to build
- Therefore most valuable segment
- Basis for natural monopoly

## Talent Market Correlation



### 1. Digital training

- Minimum: Ensures candidate no longer filtered out of ATS
- Maximum: Offers training and experience on exact SaaS platforms employers utilize



### 2. Soft-skills training

- Real project work in work-like setting furthers teamwork, communication, organization skills
- Interview preparation and training

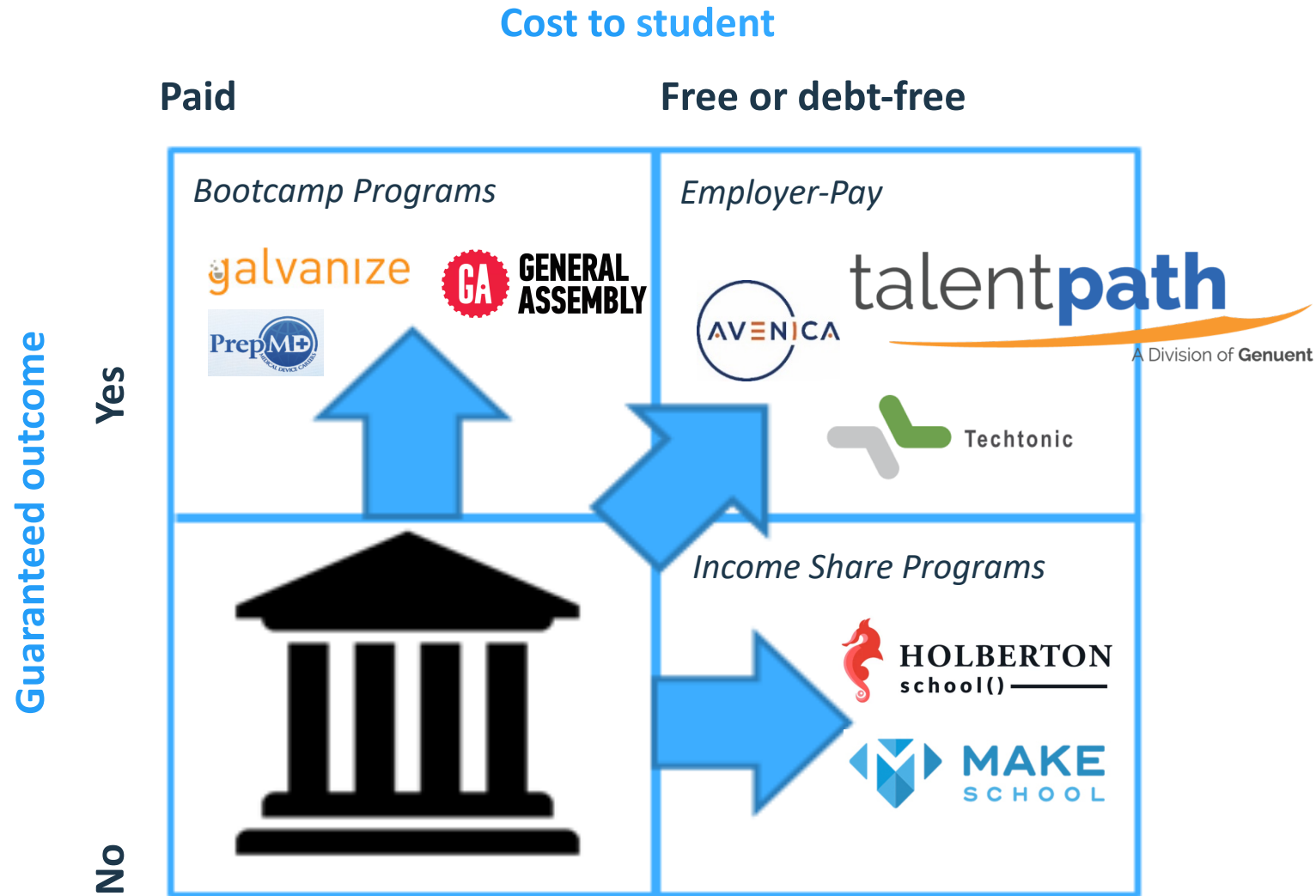


### 3. Absorbing frictions

- Absorb education frictions by eliminating upfront tuition and guaranteeing employment outcome
- Absorb hiring frictions by funding training + providing employers with opportunity to try before they hire




# LMT Can Provide Better Value to Students



# Digital Credentials

















## Joe Samuelson

Graphic Designer

An illustrator artist and graphic designer based in Phoenix, Arizona. I specialize in helping individuals and companies increase target-market visibility by creating eye-catching artwork. I am committed to staying current with trending design and constantly challenges myself to learn more. Through constant exploration of typography, imagery and illustration, my work transcends style. I have a passion for discovery and cultivating human connections.

