



# The Future of Work: How Digital Credentials Are Going to Be More Impactful than Ever Before



# Executive Summary

The global pandemic of 2020 has changed the workplace as we know it and will likely continue to reverberate through the employment landscape for some time. As the workforce settles into its new normal, the future of work will reflect changes in the workplace, leading to challenges in hiring.

## Changes in the workplace:

- » Acceleration of digital transformation.
- » McKinsey's study into this new "distance economy" found companies need to rethink the hard and soft skills necessary to thrive.
- » 87% of executives said they face a skills gap in the workplace, according to the McKinsey Global Survey. Companies will need to find ways to upskill their current workers to close the widening skills gap.

## Challenges in hiring:

- » Meaningful benefits like robust healthcare benefits and opportunities to upskill will be crucial to hiring success.
- » Hiring managers will see a new type of job seeker applying for open positions: students who have been stacking credentials instead of getting or finishing a degree.
- » Hiring for skills will be more prevalent postpandemic.

## The Future of Work: Why Digital Credentials Matter Now, More than Ever

A global pandemic in early 2020 seemingly upended the American workplace overnight, radically altering the way business gets done. Major parts of the U.S.

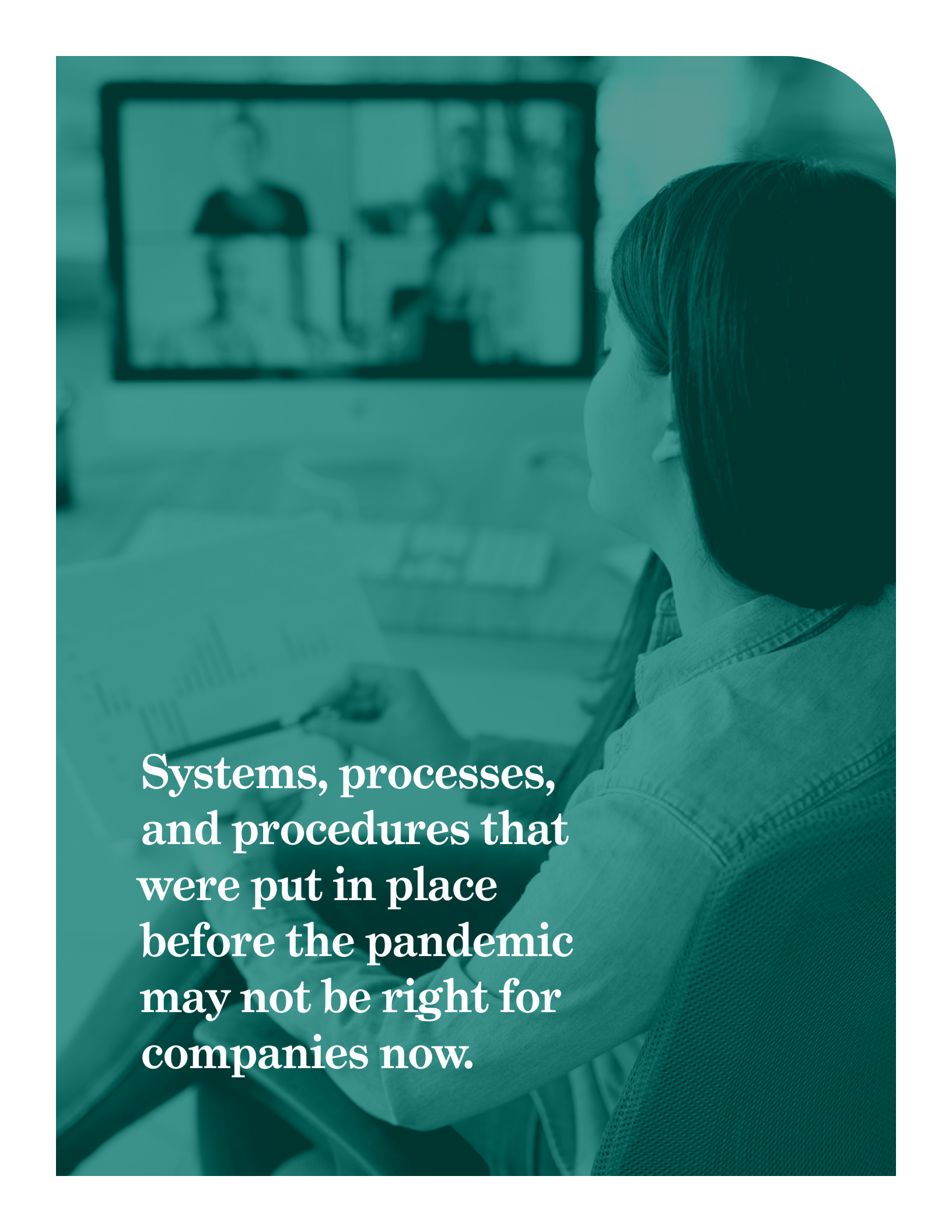
economy shut down in the blink of an eye, while others shifted to remote work, and even delivering more of their products and services online. Wide swaths of Americans were furloughed or laid off, their businesses eking by with skeleton crews.

