HIRING FOR EXPERIENCE: EMPLOYER ATTITUDES TOWARDS CREDENTIALS AS PROOF OF SKILLS

November 2021

AARP RESEARCH

KEY FINDINGS

The shift toward skills-based hiring is starting to occur, but is slow and remains more "in theory" than "in practice"

- Many employers (62%) occasionally hire workers lacking required degrees, but few do it often (12%).

- While most employers (76%) say they <u>prioritize skills over educational attainment</u> when hiring, only one in ten say the value of educational attainment has decreased relative to job skills.

- Ultimately, most say their organization needs to place even greater emphasis on skills and less on education in future (66%).

- When evaluating skills, employers place greater emphasis on actual work experience (56% "very important") compared to credentials like certificates (38%), institution reputation (35%), and pre-employment tests (31%).

- Employers do report challenges in evaluating credentials as proof of skills, with about 4 in 10 citing barriers such as infrastructure and technology, an overall organizational bias for degrees, and difficulty determining the validity of a credential.

Responsible for HR functions (hiring and/or training/development, referred to as "employers" in this report)

Older workers are highly rated on many of the skills employers rank most important

- For soft skills, employers view workers age 50+ as having an advantage over those under 30 when it comes to qualities like work ethic, professionalism, management, leadership and mentoring (52-63%).

- Among the soft skills ranked most important by employers, a majority say older adults perform better than or on par with younger workers.

- However, those 50+ are not seen as having an advantage when it comes to soft skills like adaptability, creativity, and design (12-22%).

- The more exposure employers have to workers 50+ the more favorably they rank them. Additionally, the more important the skill is to an employer, the more likely they are to rank older workers favorably.
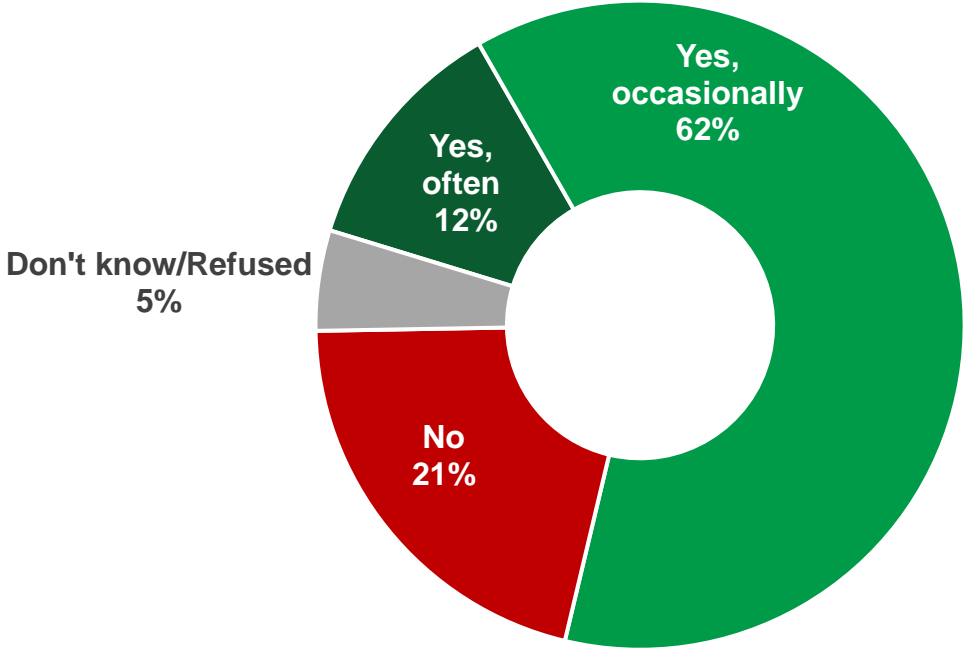
DETAILED FINDINGS

