Credential clout: How higher ed can prepare for an evolving job market

A SURVEY OF U.S. STUDENTS AND RECRUITERS
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Survey methodology

500 U.S. recruiters/hiring managers who fill salaried positions

- 85% < 1,000 employees
- 15% ≥ 1,000

500 U.S. students aged 18-45 who are enrolled in a degree or credential program

- 50% Gen Z
- 41% Millennials
- 9% Gen X

- 65% Non-executive recruiters
- 35% Executive recruiters

- 44% College only
- 41% College and credential
- 15% Credential only

- 28% Professional/business/scientific
- 13% Healthcare/social
- 11% Construction
- 10% Wholesale trade
- 8% Information services
- 7% Transportation
- 12% Other

The survey fielding was managed by Wakefield Research via email invitation and online survey among U.S. students and recruiters/hiring managers between January 15 and January 25, 2019. The margin for error for results is +/- 4.4 percentage points for the students and recruiter samples at a 95% confidence level.
Evolving perceptions of college degrees

Students are enrolling in college to **improve their career prospects**, but they wonder if they’re learning skills that will **prepare them for the workforce**.

At the same time, employers are beginning to **value other educational programs on par with a traditional degree**.

To ensure that institutions continue to provide value to students entering an evolving workforce, they should consider offering a **lifelong learning model** that allows for traditional degree attainment alongside micro-learning opportunities.
The top reason students enroll in college is to improve their career prospects

Reasons that students are currently attending college:

- 62% To improve my job prospects
- 57% To learn about a specific field of study
- 51% To complete requirements for a future educational program or profession
- 33% To expand my social or professional network
- 25% Because my family or friends expected or advised me to
- 11% To earn a promotion or salary increase at my current job
- 2% Other
...but they worry they aren’t prepared

- Gen X*: 68%
- Millennial: 49%
- Gen Z: 36%

Feel very prepared for the workforce as a result of their educational program

*Denotes a directional finding.
In contrast, the majority of employers think their new hires have what it takes

62% of recruiters are very confident that candidates have the skills to succeed

While all recruiters reported believing that candidates with a college degree have more skills than those without, only a third of organizations require a degree for entry-level positions, and a quarter accept credentials in place of a degree.

Entry-level positions requiring college degree (on average)

<table>
<thead>
<tr>
<th></th>
<th>All organizations</th>
<th>≥ 1,000 employees*</th>
<th>&lt; 1,000 employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>35%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>48%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Denotes a directional finding.
Overall, employers give equal value to credentials and degrees

What is a better read of a job candidate’s qualifications?

<table>
<thead>
<tr>
<th>Degree attained</th>
<th>Credentials</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Recruiters find the top qualities of credential and degree candidates to be similar:

- Knowledge of industry trends: Degree 45%, Credential 46%
- Technical skills: Degree 40%, Credential 39%
- Specialized knowledge: Degree 38%, Credential 37%
- Networking skills: Degree 36%, Credential 31%
- Theoretical knowledge: Degree 32%, Credential 32%
- Soft skills: Degree 29%, Credential 27%
- Ability/desire to learn new things: Degree 28%, Credential 29%
- Well-rounded knowledge base: Degree 23%, Credential 27%

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Seeking soft skills

As technology continues to reshape the workforce, and as it becomes more difficult to predict future needs, additional emphasis is being placed on soft skills.

These transferable skills—such as communication, critical thinking, and problem-solving—are sought by students and recruiters alike, and may be the key to a sustainable career path.

Institutions are already aware of the soft-skills gap and are taking the initiative to integrate these areas into many courses of study that traditionally focused on hard skills only.
Employers and students agree that **soft skills are important**

Two of the top three skills recruiters say are lacking, communication and critical thinking, are soft skills students seek to learn in their educational programs.

<table>
<thead>
<tr>
<th>Skill</th>
<th>Recruiters Find Lacking</th>
<th>Students Seeking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication skills</td>
<td>40%</td>
<td>56%</td>
</tr>
<tr>
<td>Industry-specific or “hard skills”</td>
<td>38%</td>
<td>44%</td>
</tr>
<tr>
<td>Critical thinking or problem solving</td>
<td>30%</td>
<td>55%</td>
</tr>
<tr>
<td>Accountability</td>
<td>30%</td>
<td>26%</td>
</tr>
<tr>
<td>Public speaking</td>
<td>21%</td>
<td>34%</td>
</tr>
<tr>
<td>Collaboration</td>
<td>18%</td>
<td>29%</td>
</tr>
<tr>
<td>Cultural awareness</td>
<td>18%</td>
<td>31%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>4%</td>
</tr>
</tbody>
</table>

*Skill recruiters find lacking: 4% Skill students are seeking

Gen Z and college students are more interested in improving their critical thinking and problem-solving skills than their counterparts.