As the workforce begins to navigate the new future of work, employers are quickly realizing that the old ways are just that — old ways. Systems, processes, and procedures that were put in place before the pandemic may not be right for companies now. It extends to many areas of the workplace, but one important facet to focus on is hiring and retention. Since so many processes have been upended recently, forward-thinking organizations are using this time to reevaluate how their businesses are run.

For employers, it may mean a restructuring of company roles and responsibilities based on specific skills and competencies rather than traditional four-year degrees, changes in internal and external hiring, and in the way "business as usual" looks. For employees and job seekers, it means honing the skills they have and learning new skills to be competitive in the new marketplace.

In this whitepaper, we'll do a deep dive into what hiring and retention may look like in a post-pandemic workplace, and how digital credentials will be a powerful tool for both the employer and employee in this new paradigm.

## Changes in the workplace

A woman with dark hair is shown in profile, looking towards the left. She is wearing a light-colored, textured shirt. In the background, a computer monitor displays a blurred image of a person. The entire image is covered with a semi-transparent teal overlay. The text is positioned in the lower-left area of the image.

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Even before the pandemic took hold, changes were happening in the workplace due to the rapid evolution of digital technology. Called the “digital transformation” or the “Fourth Industrial Revolution,” it has resulted in massive changes in the way business gets done, mainly because of consumer demand. We do everything instantly on our smartphones today, from depositing a check to getting a mortgage to turning on the lights in our house while commuting home from work. Consumers expect the same sort of functionality and immediacy from businesses in every industry, hence the rush to transform business as usual.

On top of that, the pandemic has necessitated vast and immediate changes in the employment landscape. Here are some of the changes that are happening in the workplace today:

- » Acceleration of digital transformation, as more and more companies turn to technology to help them facilitate work-at-home options permanently, virtual meetings, and other models of remote working. McKinsey’s study into this new “distance economy” found companies need to rethink the hard and soft skills necessary to thrive.
- » 87% of executives said they face a skills gap in the workplace, according to the McKinsey Global Survey.
- » Companies will need to find ways to upskill their current workers to close the widening skills gap.
- » In order to compete, companies need the credibility of having verifiably skilled workers.

Let’s look a little deeper into each of these points.

### The acceleration of digital transformation

Digital transformation for companies has accelerated during the pandemic, not only in the ways companies serve customers — from a safe distance — but also in the way they do business internally. Out of necessity, companies have adopted work-at-home protocols, many for the first time. Virtual meetings are now the

norm, and collaboration among teams has transitioned to remote models. Having workers skilled in new technologies is crucial to a company’s success.

The increase in working at home also means changes in how companies help employees manage work and home life balance. The asynchronous collaboration will be on the rise, and employees will need new and different communication skills to manage this remote collaboration.