While most (74%) employers say they hire workers who lack required education but otherwise have experience or training, only 12% say they do it often
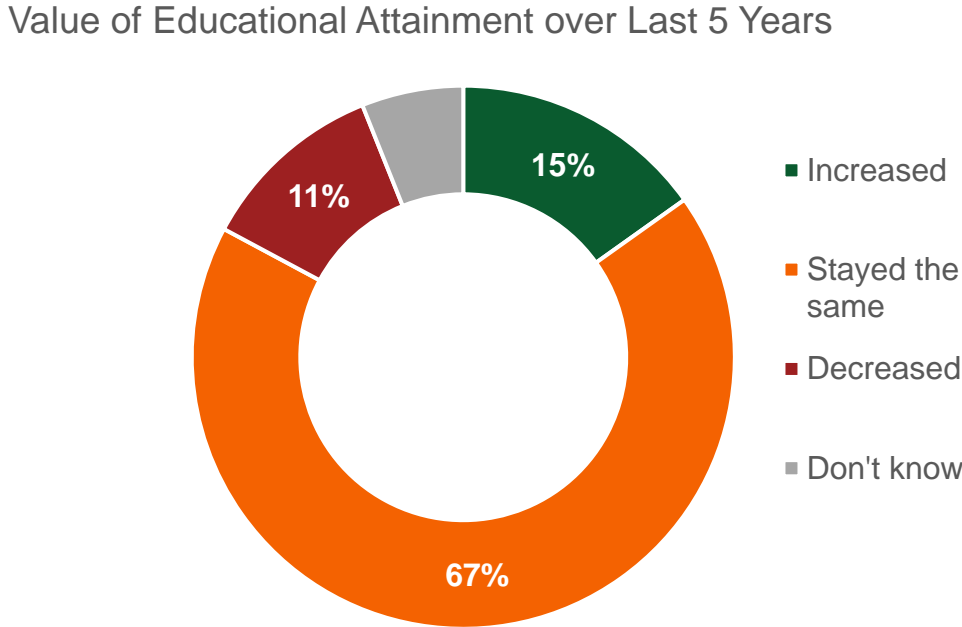
Hired Workers Lacking Degrees, but Had Experience/Training

- Yes, occasionally 62%
- Yes, often 12%
- Don't know/Refused 5%
- No 21%

4. Has your organization ever hired any workers who lack the educational degrees that may be typically required for a job but their experience or other training made them well suited for the job?
Base: Total Respondents (n=650)

The majority of employers prioritize skills over education, but the importance of education is largely the same as it was 5 years ago.

- Three-quarters say they currently screen for skills first and education second.

- However, only one in ten say the value their organization places on educational attainment has decreased over the last 5 years relative to job skills.

Education vs. Skills During Screening

- **Skills first, educational attainment second** — 76%
- **Educational attainment first, skills second** — 19%
- **Don't know/Refused**

Value of Educational Attainment over Last 5 Years

- **Increased** — 15%
- **Stayed the same** — 67%
- **Decreased** — 11%
- **Don't know**

Two-thirds (66%) say the organization needs to place greater emphasis on skills and less on education in the future

