

## **Executive Summary**

### **Region 5 Roundtable – June 27 & 28, 2002**

### **“Creating A Credible Credentialing System”**

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On June 27-28, 2002, the Region 5 office of the USDOL/Employment & Training Administration sponsored a roundtable on *credentials* for the ten states within the region, inviting other Regional and National Office staff. Performance specialists from Region 2 were able to attend, as did a performance specialist from Region 6/San Francisco, who facilitated the session.

What became clear from the beginning of the meeting was the difficulty experienced by states with respect to balancing what appeared to be conflicting motivations, such that there was a noticeable ‘tension’ between the need to achieve targeted performance levels within a comparative environment, and the desire for a system in which credentials and certifications were meaningful commodities of exchange in the workforce development system – recognized and respected by the employer community. The experience of many of the region’s states, in fact, represented a microcosm of what has been experienced nationally. In particular, many states have expanded upon the federal definition of *credential* in order to increase its perceived utility and credibility in the labor market and, according to some views, in order to ‘do the right thing.’ However, based on PY 2000 reported outcomes, many states believed they were then placed at a comparative disadvantage relative to other states that adopted the federal definition without further change.<sup>1</sup> Many of these states had already revised their policies or were in the process of revisiting them, with some states noting they felt ‘pressured’ to do so. This lack of comparability across states and the perceived absence of federal leadership and guidance was viewed as a catalyst for many of the issues and problems with which states were now grappling.

The lack of system responsiveness to the employer community presented a framework for much of the discussion and debate. Recent GAO Reports and other research/publications were cited as highlighting both the current frustration experienced by private sector board members and the recognized need to better engage the employer community.<sup>2</sup> Occupational preparation programs conducted across various education and training delivery systems (WIA, Perkins III, postsecondary, apprenticeship, Job Corps, proprietary schools, etc.) often teach the same occupation within a given geographic area or jurisdiction using markedly different learning objectives, knowledge and skill content, required proficiency levels, and means of assessment. Frequently, successful completion of these programs is based on time in attendance, rather than verified attainment of competencies. Such ‘strip mall’ training is delivered to the lowest common denominator, producing an operative culture characterized by institutionalized mediocrity and little or no accountability for program participant knowledge and skill gains.

As a result, students/trainees become job applicants with widely divergent qualifications in the same occupation. Matching applicants to jobs becomes a problematic, expensive, and random process. Individuals cannot go from job to job in the same occupation without significant retraining, and employers cannot replace workers in the same occupation without spending additional time and money – resources that can be utilized in other mission-critical aspects of the business. This ‘revolving door’ scenario is a dynamic that not only reduces the credibility of the system at large, particularly with employers, but it is also wasteful, dysfunctional, and far too common.

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<sup>1</sup> Some state policies, which encourage local expansion of the federal definition, pose additional challenges for *within-state* comparisons.

<sup>2</sup> GAO-02-72, *Better Guidance Needed To Address Concerns Over New Requirements* (Oct. 2001), highlighted the mounting frustration of many private sector Board members and the concern that the employer community may decide to no longer participate in a system unresponsive to their needs. A May, 2002 publication by the National Association of State Workforce Board Chairs, *The Competitive Challenge: Building A World-Class Workforce* (May 2002), included six recommendations for action, with many steps recognizing the criticality of the development/use of portable credentials and the need to support voluntary state systems incorporating specific criteria.

This inconsistency in employment and training activities and the lack of competency-based objectives and approaches is not just a source of aggravation, but it cannot be completely understood in light of the nearly 4,000 certifications currently in existence, most of which are already industry-based, validated and recognized.

Under a broad-based, interagency strategy for using nationally-recognized, industry-based, business-validated skill standards and occupational certifications across different delivery systems and funding streams, those individuals trained in the same occupation anywhere within a state (such as a computer service and support technician) would be equally prepared to pass the related certification examination in that field (e.g., the A+ exam offered by CompTIA). This would occur whether their courses of study were provided through WIA-supported activities, Perkins III programs, state-funded efforts, postsecondary institutions, or apprenticeship projects.

Regarding an 'interagency strategy' specifically, there was also extensive dialogue related to the absence of engaging relevant stakeholders (including employers) early on. In many cases, this has not only been problematic, but it has resulted in some duplicative efforts that are minimally aligned. Citing decades of research on organizational dynamics and change, attendees took note of the fundamental premise that participation leads to involvement and involvement leads to *commitment*. Therefore, if there is a true and honest desire to create a credible credentialing system, the dialogue must be expanded to include employers, education, the workforce development community, and all other relevant stakeholders.

With the lack of funds throughout the private sector to support all desired training efforts, the *opportunity* for the workforce development system to invite, involve, and engage the employer community in a constructive dialogue cannot be readily diminished or dismissed. It was strongly believed the Employment & Training Administration has a tremendous opportunity to step up to the plate and provide the necessary leadership to support the development and dissemination of *voluntary* skill standards and occupational certifications that are validated and recognized by the business community. Furthermore, the returns on competency-based, quantifiable, clearly stated, concise, legally defensible and methodologically appropriate performance specifications identifying the knowledge, skills and abilities an individual must possess in order to succeed in a certain occupation or in the workforce in general (such as work readiness certifications for youth) would facilitate the agility and flexibility needed to succeed and prosper in the workforce of the 21<sup>st</sup> century. The potential for significant returns is clearly there, including portability (e.g., across states), skill transferability, worker mobility, education and training consistency, and the promotion of *retention*.

Therefore, in order to minimize, if not eliminate, what was perceived as bureaucratic inertia, and in an effort to continue the discussion on this national issue that is of major importance to employers, roundtable attendees developed an action plan, to include the development of national guidance (e.g., a Training & Employment Guidance Letter) supporting a voluntary system of skill standards and occupational/work readiness certifications, including pertinent research, sharing the experience of states already working along these lines with tangible results, discussing possible strategies, highlighting resources, and offering options and ideas. A taskforce consisting of relevant stakeholders, including the employer and education community, could lead this effort to develop a potential 'menu' of criteria for credentials and certifications. Such a taskforce could explore the development and use of credentials related to competency-based, shorter-term training offered by many community colleges, credentials related to on-the-job and customized training, and credentials for youth, particularly work readiness certifications.

For further and more detailed information on the roundtable discussion, please refer to the minutes of the meeting.