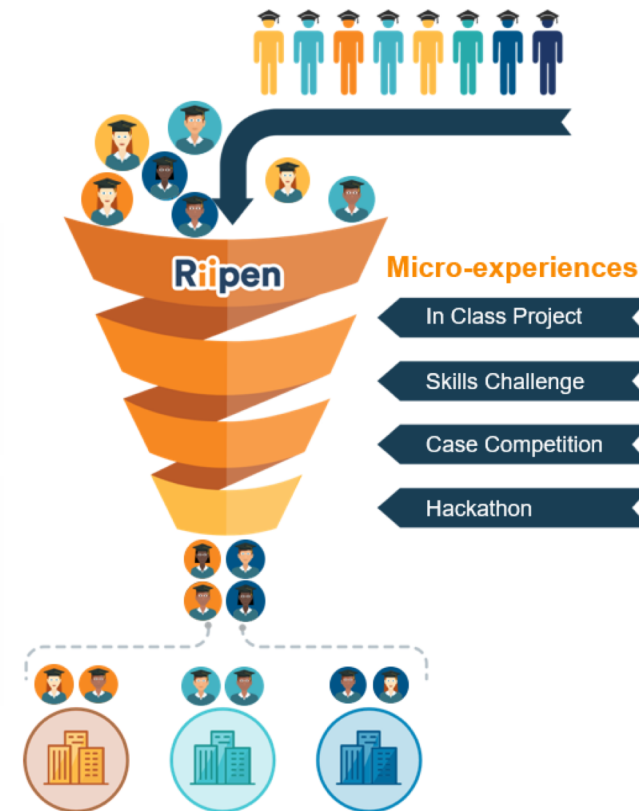
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Earned

 <p>Adobe Certified Expert Premiere Pro CC</p> <p>Adobe</p>	 <p>Cloud Video Streaming Technical Support</p> <p>IBM Professional Certification</p>	 <p>Power Query Video Certified</p> <p>PowerPivotPro</p>	 <p>IBM Big Insights - IBM Open Platform - 2017</p> <p>IBM</p>
 <p>Adobe Certified Associate World Championship</p> <p>Certiport</p>	 <p>Adobe Design Foundations</p> <p>Harper College Continuing Ed.</p>	 <p>Adobe Certified Expert - Photoshop CC</p> <p>Adobe</p>	 <p>Digital Design Basics Certificate</p> <p>Santa Barbara City College</p>
 <p>Vector-Valued Functions And Motion In Space</p> <p>NWCA</p>	 <p>Watson Analytics Level 1</p> <p>IBM</p>	 <p>Adobe Certified Expert - Illustrator CC</p> <p>Adobe</p>	 <p>IBM Storage Distributed Block v1</p> <p>IBM</p>

# Integrate Real Projects from Real Employers into College Coursework

# Riipen



# In Faster + Cheaper World, Have We Passed “Peak Credential”



Second, third employers care more about first job and demonstrable achievements and competencies.

- More likely in world where achievements and competencies are archived and accessible digitally

# The Promised Land





## Skill-based credentialing— An Academics Perspective

- Jared Auclair, Ph.D.
- Associate Teaching Professor, Chemistry and Chemical Biology
- Director, Biotechnology, Bioinformatics and BATL
- [j.auclair@northeastern.edu](mailto:j.auclair@northeastern.edu)
- [www.northeastern.edu/batl](http://www.northeastern.edu/batl)

