

Defining Credentials for the Public Workforce System

ACT Policy Brief

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Executive Summary

- This paper outlines how the National Career Readiness Certificate (NCRC) meets the definition of “credential” as defined by the US Department of Labor Employment (US DOL) and Training Administration’s Training and Employment Guidance Letter (TEGL) 15-10.
- The NCRC fits the US DOL definition of a credential both (a) in the context of workforce development in general and (b) according to the specific definition outlined in the US DOL TEGL 15-10.
- The NCRC is an industry-recognized, stackable, and portable credential that certifies the foundational competencies essential for career readiness and those necessary for advancement in career pathways.
- The NCRC certifies measurable occupational skills necessary to obtain employment, perform a job successfully, and advance within an occupation.
- States may use Workforce Investment Act (WIA) Title I and other programs such as Wagner-Peyser, WIA 15% Governor’s Discretionary, Trade Adjustment Assistance, and WIA Title II funding to implement the NCRC as part of a system of stackable credentials for any career path within an overall competency model.
- The National Association of Manufacturers (NAM), the National Center for Construction Education and Research (NCCER), and the Center for Energy Workforce Development (CEWD) formally endorse the NCRC and include it in their systems of stackable industry credentials.
- The NCRC is a portable credential, in that it is accepted and recognized in many geographic areas (42 states have a statewide or regional program under way) and industries (NAM, NCCER, and CEWD).

The Importance of Postsecondary Credentials

The national need to increase the number of individuals who complete some form of postsecondary training is apparent. A recent report states that the number of jobs for individuals with postsecondary education will increase to more than 100 million in areas such as healthcare, education, community services, and managerial and professional services.¹ Nationally, there is a growing focus on credentialing as an important postsecondary pathway to economic success for the nation's workforce.

Increasingly, employees and employers are turning to occupational certificates and industry-recognized credentials to address gaps. Unfortunately, individuals who enter training programs designed to culminate in an industry-specific credential but who lack the key foundational occupational skills are unlikely to attain the credential. This problem is highlighted in the Workforce Investment Act Standardized Reporting Data (WIASRD), which indicate a declining rate of credential attainment among individuals enrolled in Workforce Investment Act (WIA) programs.² Individuals would be much more likely to attain the desired credential if they first earned a National Career Readiness Certificate verifying their mastery of the key foundational occupational skills needed to be successful in an industry-specific training program.

This paper will outline how the National Career Readiness Certificate (NCRC) is an industry-recognized, stackable, and portable credential for today's workforce. While many different definitions are currently used for certifications and certificate programs,^{3,4} this

paper focuses on "credential" as a more overarching, umbrella term that encompasses many different postsecondary training programs as cited in a recently released Training and Employment Guidance Letter (TEGL) 15-10 by the US Department of Labor (US DOL).⁵

One of the many purposes of the US DOL TEGL 15-10 was to clarify definitional questions relating to credentials and to provide detailed information on the characteristics of credentials that determine their value to individuals and employers. This paper outlines how the NCRC meets this definition of "credential" and can be used by policymakers and workforce stakeholders to assist in evaluating how to best position the NCRC in their strategic planning efforts.

Measuring Foundational Competencies

It is universally recognized that career pathways are founded on a base of fundamental skill sets or competencies. These foundational competencies include workplace, personal effectiveness, and academic skills necessary for successful development of additional skill sets for a given industry sector or occupational ladder.⁶ The US DOL states that foundational competencies "represent those competencies which provide the foundation for success in school and in the world of work" and that "employers have identified a link between foundational skills and job performance, as well as the fact that foundational skills are a needed prerequisite for workers to learn new industry-specific skills."⁷

The attainment of both academic and career readiness competencies is critical to an individual's career pathway: the typical starting point for occupational credentialing. An example of this type of crossover credential is the NCRC. The NCRC is the nation's primary front-line credential for documenting an individual's career readiness qualifications and is a reliable predictor of career success. The US DOL states that the public workforce system should invest in skills development that helps individuals obtain "measurable and specific skills they need to move along directed career pathways."⁸

In fact, the NCRC assessments measure the foundational competencies essential to performing successfully in a job and needed to advance in many career pathways. Examples of these foundational and career readiness competencies include reading and using work-related text, applying information from workplace documents to solve problems, applying mathematical reasoning to work-related problems, and thinking critically. In addition, the newly created NCRC Plus assessment measures soft skills such as discipline, dependability, attitude/optimism, and teamwork. The combination of cognitive skills and soft skills in the NCRC Plus allows for an even more reliable prediction of an individual's success in a job or job training program.

