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July 2022

# Current Trends

Micro-credentials  
The Emergence of Alternative Credentials

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## Definition/ Concept

- There is no standard definition for micro-credentials in terms of period of study, range of content or specific forms of assessment. However, a micro-credential sometimes referred to as a micro-degree or micro-masters can be described as a recognized proof of the learning outcomes that a learner has achieved following a short learning experience, according to transparent requirements and upon assessment. It is a representation of a competency or achievement earned through participation, progression, completion, and demonstration of learning.
- Learning experiences leading to micro-credentials are designed to provide the learner with specific knowledge, skills and competences that respond to societal, personal, culture or labor market needs. Micro-credentials owned by the learner, are shareable, portable and may be combined into larger credentials or qualifications. They are supported by quality assurance following agreed standards in the relevant sector or area or activity. Micro-credentials can involve accelerated educational experiences and on demand learning as well as flexible learning methods. In comparison to a degree, a micro-credential generally takes place over a significantly shorter time period (varies from a couple of hours to several months), offered at a lower cost, and is more vocational in terms of subject areas covered.
- Formal certification of micro-credentials varies from course to course, however many offer learners a digital badge upon completion which can be demonstrated alongside a resume or portfolio as proof of knowledge and skills in a particular area, as well as showing the individual's personal commitment to their chosen career. The proof is contained in a certified document that lists the name of the holder, the achieved learning outcomes, the assessment method, the awarding body and, where applicable, the qualifications framework level and the credits gained.
- Once created, these badges are issued and can be shared across a variety of platforms such as portfolios and social media and with any specific individuals or institutions the owner would like. It is also possible for the issuer to time-limit the use of the badge or certificate, ensuring that outdated knowledge and skills don't continue to appear.

## Background

- Businesses looking for lower-risk and affordable courses to upskill their workforces and bridge the skills gap, and individual employees or jobseekers seeking flexible learning opportunities to improve their careers development have, thanks to micro-credentials, found a new and powerful learning route that allow a common mode of sharing their achievements to demonstrate the new acquired skills to others so that they can't be falsified. Micro-credentials short, vocational, and cost-efficient courses and certifications have seen a boom recently. In fact, since the emergence of COVID 19 crisis, more individuals than ever before have shown interest in non-traditional educational and skills training options, signaling a global trend from learners towards shorter, inexpensive educational alternatives.

- The scale of alternative credentials has expanded considerably, as a consequence of a rising demand for upskilling and reskilling, as well as a sharp reduction in the unit cost of education and training provision made possible by digitalization. However, despite these benefits for both businesses and personal development, micro-credentials are still a new and relatively unknown learning alternative.

## How do micro-credentials work?

- Commonly, micro-credentials are offered as part of a partnership between business and education, combining the educational experience of one institution with the industry knowledge of the other.

- The mode of delivery varies by the nature of the content and assessment. Most micro-credentials are available through online learning, and the main focus is on demand courses and on demand competency assessment, but there are no limitations on courses being offered face-to-face or through blended learning.

- There are different ways which learners can choose, from online, to in-person, to a blended learning approach. Deciding the right route for each trainee depends on the type of the course, the schedule, the preferred learning style, and the available learning opportunities.

## Key characteristics of micro-credentials

- **Short and focused** on a narrow range of skills and competencies rather than duration.
- **Quality** is assured through peer and industry review.
- **Industry recognition:** Many micro-credentials are co-developed with industry or based on the organizations' tailored requests.
- **Personalized** with the right combination to meet individual learners' needs.
- **Modular and stackable:** Some micro-credentials modules can be stacked and used in for credit programs to create a qualification to achieve a credential recognized by other institutions.
- **Shareable:** The qualification is placed in a digital wallet the learner can share it with employers or education institutions.
- **Knowledge acquisition:** They are about applying knowledge and capability through the mastery of a demonstrable competence.
- **Assessing competencies:** Some micro-credentials can be secured through assessment only, without attendance or course study requirements. Example: Some platforms are being used to capture competencies using video, audio, text or combinations of these medium, which can then be assessed independently of any specific course by a qualified assessor. To ensure quality, the assessment can be validated by an experienced validator who can review the judgement of the assessors.

### Micro-credentials are not:

- Time-based
- One size fits all
- Traditional online classes or courses
- Available only at set times

## Benefits for individuals and for organizations

### Benefits for individuals

#### 1-Providing others with insights about the professional development and the new acquired competencies:

A micro-credential is a good way for employees and job seekers to keep their skills fresh, stay updated, and maintain their market value. A micro-credential can prove an individual's commitment to their chosen field as well as their passion to keep learning. A digital badge of accreditation shows employers that this person puts in the time to upskill and develop their career to cope with the continuous changes in business.

#### 2-Facilitating Career Shift:

For someone interested in changing jobs or shifting careers, a micro-credential is an effective route to explore the new skills of the new chosen industry/job. The combined input of industry and educational establishments in building short, accessible courses, allow learners to get both the theoretical knowledge required to change paths as well as the practical experience that many employers are looking for in candidates.

#### 3-Offering Convenient and flexible learning solutions:

Unlike a degree that takes years to complete and usually associated with high cost, one of the benefits of a micro-credential is its compact, flexible nature. Many courses can be arranged around a job (or during work days, if the course is provided by an employer), or completed over few days or on a weekend. Some courses offer multiple options for learning modalities, including on-demand study, so that learners with different commitments and responsibilities can choose a learning path that suits their lifestyle, career goals, and schedule.