Future Hiring Practices

- **66%** Place greater emphasis on skills and life experience and less on educational degrees or credentials
- **19%** Place greater emphasis on educational degrees or credentials and less on skills and life experience
- **10%** Neither of these reflect my view
- **4%** Don't know/ Refused
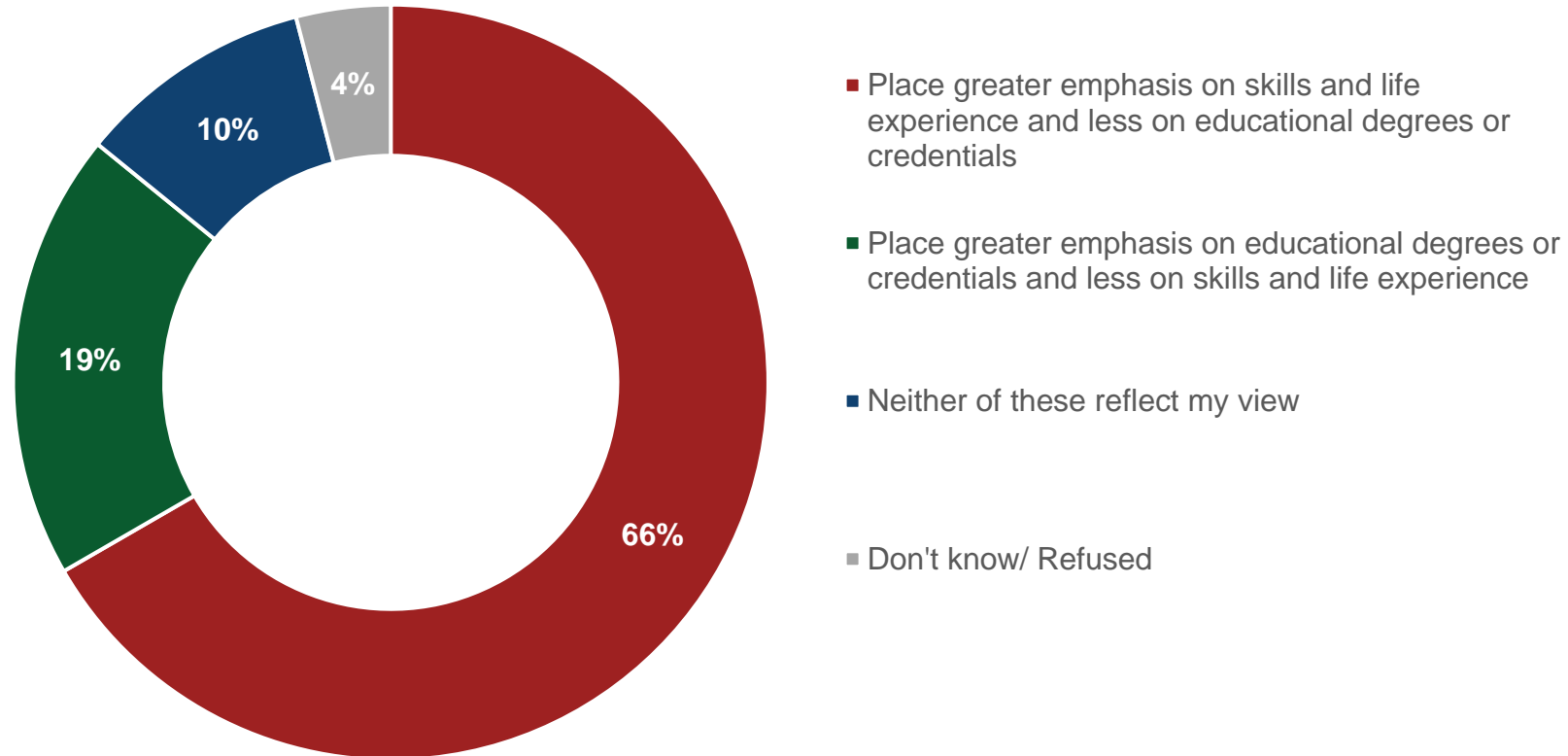
21. Thinking of the future and your organization's hiring practices, would you say your organization needs to (place greater emphasis on educational degrees or credentials and less on skills and life experience) or the other way around, (place greater emphasis on skills and life experience and less on educational degrees or credentials)?
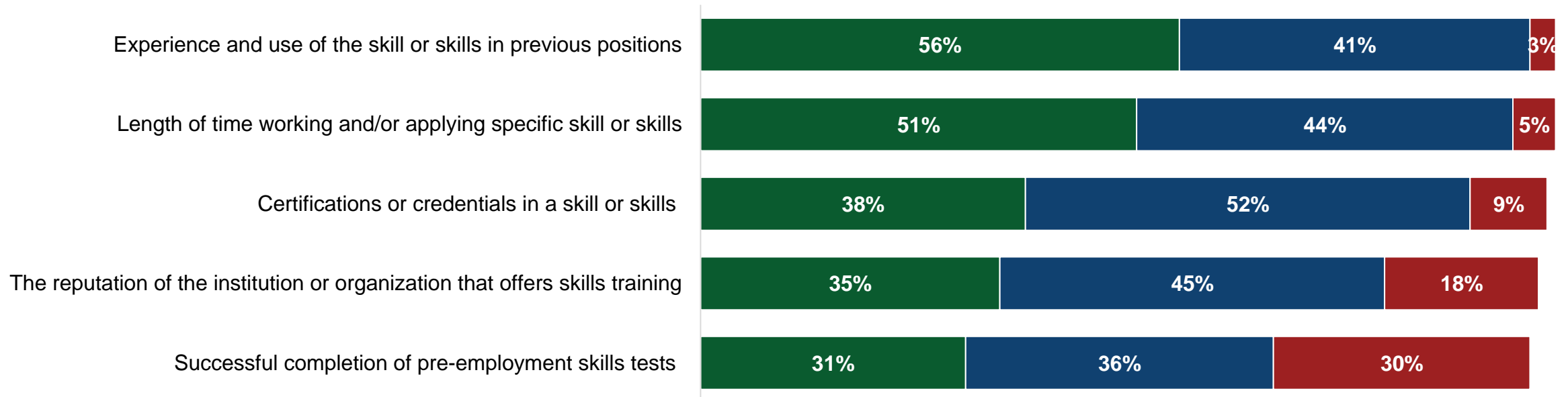*Base: Total Respondents (n=650)*

When evaluating skills, experience trumps credentials in importance

- When specifically evaluating an applicant's skills, experience and use in previous positions as well as the length of time they have been using them are more important to employers than skill credentials like certifications, training institution reputation, and pre-employment tests.