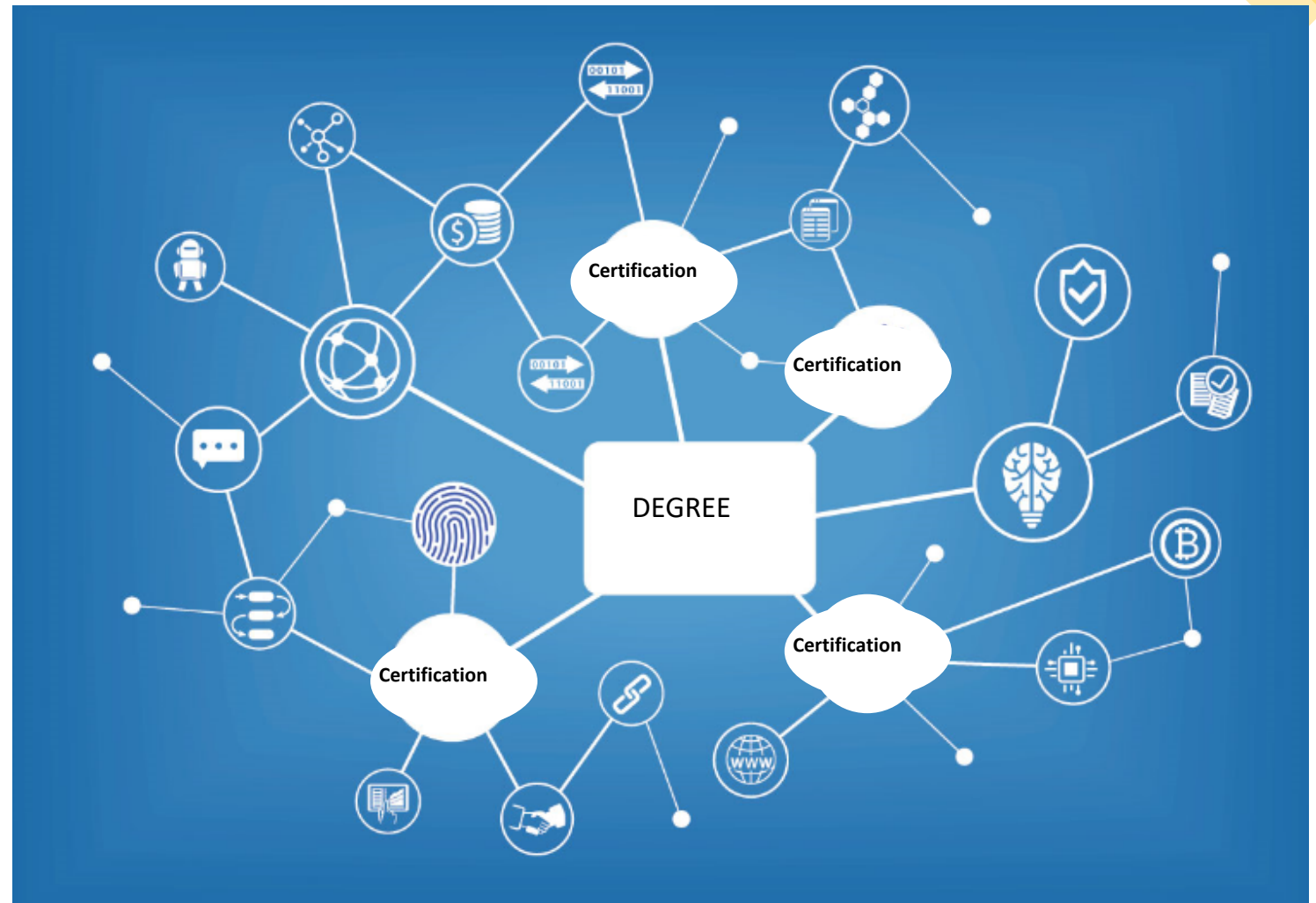


# Modern Higher Education Is Not Much Different Than It Was 300 Years Ago...

Courses (credits) in a prescribed sequence get you your degree (BS, MS, PhD)