#### 4-Owning Shareable digital proved accreditation:

Since micro-credentials badges can be earned and exported in a digital format, the learner will not worry about where to put and keep them (like paper degrees). Micro-credentials make it easy for the employee to exhibit the ongoing professional development pursued beyond previous education highlighting a continuous learning lifestyle.

### **5- Increasing self-motivation to pursue new skills:**

Well-constructed micro-credential systems and offerings can encourage learners to learn more, participate in a greater number and variety of skills development opportunities, and create a planned career path.

#### **Benefits for organizations:**

##### **1-Identifying and bridging own “skills gaps”:**

By creating micro-credentials in conjunction with learning institutes, industries can play an active part in educating the employees the specific skills the industry is lacking, directly addressing their own ‘skills gaps’ and other knowledge deficits.

These short, job-specific training courses can then be offered to existing employees, or as an incentive to potential new employees, enabling businesses to build teams of highly-skilled individuals with the exact talents, knowledge, and attributes needed for the business to succeed.

##### **2-Increasing completion, productivity and engagement:**

Globally, launching digital badges programs encourage the enrollment, engagement and the completion of the courses in practice while improving the employees’ performance. Such programs can engage employees in their personal and professional development, foster loyalty while strengthening the bond between employer and employee.

##### **3-Demonstrating a culture of learning and supporting the career paths:**

Organizations that truly care about “employer branding” have to set themselves apart as learning organizations and retain and attract the needed talents through continuous skills development offers. Creating a clear path for an employee’s career involves identifying skills that may currently be missing and those needed for the next five years and beyond. By leveraging micro-credentials tied to competencies for projects and new roles, the organization will be able to open up the talent pool for the recruitment team to attract higher quality candidates than those which cannot offer such opportunities.

## Challenges

### 4-Offering cost-effective training solutions:

However, micro-credentials, due to their short-term and 'stackable' nature, offer a cost-effective route for employers who wish to invest in their employees' training without risking investment in expensive, long term programs. Skill sets can be kept relevant to the company or position, and employees can be brought up to speed on the latest trends, tools, and processes in the industry. If a wider knowledge-base is required, learners can keep building on their achievements through the study of more micro-credentials.

### 5-Achieving alignment with the generic skills needed across sectors:

Micro-credential is an important tool that can bring stakeholders (governments, corporations, training providers, educational institutes...) together and establish a common, comprehensive framework and language for building and demonstrating the knowledge and skill sets needed to thrive in the future of work.

Despite the significant growth of micro-credentials market, uncertainty persists. Some of the challenges can be summarized as follow:

- **Definitions and taxonomies to structure these new credentials have not been widely agreed:** Certificates, digital badges and micro-credentials do not have solid standards on delivery modes, duration, assessment processes, areas of focus, and their capacity to be embedded within or cumulate into other credentials.
- **Confusing signaling and uncertain economic impact:** The value and understanding of micro-credentials are not always clear due to the employers' unfamiliarity with these credentials and their confusing signals caused by lack of solid standardization, absence of validation procedures (in some cases). This is in addition to relative value of these credentials as a signal compared to formal education programs and professional experiences. In other words, alternative credentials in general are not yet standardized to be a currency in the labor market.



## Practices

- **Governments Frameworks:** As the size of the alternative credentials market grows, governments may consider establishing quality frameworks for these programs, both to protect consumers who have invested their own money and to provide a sufficient assurance of quality. Questions on quality, transparency and uptake of micro-credentials between and within countries, between sectors, from one job to another should also be taken into consideration.

Practices Micro-credentials are offered by companies, learning platforms, universities, professional bodies, licensing organizations and through partnerships between education and business.

### 1- Learning Platforms:

**Massive Open Online Course (MOOCs) providers such as FutureLearn, Coursera, Udacity and edX offer a significant number of micro-credentials.** Their offerings include the following:

- **FutureLearn:** FutureLearn Micro-credentials can be used as an independent certification, and some even offer academic credit to use towards a degree. Each micro-credential also includes a formal online assessment.
- **Coursera** – where micro-credentials are known as specializations, MasterTrack Certificates, Professional Certificates.
- **Udacity** – micro-credentials are known as nanodegrees
- **edX** – micro-credentials are known as Micro-masters.

### 2- Corporations:

- **Ernst & Young (EY)** offers its own badges for learning since 2017, and now offers a significant variety of badge-based courses.
- **Amazon** invested millions of dollars in online learning activities for its staff, and offers its Amazon Web Services (AWS) users the opportunity to earn certifications.
- **CISCO** offers badges for learners to develop skills that enable them to use CISCO's technology.
- **Siemens** developed a suite of digital badges for students aimed at strengthening their understanding and skills in STEM subjects.

- **IBM** offers a significant number of badges and certificates to its staff, partners and customers focused on technologies, project management and artificial intelligence.
- **PwC support to financial literacy micro-credentials:** With the support of PwC, the **Global Financial Literacy Excellence Center (GFLEC)** developed twenty micro-credentials, including digital badges for teachers that can earn to show competency in specific personal financial literacy areas. Each micro-credential includes methodologies and resources to help teachers cover content that secondary school students can apply directly to their own lives, including how to plan for their career and using their mobile phone to manage their finances.

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