Importance When Evaluating Applicant's Skills

■ Very important   ■ Somewhat important   ■ Not important

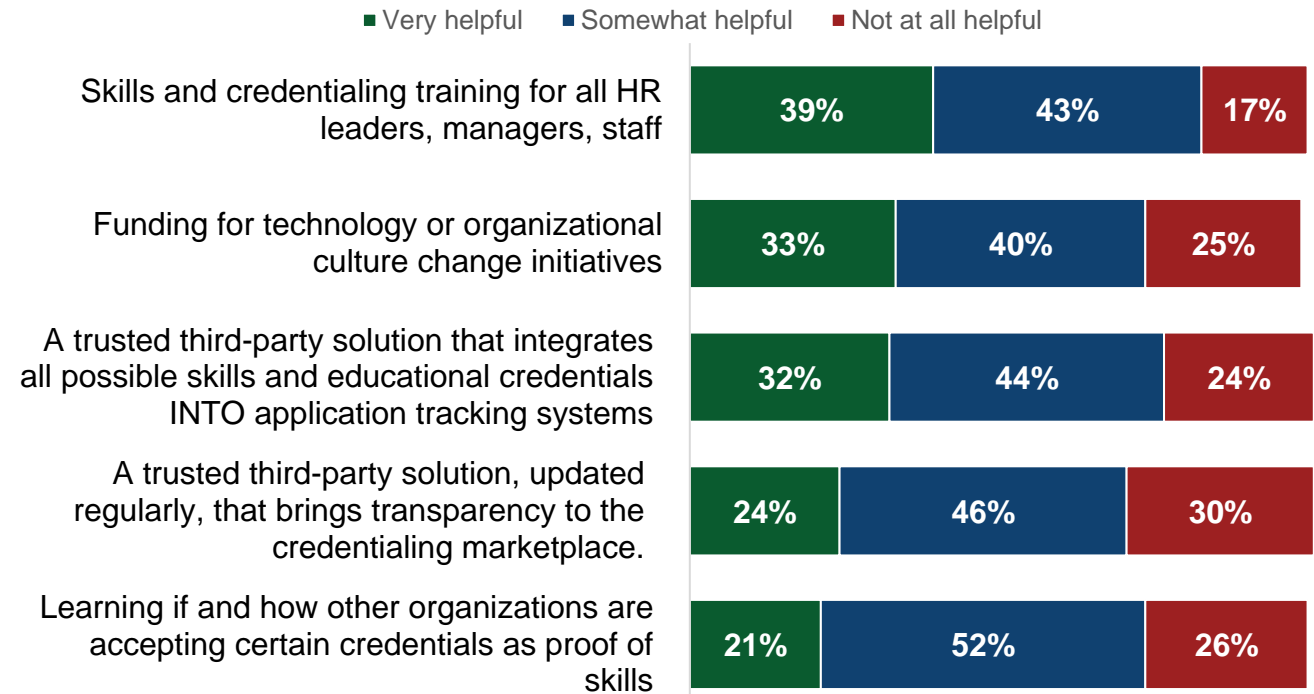|	Very important	Somewhat important	Not important
Experience and use of the skill or skills in previous positions	56%	41%	3%
Length of time working and/or applying specific skill or skills	51%	44%	5%
Certifications or credentials in a skill or skills	38%	52%	9%
The reputation of the institution or organization that offers skills training	35%	45%	18%
Successful completion of pre-employment skills tests	31%	36%	30%

10. And now please tell me how important each of the following are to your organization when evaluating a job applicant's skills:
Base: Total Respondents (n=650)

Around 4 in 10 employers cite barriers to accepting credentials; various initiatives like HR training may also help overcome such barriers

Items that are barriers to accepting credentials as proof of a job applicant's skills (% Major/Minor barrier)	
• Infrastructure and technology related to searching for and identifying candidates	41%
• Difficulty determining the validity of a credential	38%
• Existing hiring processes don't include credentials in evaluating candidates	36%
• Organizational leadership bias for degrees remains	36%
• Overall organizational bias for degrees remains	35%

Helpful to Overcoming Barriers

■ Very helpful ■ Somewhat helpful ■ Not at all helpful

	Very helpful	Somewhat helpful	Not at all helpful
Skills and credentialing training for all HR leaders, managers, staff	39%	43%	17%
Funding for technology or organizational culture change initiatives	33%	40%	25%
A trusted third-party solution that integrates all possible skills and educational credentials INTO application tracking systems	32%	44%	24%
A trusted third-party solution, updated regularly, that brings transparency to the credentialing marketplace.	24%	46%	30%
Learning if and how other organizations are accepting certain credentials as proof of skills	21%	52%	26%

13.To what extent are each of the following a (major barrier), a (minor barrier), or not a barrier at all to accepting credentials as proof of a job applicant's skills.
Base: Total Respondents (n=650)
14. To help overcome those barriers, please tell me how helpful each of the following would be to your organization
Base: Report Barriers to Accepting Credentials as Proof of Applicant's Skills (n=419)

Soft Skills: Older workers seen as having the advantage or performing the same as their younger counterparts on 7 of 10 most important skills

- Among the most important soft skills for employers, a majority say workers age 50+ have an advantage over their under 30 counterparts, leading the way in work ethic and professionalism (63%), management and leadership (59%), and mentoring/coaching/ training (63%).

