

HR's Latest Disruptive Trend: Goodbye, College Degrees; Hello, Certifications

HR Executive | Dawn Kawamoto | July 21, 2023

Call it the perfect storm rolling across the talent acquisition landscape: Employers are increasingly moving away from requiring job candidates to hold a college degree, as some seek a more diverse candidate pool. It's a storm that continues to build as HR leaders brace for a disruptive trend that will result in new models for talent assessment, according to a survey released Thursday by Gartner's software and services advisory firm Capterra.

According to Capterra's survey of 300 U.S. recruiters, 41% said their employers have dropped degree requirements. Meanwhile, the nation is facing a steep drop in applications for college enrollment, a trend that began several years ago, and can ultimately contribute to fewer job candidates with a bachelor's or associate's degree, according to a Fortune report.

How, then, is HR evaluating candidates' experiences?

Instead of college degrees appearing on resumes, increasingly, job applicants are listing professional and training certifications and even digital badges. And this presents challenges for TA and HR leaders, who need to create new models for collecting, evaluating and verifying certifications and other alternative credentials, Brian Westfall, a principal HR analyst for Capterra, tells HRE.

This shift is nearly on par with the disruption HR experienced with the move to remote and hybrid work at the start of the pandemic, he notes.

Challenges of certifications and alternative credentials

Although there are roughly 4,000 accredited colleges and universities a TA team would need to verify for candidates with college degrees, there are more than a million alternative credentials, including certifications, awarded by U.S. organizations, Westfall notes.

As a result, 43% of recruiters surveyed acknowledged they either sometimes or never recognize these alternative credentials on a candidate's resume and need to investigate them further.

And 71% of survey participants say it's even harder to evaluate the quality of an alternative credential compared to a college degree.

HR leaders, unfortunately, do not have a trade group or governing body to turn to that evaluates the quality of all certifications and alternative credentials, compared to the U.S. Department of Education's database of accredited postsecondary institutions and programs for assessing college degrees, Westfall notes.

These challenges are likely to become even more difficult in the coming years if TA executives and CHROs don't proactively address them, says Westfall.

Tips for TA leaders and CHROs to address alternative credential conundrums

With 48% of recruiters surveyed agreeing that alternative credentials can replace college degrees for some jobs and another 5% of survey participants saying this holds true for all jobs, it's clear these resume builders will have a place in candidate evaluation in the future.

Currently, 96% of surveyed recruiters say they have encountered at least one resume with an alternative credential. But 77% of survey participants note they expect to see more alternative credentials and certifications in the future.

Westfall offers four steps HR teams can take to more effectively consider alternative credentials and certifications in the hiring process:



Treat certifications and other alternative credentials like college degrees in your ATS

Stop treating alternative credentials like a second-class citizen to college degrees, Westfall says. For example, 75% of survey participants say their applicant tracking system offers a field to enter a college degree, or it can automatically pull that information when a candidate's resume is uploaded. However, only 67% of recruiters say alternative credentials get the same treatment in their ATS.

One major benefit of retooling your ATS is to capture alternative credential data and input notes about the quality of the credential into the system. That information can be reused by TA teammates when another candidate with the same alternative credential applies for a position.

Tap into the knowledge base of hiring managers

Hiring managers are often familiar with the alternative credentials and certifications that are relevant to their particular area of business, so TA teams should query them about the ones to look for on a resume and ones to be wary of, Westfall says.

"Really pick their brains," Westfall says. "You should ask them what alternative credentials are really popular but not high-quality, for example."

Develop a TA team consensus for evaluating alternative credentials

Given the expansive number of certifications and unique alternative credentials out there, making it impossible for TA teams and hiring managers to know them all, HR leaders need to get ahead of the confusion, Westfall says.

"Decide now as a team what separates a good alternative credential from a bad one," he notes.

Survey participants pointed to two top factors they use when assessing the quality of alternative credentials: reputation of the organization issuing the credential and the amount of instructor-led teaching to earn the credential.

Most important of all is to have a consensus.

"You don't want to have one recruiter on your team assessing certifications based on how long it took to complete the course, when another team member assesses another candidate's credentials based on online reviews," Westfall says. "This will result in having different candidate quality moving onto the next stage of the application process."

Look at which certifications or alternative credentials produce the best talent

Although there are more than a million alternative credentials and certifications, seek out the ones tend to produce the best talent, says Dan Kaplan, senior client partner for executive recruiting firm Korn Ferry's CHRO practice.

He also warns HR leaders against getting overwhelmed in the process.

"There is a risk that as this movement grows, suddenly we're going to be overwhelmed with credential programs, certification programs, and digital badges," Kaplan says, comparing the listing of these accomplishments to people's interest in receiving as many social media "likes" as possible or competition wins. "We could see this kind of phenomenon."