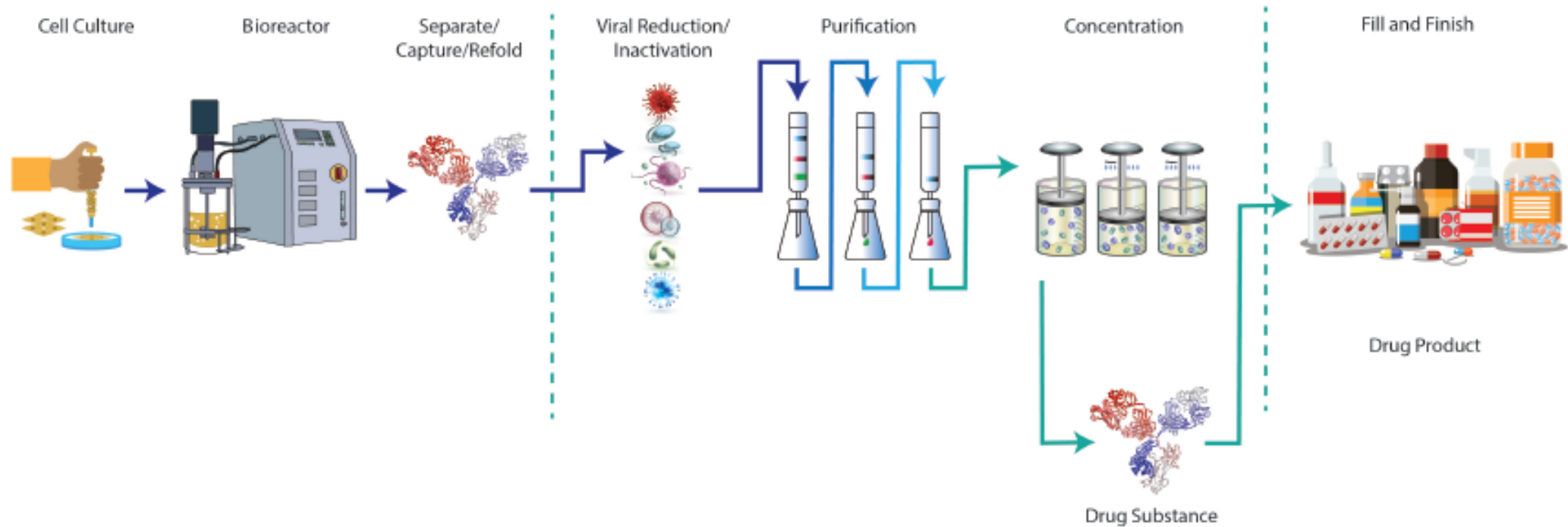
# Skill-based Learning in Higher Education

- Students as customers
  - Know what they want
- Microcredentials, Certificates, Degrees
- Build your own degree
- Focus on learning skills
- Link your credentials (badges) from different universities, companies, etc.