- However, only 3 in 10 (22%) see 50+ workers as more or just as adaptable, which most (95%) view as important.

- This perception suggests that adaptability is a skill that might be ripe for exploring further, and to support reskilling that might help change these perceptions.

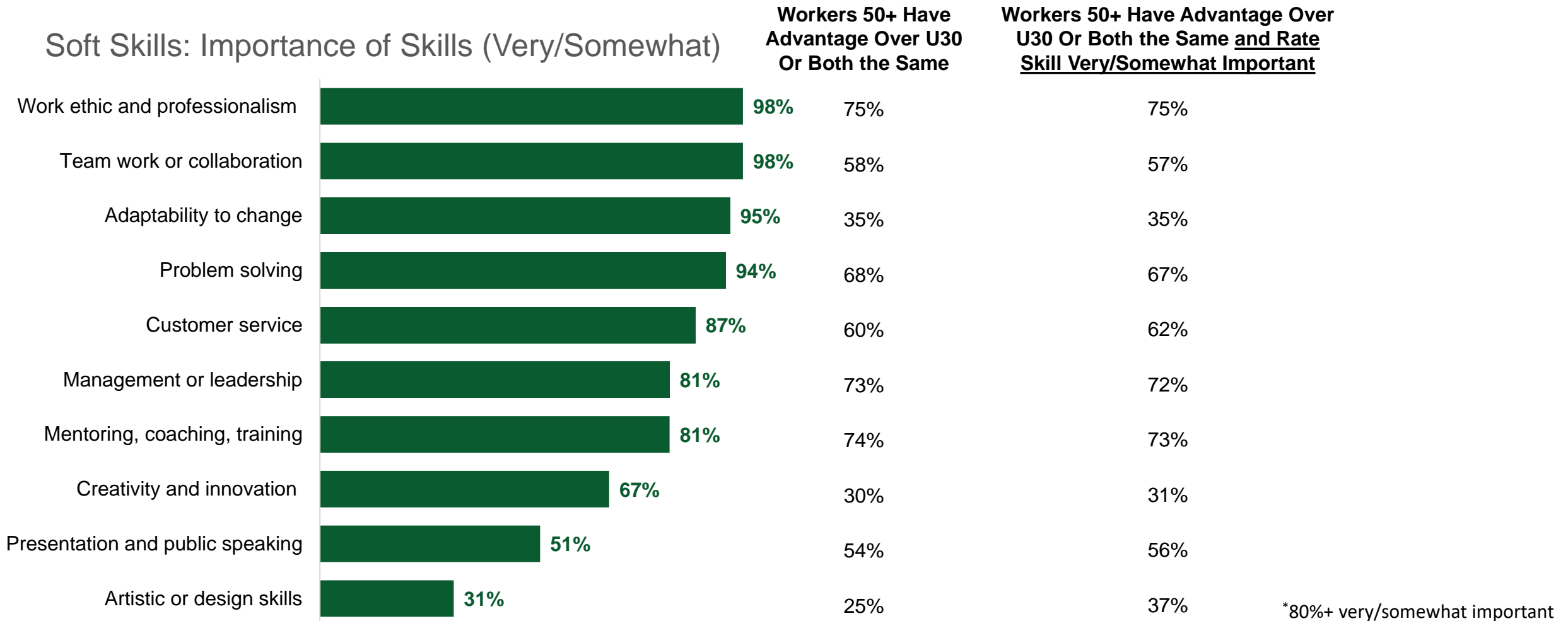|	Importance of Skills (% Very/Somewhat Important)	Workers 50+ Have Advantage Over U30 Or Both the Same	Workers Age 50+ NOT at an Advantage Over U30
Work ethic and professionalism	98%	75%	18%
Team work or collaboration	98%	57%	35%
Adaptability to change	95%	35%	**60%**
Problem solving skills	94%	78%	25%
Customer service skills	87%	60%	32%
Management or leadership skills	81%	73%	22%
Mentoring, coaching, training skills	81%	74%	20%
Creativity and innovation	67%	46%	**63%**
Presentation and public speaking skills	51%	53%	38%
Artistic or design skills	31%	25%	**65%**

2. In general, when evaluating job applicants, how important are the following skills to your organization for any or most positions?
Base: Total Respondents (n=650)
22. With regard to each skill I read, please tell if, in your opinion, workers age 50 and older generally have the advantage over younger workers about age 30 and younger in your organization.
Base: Total Respondents (n=650)