### The rise of the “distance economy”

All of it has forced companies to shift from an hours-based, face-time workday to a “getting the job done” mentality. The time people spend sitting at their desks is no longer important in many companies. Results, getting the job done, follow-through, and effective communication and collaboration are now the gold standard. And because of the pandemic, those vital tasks are being done remotely for many companies in the U.S.

It’s what McKinsey calls the “distance economy,” and it’s causing companies to rethink the hard and soft skills necessary to thrive.



87%  
FACE A SKILLS GAP

87% of executives said they face a skills gap in the workplace.

### The need to close the skills gap quickly

In rethinking those skills, a problem surfaced. According to the McKinsey Global Survey, 87% of executives said they face a skills gap in the workplace. That means companies will need to find ways to upskill their current workers to close that widening gap.



## The importance of digital credentials

Here's where digital credentials can be a vital ally now and going forward. Digital credentials are a powerful tool in preparing companies for the future of work because they verify competencies and create increased visibility of the skills necessary to get the job done.

Now, perhaps more than ever, companies need the credibility of having verifiably skilled workers to compete in this new "distance economy." Digital credentials provide that verification. With a digital badge, employees' competencies are proven and easily visible. That kind of credibility will be vital in the new age of business as usual.

## Challenges in Hiring

At the beginning of 2020, hiring the best and brightest was a talent war. With record-low unemployment (3.5%), companies were competing fiercely for top talent. That fierce competition ended when the economy shut down. Hiring ceased for many companies. In many cases, it turned into layoffs and furloughs while companies rode out the crisis. How hiring will look post-pandemic depends on who you ask. According to a survey of CEOs by Vistage, 19% reported they're planning to increase their workforces within the next year, and 42% said they expect their workforce to remain the same. But, The New York Times is reporting that 42% of pandemic layoffs will result in permanent job loss.

It depends on your organization's specific needs. Whether your company will be hiring or not within the next year, it's vital to get a handle on the challenges being ushered in by the pandemic.

**Bottom line:** Hiring in the post-pandemic world will be about offering stability and the opportunity to acquire and develop new skills, and use those skills.

## Here are some more specific hiring challenges you may encounter:

A new breed of job seeker: students with stacked credentials instead of degrees. More credentials may be appearing on more resumes now than you've seen in the past, but something your organization may have relied on for baseline qualifications may be disappearing: the college degree. Even before the pandemic, students have been eschewing four-year degrees and instead focusing on earning credentials for specific job skills that will benefit them in the marketplace. Today, it's increasingly about students earning microcredentials for tangible skills rather than amassing a mountain of student debt in the pursuit of a degree.

## Hiring for skills will be vital to organizations to thrive in a new economy

It's about the changing nature of "business as usual." Verifiable skills will help accommodate the shift toward more permanent working-from-home arrangements, independent working, and remote collaboration. You need to know your new hires have the knowledge, experience, and skills to get the job done without being micromanaged in the workplace.

