



# The Future of Human Capital Management: How Organizations Benefit from Issuing Digital Credentials



# Digital Credentials

## An Overview

Digital credentials are a powerful resource for human capital management to address the global talent shortage and skills gap as well as engage and retain employees. During the Covid-19 pandemic, much of what we knew about the workplace changed, and digital credentials are even more vital to help employers make strategic human capital management decisions.

A growing number of organizations, including IBM, CVS, Hilton, PVH Corp, Intel, and scores of others, are using digital credentials to improve workforce readiness, upskill employees, identify talent pools, and create more effective learning and development initiatives.

This white paper will discuss the rise in importance of digital credentials, the benefits they provide to organizations issuing credentials, and why they are vital to the future of work.

Technology, automation, and artificial intelligence advancements are spurring a digital transformation across businesses. Digital credentials play a pivotal role in transforming the competencies, processes, and technology required of the new workforce.

A digital credential is a **portable, verified, and secure representation of acquired knowledge**, a specific skill, or an earned achievement. They are what happens when old-fashioned paper certificates meet the modern labor market. Digital credentials are visualized through digital badges, which offer a highly recognizable way to showcase one's achievements.

These badges are accompanied by extensive metadata detailing the requirements an individual has satisfied to earn the credential along with the evidence that a specific individual has indeed satisfied those requirements. Organizations issue digital credentials to recognize skills and capabilities that matter most to them — from agile design to data science to critical thinking.

## Why digital credentials?

Issuing, managing, and sharing digital credentials is extremely beneficial for both employer and employee. Digital credentials create positive outcomes including:



**A workforce with elevated skills for the future of work**



**Greater employee engagement**



**Less turnover**



**Optimal learning and development programs**

Since 2013, the use of digital credentials has steadily increased. Tens of millions of digital credentials have been issued by thousands of organizations via Credly, the digital credentialing leader, and those credentials have been earned by millions of unique individuals.

This rise in popularity of digital credentials is part of a larger trend that innovative businesses are undertaking to meet the demands of the 21st century workforce as we emerge from the pandemic that changed everything.

## Digital credentials: The foundation for the future of work

Human capital management, or the practice of hiring the right people and onboarding them the right way, managing them well, and helping them grow and develop through training and education, has long been a cornerstone of business. But as organizations start planning for the post-pandemic world, it has become even more critical. Nearly everything about the workplace changed on a dime. In March 2020, employees quickly packed up their computers and hastily set up home offices. A general sense of unease gripped all levels of workers — from new hires to managers to CEOs — as coronavirus cases surged, as well as the economic uncertainty as many industries laid off wide swaths of their workforces.

With this backdrop, Deloitte conducted its annual [Global Human Capital Trends](#) survey and recently released its 2021 report. It found five workforce

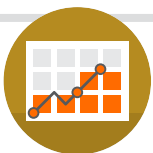
trends for 2021, focusing on *“bringing out the human strengths that make organizational thriving possible,”* including well-being, teamwork, workforce strategies, the expanded role of HR, and reskilling.

According to the report, *“In the months of extended crisis recovery, executives have reflected on the challenging road ahead as they attempt to prepare their businesses and ecosystems for an era of continuous disruption. That preparedness depends on workforce potential.”*

Within the survey, executives identified *“the ability of their people to adapt, reskill, and assume new roles” as the top-ranked item to navigate future disruptions, with 72% selecting it as the most important or second most important factor. “Further, 41% of executives said that building workforce capability through upskilling, reskilling, and mobility is one of the most important actions they are taking to transform work,”* according to the report.

Other training and development experts echo Deloitte’s assertion that reskilling will be vital in the post-pandemic reality. Training Industry magazine reported in [The Future of Skills and Development: 5 Predictions for the Workplace in 2021](#), that employers like IBM who offer employees the opportunity to upskill and gain knowledge will be ahead of the trend in which younger workers are looking for employers who provide that.

Digital credentials are the foundation for the future of work because they provide a verified and secure way for employers to recognize, track, and manage upskilling, reskilling, and learning and development initiatives.



**35M+ Credentials earned**  
and managed on Credly



**650K+ Digital credentials**  
shared from Credly every month



**:01 Every second** of every business day, a digital credential is earned, shared, verified, or used on Credly

## Digital Credentials Are More Vital Now than Ever

For employers, creating a strong workforce that is well positioned for the future is about making better, more strategic human capital management decisions. It means engaging employees, reducing turnover, tending to their well-being post-pandemic, creating a sense of job security and confidence, and valuing employee contributions and success.

### Identify Talent, Create Opportunities

Using digital credentials to issue and acknowledge achievements helps businesses get to know their employees better, and create opportunities for them. Digital credentials live with an earner, whether they've earned the credential from work, school, or a professional association, and can be shared publicly if the earner chooses to do so. This portable, shareable nature of digital credentials enables employers to see a holistic picture of what an employee knows and can do, based on their skills and credentials.

Being able to identify talent pools by competency, location, or level of expertise to ramp up new initiatives is another benefit of digital credentials. Conversely, looking at the skills graph of organization's digital credentials can also identify skills gaps where additional learning and training is needed for the organization to be competitive.

*"Employees were very motivated to get the badges, get the completions, and benefit from that signal of skills that badges provide,"* says David Leaser, Senior Program Executive, Innovation and Growth Initiatives at IBM.

### Increasing Employee Engagement, Retention and Productivity

Engaging employees and reducing churn is a growing challenge for businesses as the workforce transitions from valuing consistency and longevity with a

company, to valuing individual opportunities for learning, development, and growth. Recognition technology in the form of digital credentials can help companies engage and retain their employees.

According to "[Successful Companies Use Technology to Build Company Culture](#)" issued by the O.C. Tanner Institute, companies that use recognition technology reported the following results: 48% increase in employee engagement; 34% increased productivity; 26% increase in employee retention, and 20% increased revenue.

### Making better talent decisions

Finding, recognizing, and deploying talent will be the key to growing your business now and, in the future. Digital credentials on trusted networks, like Credly, are verified, never self-reported, to ensure organizations can make data-driven human capital decisions based on skills and competencies.

The solid foundation for the future of work is the ability to make strategic human capital management decisions. Digital credentials are a powerful way to ensure you can do just that.

## 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.