A greater percentage of employers who rank a skill as very/somewhat important also rank 50+ as higher performing or on par with younger workers

Soft Skills: Importance of Skills (Very/Somewhat)	Workers 50+ Have Advantage Over U30 Or Both the Same	Workers 50+ Have Advantage Over U30 Or Both the Same <u>and Rate</u> Skill Very/Somewhat Important
Work ethic and professionalism — **98%**	75%	75%
Team work or collaboration — **98%**	58%	57%
Adaptability to change — **95%**	35%	35%
Problem solving — **94%**	68%	67%
Customer service — **87%**	60%	62%
Management or leadership — **81%**	73%	72%
Mentoring, coaching, training — **81%**	74%	73%
Creativity and innovation — **67%**	30%	31%
Presentation and public speaking — **51%**	54%	56%
Artistic or design skills — **31%**	25%	37%

*80%+ very/somewhat important

2. In general, when evaluating job applicants, how important are the following skills to your organization for any or most positions?

22. With regard to each skill I read, please tell if, in your opinion, workers age 50 and older generally have the advantage over younger workers about age 30 and younger in your organization.
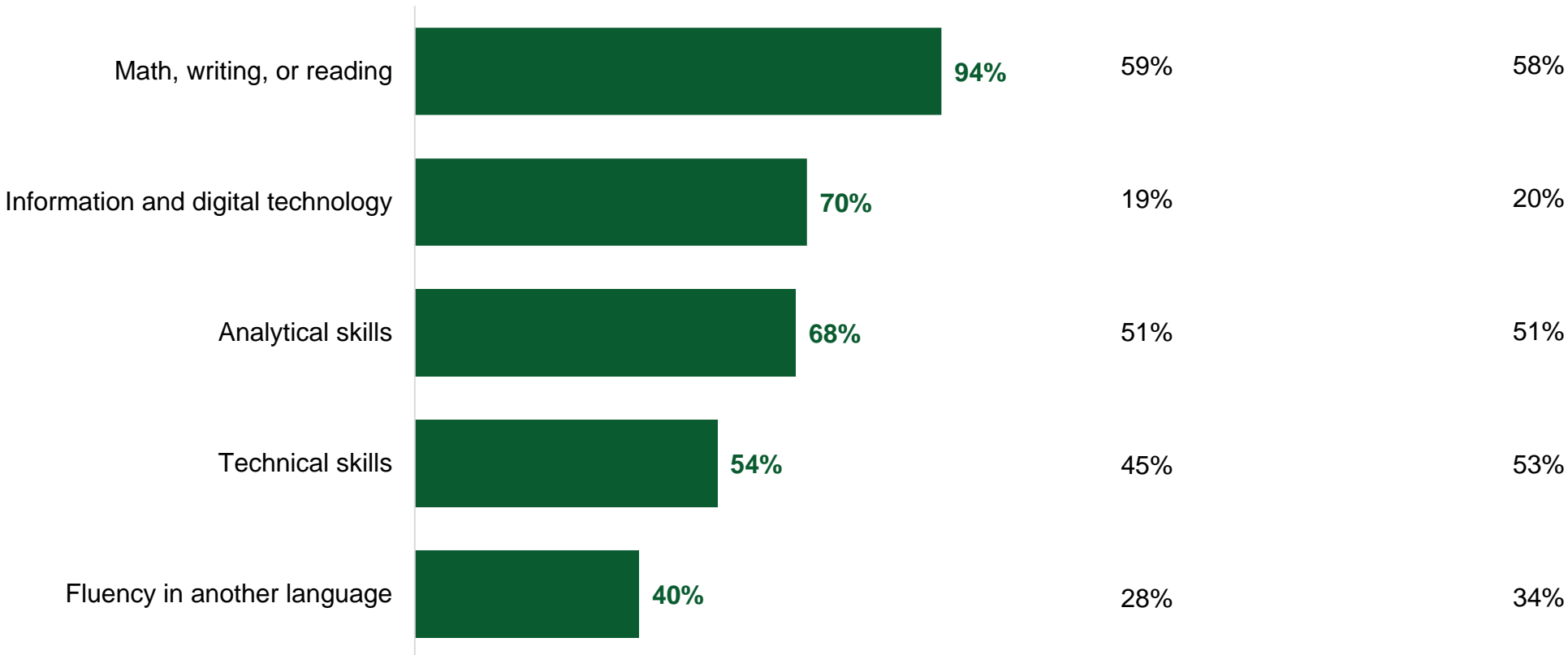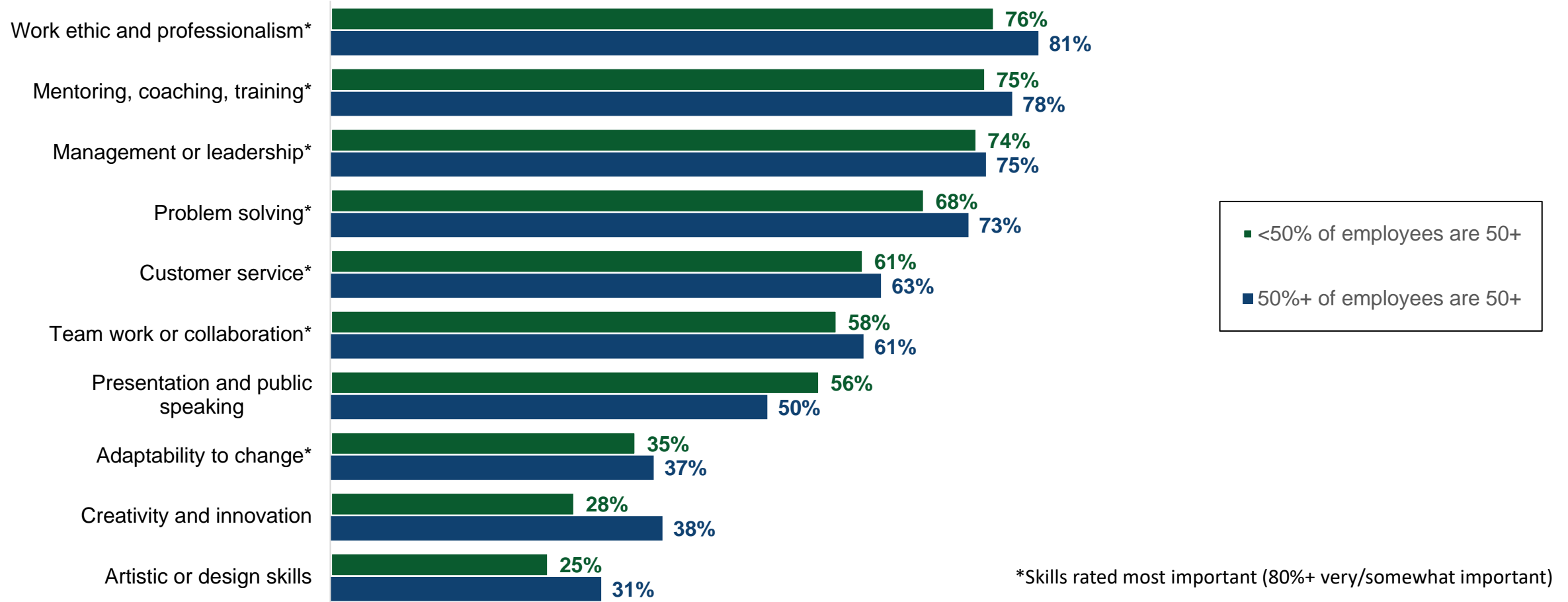
Base: Total Respondents (n=650)