ACT's extensive body of research shows that the combination of essential and foundational career readiness skills addressed by the NCRC are required for 77 percent of a recent sample of jobs profiled in the nation's largest job profile database and in all of the US DOL Industry Competency Models.⁹ The US DOL supports both the use of and development of

Industry Competency Models to "promote an understanding of the skill sets and competencies that are essential to an educated and skilled workforce."¹⁰

Defining the NCRC as a Credential

The number of certificates awarded in the United States is growing along with the credentialing market itself.¹¹ Generally, a credential refers to a variety of work qualifications, including educational diplomas, certificates, degrees, occupational licenses, apprenticeship certificates, and specific skills certificates within one or more industries or occupations.^{12, 13} However, federal and state regulatory agencies have defined and categorized credentials in various ways for the purpose of funding and reporting credential attainment.

The US DOL TEGL 15-10 states that "a credential is awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance within an occupation. These technical or occupational skills are generally based on standards developed or endorsed by employers."¹⁴

The NCRC is an evidence-based credential developed specifically to recognize these occupational skills, and thus fits this definition precisely.

- **The NCRC Skills are Measurable:** Psychometric research was and continues to be used to develop the NCRC assessments to ensure that they are construct valid—that they measure the psychological characteristics or skills they purport to measure. This evidence can be found in the National Career Readiness

Certificate and WorkKeys® Assessments Technical Bulletin.¹⁵

- **The NCRC Certifies Occupational Skills:** Unlike credentialing assessments that measure basic academic skills, the NCRC assessments measure foundational occupational skills that are necessary to obtain employment, perform successfully on the job, and advance within an occupation or career. As stated above, examples of these foundational skills include reading and using work-related text, applying information from workplace documents to solve problems, applying mathematical reasoning to work-related problems, and thinking critically. The US DOL states that these skills provide the foundation for success in the world of work.¹⁶

- **NCRC Skills are Necessary to Obtain Employment, Perform a Job Successfully, and Advance Within an Occupation:** Foundational skills are defined by the US DOL as skills that provide the foundation for success in the world of work because they are linked to job performance and are needed prerequisites to learning industry- and occupation-specific skills.¹⁷

ACT's Job Profiles of over 17,000 jobs provide content validity evidence that the skills verified by the NCRC are required to successfully perform work tasks.¹⁸

According to the US DOL Employment and Training Administration, correlations above .35 suggest that an assessment is "very beneficial" in predicting job performance. In fact, validity coefficients above .35 have been found in validation studies for the skill assessments that comprise the National Career Readiness Certificate.¹⁹

The NCRC is a "career readiness" certificate, not a work-readiness certificate, as it verifies foundational skills critical to learning new occupation-specific skills²⁰ essential to advancement within a career track.

The NCRC and state-specific credentials built on the NCRC framework fit the definition of a credential in the context of education and workforce development in general, as well as the specific definition outlined in the US DOL TEGL 15-10.

Organizations and Institutions that Award Credentials

It has been noted that credentials are often awarded by various types of institutions and organizations.²¹ *However, the US DOL gives several examples of the types of organizations and institutions that issue or award industry-recognized credentials.*

Examples include (1) a state educational agency or a state agency responsible for administering vocation and technical educations within the state, (2) community colleges, proprietary schools, and all other institutions of higher education that are eligible to participate in federal student financial aid programs, and (3) Job Corp centers.²²

Because of the NCRC's ability to confirm an individual's attainment of occupational skills needed to successfully perform in the workplace and advance within an occupation or career, as well as its stackability, portability, and recognition by employers and industries, it is awarded by several of the different types of institutions detailed in the US DOL TEGL 15-10 report.

