Digital Badging: Credentialing Soft Skills for Better Workplace Outcomes

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Mike Eggleston: *Welcome to the Federal Reserve's Economic Development podcast series. I'm Mike Eggleston with the Federal Reserve Bank of St. Louis. There has been increasing focus in the workforce development sector on the need for soft skills as a key indicator for success in the workplace. However, there are very few ways available to economically distressed populations to obtain credentialing of these key skill sets, even if they do have access to the training needed.*

New research has been able to link specific soft skills to workforce outcomes, and the next step will be building consensus among the industry in defining these skills. Given a new taxonomy of soft skills, could the competency-based nature of digital badging create a viable way to document and demonstrate mastery of these currently amorphous workplace skills?

We're speaking today to Jonathan Finkelstein, founder and chief executive officer of Credly, and Laura Lippman, senior fellow at Child Trends.

Welcome, Jonathan and Laura.

Laura, let's start with a quick review of the concept of soft skills. What new information does your research bring to the conversation?

Laura Lippman: Soft skills refer to a broad set of skills, competencies, behaviors, and even attitudes and personal qualities that enable people to effectively navigate their environment and work well with others and perform well and achieve their goals. What our work has brought to the conversation is that we're introducing a common terminology across fields, as well as common definitions of soft skills, to help move the field toward consensus and drive common measurement and build the evidence. We've also contributed analyses of which specific soft skills lead to which specific workforce outcomes, and to our knowledge, this is the first time this has been done.

After we reviewed this evidence, we're recommending a select set of five skills that are key for youth and entry-level workers, and which programs and funders can focus their investments on. These skills include higher-order thinking skills, social skills, communication, self-control, and positive self-concept.

Eggleston: *Based on your research, on what soft skills should training programs focus to have an impact beyond an individual finding and maintaining employment?*

Lippman: Looking for work and getting hired are the first steps, and we know that social skills and communication skills help with networking and interviewing for a job. But beyond getting hired is performance on the job. Particularly for youth, we found that social skills are important, higher-order thinking skills, self-control, being hardworking and dependable, being self-motivated, team work, and having integrity and having ethics are important. Then, to earn higher income, we found that positive self-concept and a positive attitude, responsibility, integrity, and ethics are key.

Eggleston: *Jonathan, I want to turn to you. Can you first describe the idea of a digital badge, and then explain to us why you think digital badging could be an ideal credentialing tool for soft skills?*

Jonathan Finkelstein: I think the best place to start is with something we all already know, which is a traditional paper certificate or even a college transcript. These are documents which give one party a means to make an official statement about what someone else knows or what they can do or what they have achieved. There are many limitations and missed opportunities when somebody's achievement only lives on a wall or on paper or in a file cabinet and is not immediately known or visible to others.

That's where digital badges are especially unique. I think one of the things to think about is that digital badges are far more visible and far more useful than the paper or the embroidered counterparts. They're more visible in a few ways—in a human-readable and in a machine-readable way. By human-readable, I mean that they can be showcased on profiles, on social networks and online communities and resumes, portfolios or e-portfolios and other places where people are increasingly curating their personal and their professional identity.

When I talk about the machine-readable advantages of digital badges, it's important to think of these as portable collections of data. They tell you what somebody did or what they can do. They tell you how they were assessed or what program they completed. They tell you when and by whom they were assessed for their skills or their competency. They indicate if the person's skill expires after a certain time, if they need to retrain. It does all this in a secure and portable way that the person who earned it actually owns and can control. This machine readability and the data-driven nature of a digital badge also means that the person's credential can make them more discoverable or visible when it comes to recruiting or talent management within a company or in communities they join through profiles that showcase these skills.

Soft skills are crucial to workplace success, and yet, I think there's really few ways today that these are being recorded in a way that's verified and useful. There's movement to turn toward alternate forms of credentials, beyond the traditional four-year degree and even in conjunction with the four-year degree. In fact, over the next five years, it's expected that the availability of alternative credentials like digital badges and professional certificates are expected to double. So the time is right to think about the context of soft skills and credentialing and how we can serve people, both employers but of course individuals, by arming them with a verified achievement that indicates who they are and what they can do.

Eggleston: *Jonathan, can you tell us what populations might benefit most from digital badging and why?*

Finkelstein: We have a workforce that's in constant flux and motion. This mobility from one entity to the other often leaves the learner without a consolidated, verified set of achievements. Digital badges flip that dynamic and put the credentials in the hands of those who've earned them.

Lippman: Certainly, research has shown that those who don't have access to traditional credentialing programs or education programs can benefit a lot. Soft skills actually can rival the more traditional cognitive skills, academic or technical skills, in terms of predicting workforce success. Low-income populations or populations who have less access to more traditional forms of credentialing seem like they would benefit tremendously from having a digital badge system that would offer them a credential that's easier to obtain and more affordable.

Eggleston: *Jonathan, given the compelling case you're making for the importance of digital badging, can you share an example of a workforce program or employer that is successfully using digital badging?*

Finkelstein: Let me give you a couple of quick examples in a few different categories, just to paint a picture of what I think is a very diverse and broad landscape. If we look at employer groups, we can look at companies like Razorfish, one of the largest web design agencies, who use digital badges internally to help people have their achievements and their training recognized within the company so that they can stay, advance, and take on new responsibility. You've got industry associations like Educause, which is recognizing the fast-changing IT skills needed for those who have careers in education.

Eggleston: *What roles do you see economic developers and the business community playing in this effort? Laura, let's start with you.*

Lippman: Economic developers can invest in workforce development programs in the community that focus on these five skills, and if they do so, they're likely to get a higher return on their investment because as the evidence shows, these five skills are predictive across all these workforce outcomes. Secondly, the business community can offer mentoring around these skills, which can be very effective and opportunities for youth to actually develop them in real workplace settings.

Finally, they could voice their needs for youth and entry-level workers who have these five soft skills to policymakers, so that curricula in schools as well as career and technical education can include the development of these skills, along with the academic and technical skills.

Finkelstein: I think one of the things that gives credentials their meaning is when they have wide recognition. That can often mean collaboration between businesses, agreeing on common skill sets that can inform the learning and training programs.

I would also say that business communities should pay it forward. The ability to give employees digital credentials or some form of official recognition for what they do is a way of ensuring that people who come at your door next are going to come with some kind of evidence that makes it useful for you to tap into what their potential is. We have to think about this as a way of building a relationship and loyalty and helping cultivate our own workforce. In that way, we'll not only build a better business but we'll also be building a better ecosystem for everybody.

Eggleston: *I'd like to thank you both for speaking with us today. This concludes our podcast with Jonathan Finkelstein and Laura Lippman.*

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