- **Gen Z**: 60%
- **Millennial**: 50%
- **Gen X**: 43%

**College**: 62%

**Credential**: 43%
The importance of lifelong learning

Today’s students understand that continuous learning is key to staying relevant in the workplace.

They’re on the same wavelength as employers regarding the lifespan of a degree or certification and how often additional educational programs are needed for career progression.

Many institutions are investing in post-degree programs to fill this demand and offering online courses to accommodate working students’ schedules.
The majority of students plan to pursue a degree or credential after their current educational program—a trend that is especially true for older students.

88% of all students are planning to complete further educational programs.

- 91% of Gen X*
- 91% of Millennials
- 85% of Gen Z

88% of students plan to further their educations while staying within their current fields.

Programs of study students plan to pursue:

- 51% Formal degree
- 37% Credential

*Denotes a directional finding.
Students and recruiters agree that to remain relevant, employees should take further educational or credentialing programs an average of two years after completing an educational program.

45% of students think further education is needed more than once a year to stay relevant in the workplace:

- Gen X*: 55%
- Millennial: 56%
- Gen Z: 35%

39% of recruiters think further education is needed more than once a year to stay relevant in the workplace:

- Working: 49%
- Executive recruiters: 48%
- Not working: 34%
- Non-executive recruiters: 33%

*Denotes a directional finding.
Students and recruiters value credentials

Credentials are growing in popularity as students consider time to value for their educational investments.

Many students are combining degrees and credentials to meet their goals.

Employers, too, see value in macro- and micro-educational programs.

To remain competitive, institutions should invest in technology to support both degree and credentialing programs.
When considering future educational programs, **cost** and **time to completion** are two of the top three factors for students.

<table>
<thead>
<tr>
<th>Key factors</th>
<th>%</th>
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<tbody>
<tr>
<td>Cost of the program</td>
<td>53%</td>
</tr>
<tr>
<td>Value to my personal goals</td>
<td>51%</td>
</tr>
<tr>
<td>Time to complete</td>
<td>45%</td>
</tr>
<tr>
<td>Availability of online vs. classroom-based courses</td>
<td>42%</td>
</tr>
<tr>
<td>Value given by potential employers</td>
<td>40%</td>
</tr>
<tr>
<td>Institution the program is affiliated with</td>
<td>31%</td>
</tr>
<tr>
<td>None of these</td>
<td>1%</td>
</tr>
</tbody>
</table>

The vast majority of students in a degree program think that obtaining a credential on top of a degree will make them more specialized in their field.

95% students

97% recruiters

Nearly all recruiters **agree** with this opinion.
Nearly half of students believe that credentials are essential to meeting their future career goals.

Working students see the benefits of credentials:

- 97% think their work would benefit from a credential
- 52% believe that a credential will help them get a promotion or a raise
- 50% believe a credential will lead to more responsibility on the job

49% of all students

With a bit more professional exposure, older students were more aware of the need for additional credentials to progress in their field.

*Denotes a directional finding.
Recruiters believe **credentials will carry more weight** moving forward, eventually becoming a standard in the hiring process.

**In the next 5 years:**

- **85%** of employers believe that more candidates applying for jobs at their organization will have credentials in addition to a college degree.

- **97%** of U.S. recruiters believe that credentials will be important in their company’s consideration of whether to hire someone over a candidate without credentials.
The rising popularity of digital delivery

Hard copies of degrees and credentials still hold value, but **businesses are moving at a rapid pace**, and job seekers want control over their own records.

Digital delivery is **gaining traction**.

The emergence of blockchain technology in higher ed allows for **easier verification** and **eliminates credential tampering**.
The majority of recruiters already trust digital degrees or credentials.

52% of recruiters are more likely to trust the digital delivery method.

Benefits of digital delivery:

- They are easier to verify: 53%
- They can be viewed immediately: 48%
- They are simpler to obtain: 45%
- Errors can be easily fixed: 30%
- Digital credentials/degrees are not better than paper credentials or degrees: 3%

58% of students would trust a digital degree or credential to demonstrate their qualifications for employment.
Implications

The modern workforce requires new skills, and recruiters are looking for talented candidates to fill those needs. No longer is the traditional degree the only learning that is expected in the workforce. Additionally, as machines advance to take on more task-based work, sustainable career paths will depend on a mastery of soft skills.

To stand out among their peers, students are arming themselves not just with standard degrees, but with additional knowledge gained through credentialing programs. These add-on skill sets demonstrate deeper specialization within their given fields, knowledge of best practices, readiness for promotion, and a host of other benefits within the workplace.

This presents an opportunity for institutions to become centers of perpetual learning—offering not just the traditional degree but also certifications and other learning opportunities, in accessible online formats, to keep students relevant and moving forward throughout their careers.
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