- Various state educational agencies and state agencies responsible for administering vocation and technical education within the state award their state Career Readiness Certificates (CRC) based on the NCRC framework. For example, the Oklahoma Career Readiness Certificate (OKCRC) is awarded by the Oklahoma Department of Career and Technology Education, while Florida's Department of Education awards Florida's Ready to Work Certificate.
- Different community colleges, proprietary schools, and other institutions of higher education award the NCRC or a state CRC as a credential in their occupation-based certificate programs. For example, Hutchinson Community College awards the NCRC and a Kansas WorkReady Certificate to students at the completion of their degree or certificate program.²³ Other institutions of higher education using the NCRC or a state CRC include Tennessee Technology Centers (governed by the Tennessee Board of Regents).²⁴
- Ten Job Corps centers, in six states (and Puerto Rico), also award/issue the NCRC (or a state CRC certificate based on the NCRC framework) to students on their path to receiving an occupation-specific credential.

Integration of the NCRC in Career Pathways & Competency Models

The NCRC meets three of the four attributes of educational and workforce credentials, as defined by the US DOL, that strengthen the value of credentials, in that it is industry recognized, stackable, and portable. Although the NCRC is not accredited, the

US DOL notes that “accreditation by an independent quality review body is a valuable attribute, but at present, the majority of certain types of credentials are not accredited.”²⁵ Each of these attributes and a description of how the NCRC meets each definition are included below:

Industry Recognized

As part of increasing the value of credentials, the US DOL recommends that state and local workforce agencies “work with local and regional employers around identification of in-demand credentials . . . (which) may involve developing or customizing competency models.”²⁶

The NCRC has been explicitly endorsed as a foundational and career readiness credential by three national industry organizations: the National Association of Manufacturers (NAM), the National Center for Construction Education and Research (NCCER), and the Center for Energy Workforce Development (CEWD).^{27, 28, 29}

While NCCER uses the NCRC as a stackable credential for foundational skills, both NAM and CEWD use the NCRC Plus as the credential to verify competencies in the foundational tier of their respective industry competency models, which were jointly developed with the US DOL.³⁰

Stackable

To address the declining rates of credential completion by workforce participants and to encourage overall postsecondary credential attainment, the US DOL recommends that state and local workforce agencies “encourage training providers to modularize curricula into chunked curriculum” and into “smaller units each of which is stackable and

linked to other modules that culminate in an industry-recognized credential.”³¹ The US DOL further defines a credential as stackable when “it is part of a sequence of credentials that can be accumulated over time and move an individual along a career pathway or up a career ladder.”³²

As previously mentioned, three national industry organizations—the NAM, the NCCER, and the CEWD—each formally endorse the NCRC and include it in their systems of stackable industry credentials. Each of the three organizations recognizes the NCRC as a credential that verifies the essential competencies that can move an individual along a career pathway or ladder in their respective industry sector.

Portable

The US DOL defines a credential as portable when “it is recognized and accepted as verifying the qualifications of an individual in other settings—either in other geographic areas, at other educational institutions, or by other industries or employing companies.”³³

The NCRC meets the definition of a portable credential, in that it is accepted and recognized in many geographic areas (42 states have a statewide or regional program under way) and industries (NAM, NCCER, and CEWD).

Accredited

Although the US DOL includes the attribute of “accreditation” as valuable to a credential, it acknowledges that “at present, the majority of certain types of credentials are not accredited.”³⁴

Furthermore, the US DOL notes that “accreditation exists in the realm of

personnel certification but is less common” and that “industry-recognized, portable, and stackable credentials provide a valuable return on investment for workforce system customers, because they allow customers to work toward both short- and long-term employment and career goals.”³⁵

As the NCRC has already been shown in this paper to meet the US DOL definitions for “industry recognized,” “portable,” and “stackable,” it follows that the NCRC provides a value-added return on investment for workforce stakeholders and customers as described by the US DOL.

Conclusion

This paper has outlined the many ways that the NCRC meets the current definition of a value-added and industry-recognized credential as defined by the US DOL. Although the US DOL definition of “credential” is used to clarify allowable funding of credentials for WIA Title I programs, it should be noted that the NCRC as a credential can be funded by states via other federal and state programs. States may use other programs such as Wagner-Peyser, WIA 15% Governor’s Discretionary, Trade Adjustment Assistance, and WIA Title II funding to implement the NCRC as part of a system of stackable credentials for any career path within an overall competency model. By using the NCRC, education and workforce stakeholders can provide students and job seekers with an industry-recognized and value-added career readiness credential that will not only assist them with embarking on a career path, but also prepare them to advance and succeed in a lifetime of career choices.

Notes

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