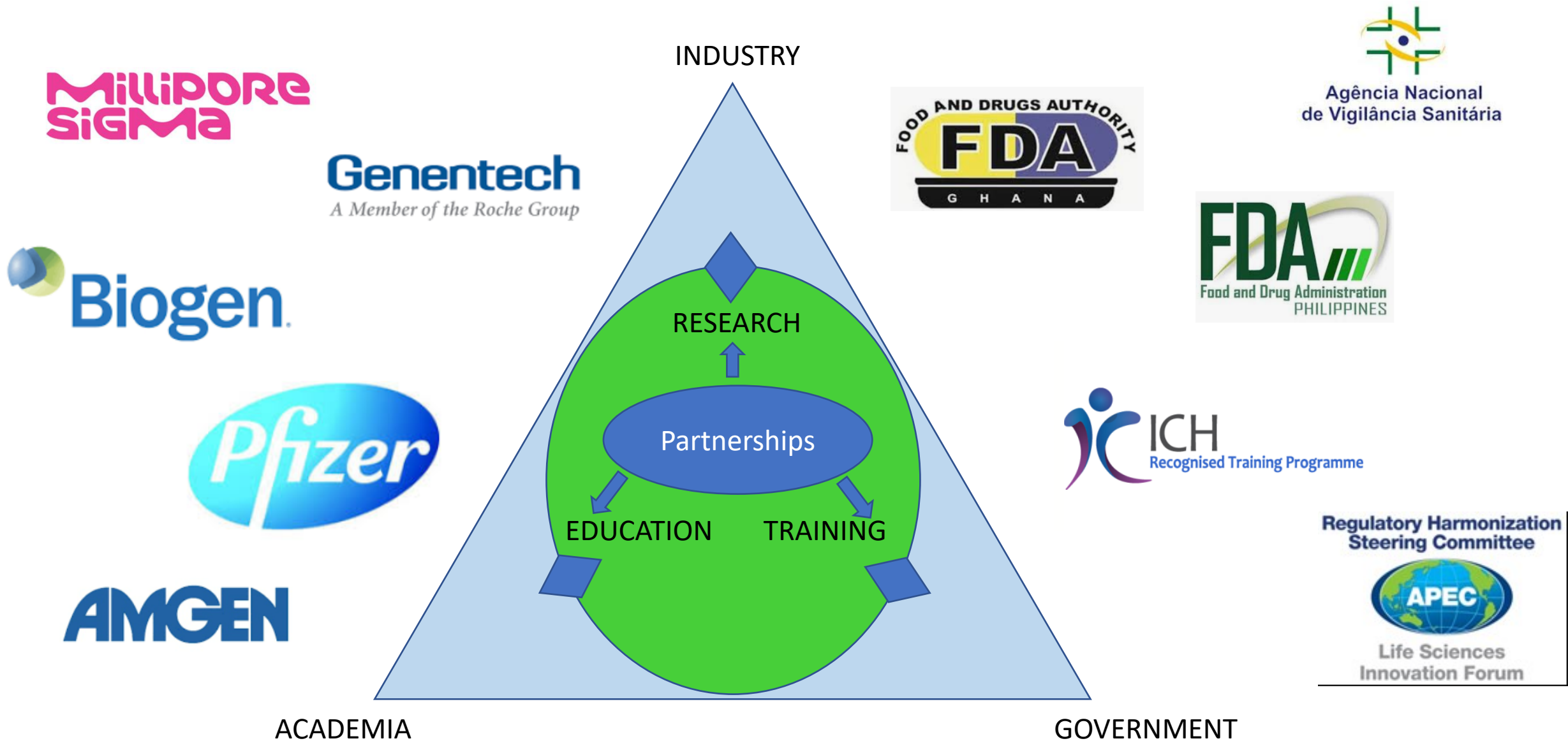




# Biotechnology Biopharmaceutical Drug Development

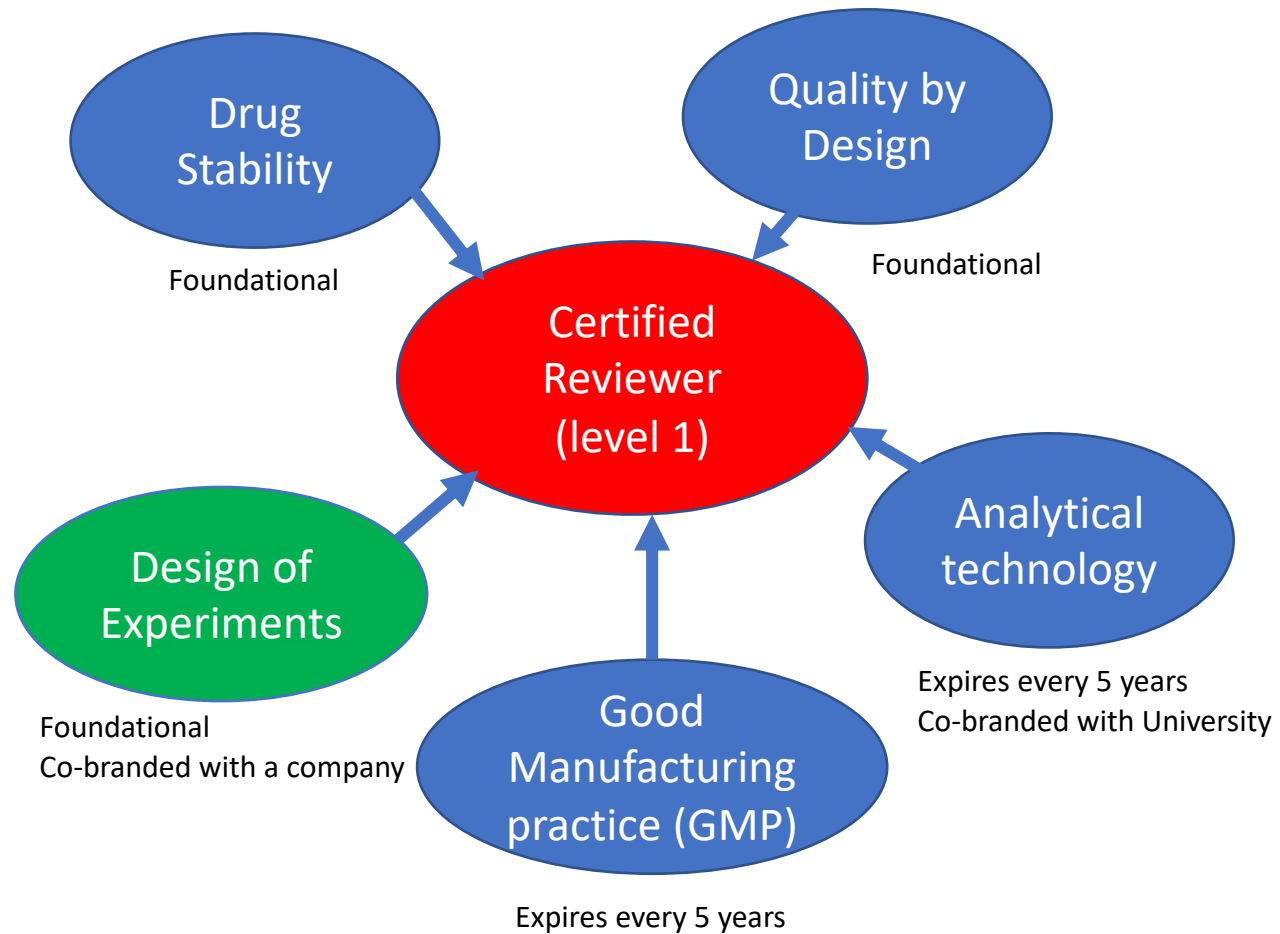


# Skill-based Credentials Empowering Innovative Research, Education and Training Collaborations

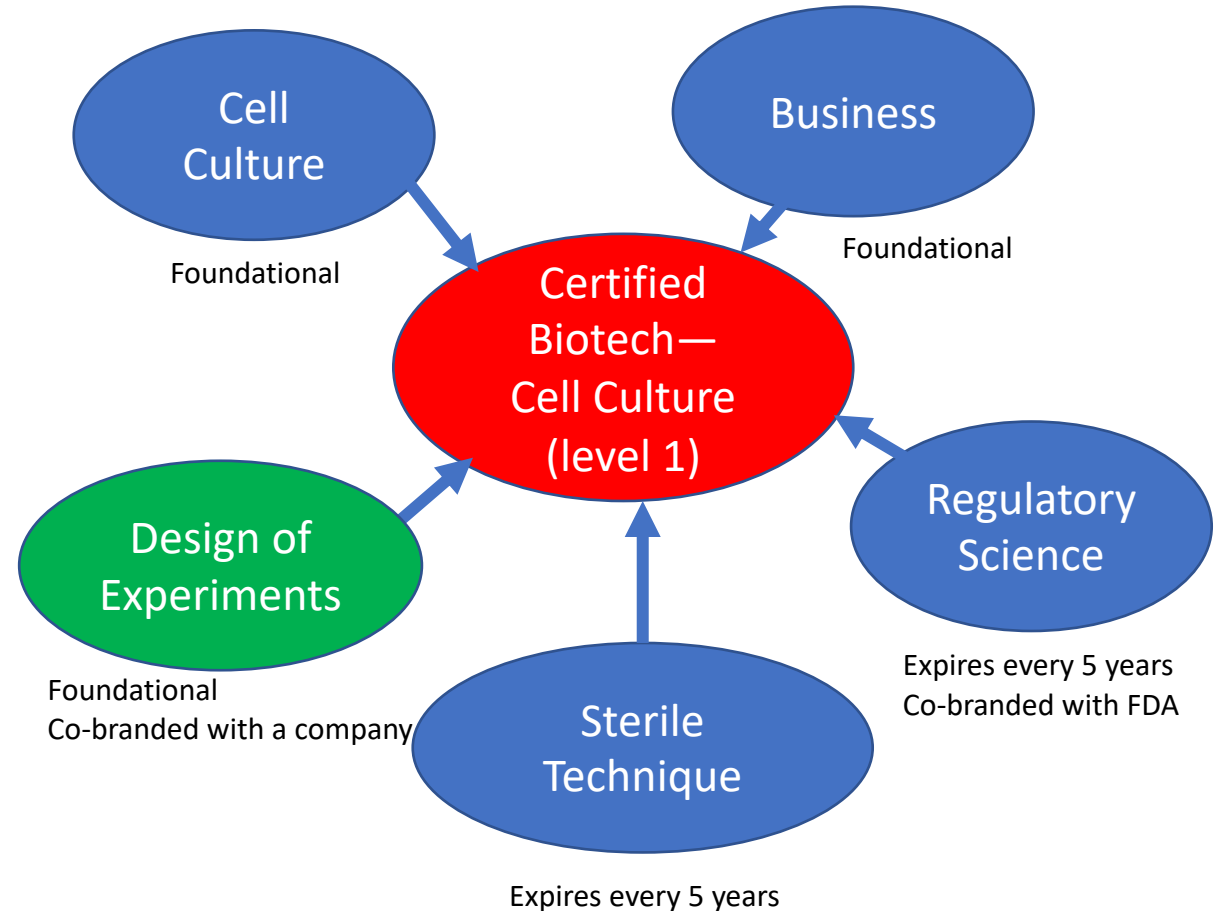


# Skill-based Credentialing: Regulators and Industry

## *Regulator (US FDA)*



## *Industry*



# Looking beyond the college degree

*Using a New Collar approach to close the skills gap*

Kelli Jordan

Director, Career and Skills

[jkelli@us.ibm.com](mailto:jkelli@us.ibm.com)



By 2030, the global talent  
shortage could reach

85.2

million people

**45%**

of employers say they can't find the skills they need...

**67%**

for large organizations with 250+ employees

**32%**

of employers say the main reason they can't fill roles is a lack of applicants...

**20%**

say candidates lack the necessary experience