## New ways of recognition will be key

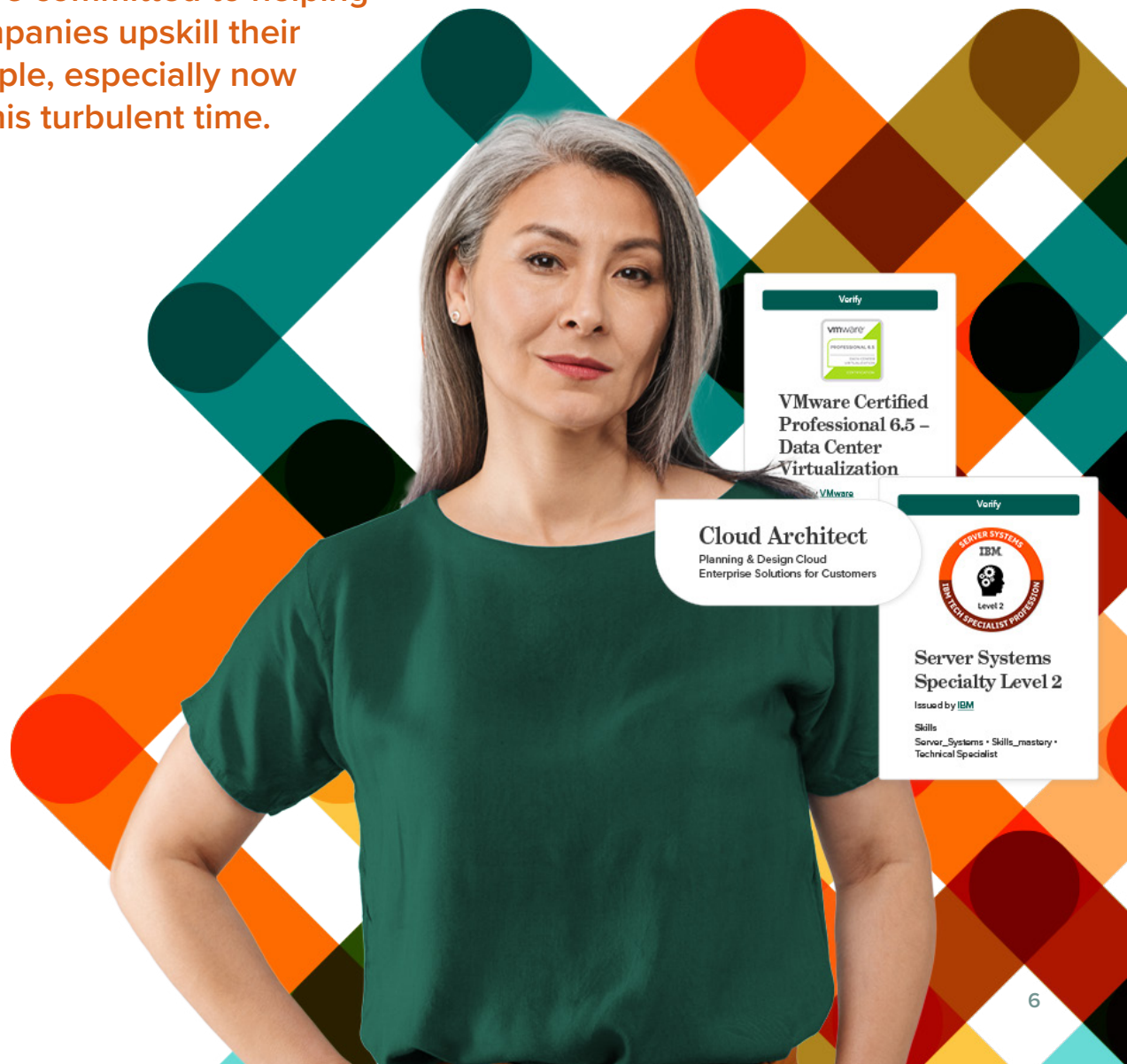
Offering employees the opportunity to upskill with digital credentials and gain the knowledge necessary for climbing the ladder is key. But, upskilling alone isn't enough. Companies will likely also find themselves having to rethink tactics and programs shifting toward things that are scalable and effective, and maybe even stopping some programs that are no longer delivering the ROI.

If staff sizes remain fairly constant and everyone is upskilling, managers will need to stay on task to find ways for employees to use those skills.

In the emerging post-pandemic marketplace, companies will encounter changes in the workplace and challenges with hiring.

Digital credentials speak to those challenges in several ways. Seeing digital credentials on a resume allows employers to quickly cut through the sea of applicants and find people who are qualified for the job. Offering the opportunity to earn digital credentials for upskilling signals commitment and stability to job seekers, and it does the same for current employees who might be unsettled and unsure after weathering the pandemic.

If you're interested in learning more about how digital credentials can benefit your organization in this post-pandemic marketplace, contact us today. At Credly, we're committed to helping companies upskill their people, especially now in this turbulent time.



## 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.