**36%**

are adjusting education and experience required to fill positions

There are roughly

**700,000**

unfilled technology jobs in  
the United States today

# Using a *New Collar* approach to close the skills gap



# What is New Collar?

New Collar roles require skills, but not necessarily a degree.

## Rethink your approaches to hiring.

Skills are just as relevant as a degree. Open the aperture on your talent pipeline by removing degree requirements if they are not necessary for the role. Ensure the listed job requirements are truly valid, and not just a wish list. Seek out new sources of talent, like bootcamps and community colleges.

## Leverage programs focused on skill development and practice.

Technology can be learned on-the-job, not just in a classroom. Modern-day apprenticeships combine learning while earning. Apprentices get hands-on experience and build their skills while learning from experts. It's a built-in pipeline with the exact skills you need for your business.

## Create a culture of continuous learning and growth.

Skill needs are changing rapidly, so programs that support continuous learning are key. Learning that can be consumed on-demand, in smaller time commitments, help learners to build a daily habit. Digital credentials are an easy way to showcase and celebrate learned skills and accomplishments.

1:

---

### Remove the degree requirement

Determine if a degree is really required for the role, and if not, remove it -- you'll immediately open the aperture of your pipeline and increase your funnel of candidates

2:

---

### Focus on the skills needed

Ensure the job reflects the true skills needed, not a wish list of unrealistic characteristics

3:

---

### Build new pipelines

Look beyond your traditional sources of talent to find new candidates

Think about community colleges, bootcamps, transitioning military veterans, returners

**Months 1 - 3**

80% Learning  
20% Training/mentoring/projects

**Months 4 - 6**

50% Learning  
50% Training/mentoring/projects

**Months 7 - 9**

20% Learning  
80% Training/mentoring/projects

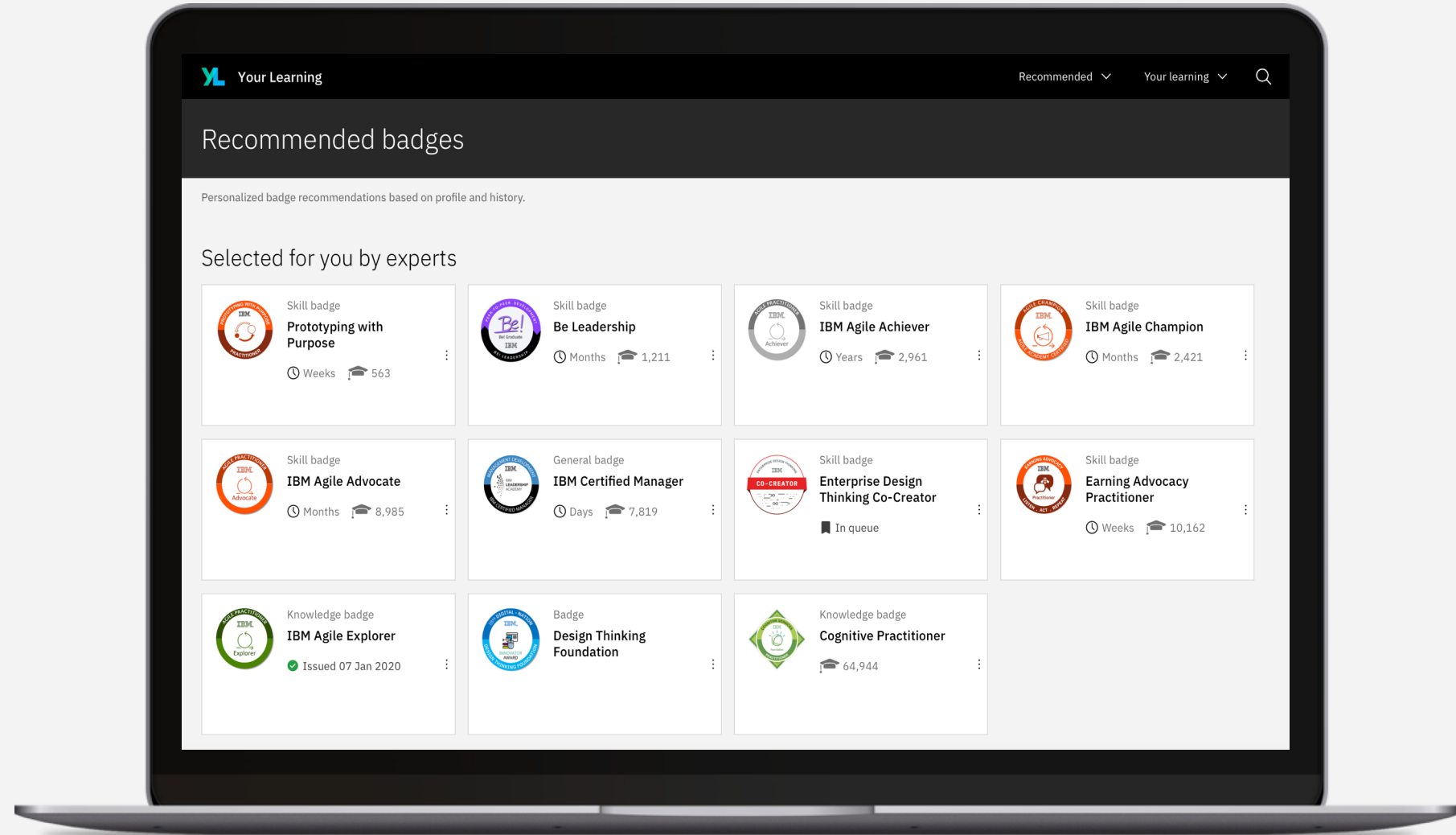
**Months 10 - 12**

Complete learning  
95% Training/mentoring/projects



+ All IBMers receive personalized learning content curated for each IBMer based on their current role and skills - and the skills required for the future

+ Digital badges offer a way to demonstrate skill, expertise, and experience, allowing IBMers to build a personal brand and advance their career





IBM

# QUESTIONS?

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# DOWNLOAD OUR NEW WHITEPAPER



## Upskill Your Workforce to Ensure Organizational Longevity

How investing in employees through training can make your company more competitive in a rapidly changing workplace.

[Download White Paper >](#)

The logo for Credly, featuring the word "Credly" in a white, cursive script font. A thick white underline is positioned beneath the letters, starting under the 'C' and ending under the 'y'.

UNLEASH THE WORKFORCE