Among hard skills, math, writing, or reading is the highest rated, and over half of employers consider 50+ workers on par or better suited on this skill

Hard Skills: Importance of Skills (Very/Somewhat)	Workers 50+ Have Advantage Over U30 Or Both the Same	Workers 50+ Have Advantage Over U30 Or Both the Same and Rate Skill Very/Somewhat Important
Math, writing, or reading — 94%	59%	58%
Information and digital technology — 70%	19%	20%
Analytical skills — 68%	51%	51%
Technical skills — 54%	45%	53%
Fluency in another language — 40%	28%	34%

Notably, employers who rate "artistic and design skills" (prior slide), "technical skills", and "fluency in another language" as very or somewhat important do give more favorable ratings to those 50+ compared to all employers.
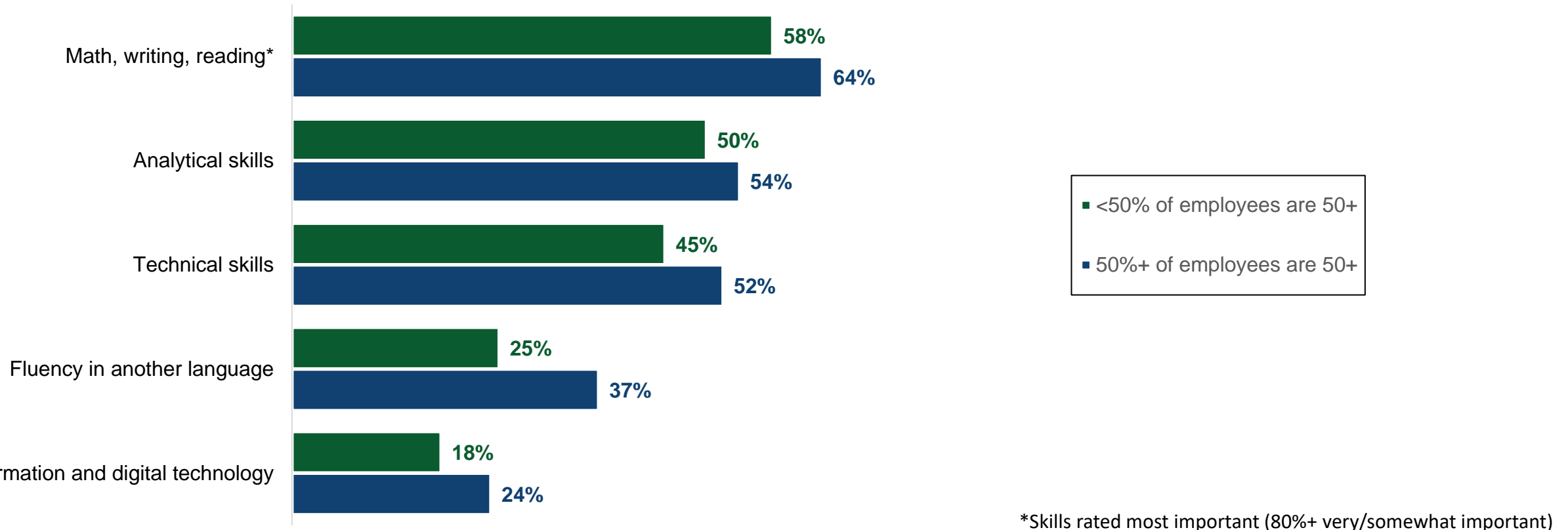
2. In general, when evaluating job applicants, how important are the following skills to your organization for any or most positions?
*22. With regard to each skill I read, please tell if, in your opinion, workers age 50 and older generally have the advantage over younger workers about age 30 and younger in your organization.*
Base: Total Respondents (n=650)

Those who employ more older workers tend to have slightly more positive perceptions of their soft skills, suggesting they appreciate their skills more

Soft Skills: Workers Age 50+ Have Advantage over Workers U30 or Both the Same

Work ethic and professionalism*
- <50% of employees are 50+: 76%
- 50%+ of employees are 50+: 81%

Mentoring, coaching, training*
- <50% of employees are 50+: 75%
- 50%+ of employees are 50+: 78%

Management or leadership*
- <50% of employees are 50+: 74%
- 50%+ of employees are 50+: 75%

Problem solving*
- <50% of employees are 50+: 68%
- 50%+ of employees are 50+: 73%

Customer service*
- <50% of employees are 50+: 61%
- 50%+ of employees are 50+: 63%

Team work or collaboration*
- <50% of employees are 50+: 58%
- 50%+ of employees are 50+: 61%

Presentation and public speaking
- <50% of employees are 50+: 56%
- 50%+ of employees are 50+: 50%

Adaptability to change*
- <50% of employees are 50+: 35%
- 50%+ of employees are 50+: 37%

Creativity and innovation
- <50% of employees are 50+: 28%
- 50%+ of employees are 50+: 38%

Artistic or design skills
- <50% of employees are 50+: 25%
- 50%+ of employees are 50+: 31%

Legend:
- ■ <50% of employees are 50+
- ■ 50%+ of employees are 50+

*Skills rated most important (80%+ very/somewhat important)

Similarly, those who employ more older workers have a bit more positive reaction to their hard skills

Hard Skills: Workers Age 50+ Have Advantage over Workers Younger than 30 or Both the Same

Legend:
- <50% of employees are 50+ (green)
- 50%+ of employees are 50+ (blue)

Math, writing, reading*: 58% / 64%
Analytical skills: 50% / 54%
Technical skills: 45% / 52%
Fluency in another language: 25% / 37%
Information and digital technology: 18% / 24%

*Skills rated most important (80%+ very/somewhat important)

2. In general, when evaluating job applicants, how important are the following skills to your organization for any or most positions?
22. With regard to each skill I read, please tell if, in your opinion, workers age 50 and older generally have the advantage over younger workers about age 30 and younger in your organization.
Base: <50% of employees are 50+ (n=457); 50%+ of employees are 50+ (n=153)

Employers with a greater percentage of older workers are more likely to require specific credentials and offer more reskilling than the competition

- Those employers whose staffs are comprised of a greater proportion of older workers seem to grasp the importance of certifications and offering reskilling to help their workers stay trained and up to date on their work responsibilities

Require All Applicants to Complete Specific Credentials

6%
<50% of Employees Age 50+

13%
50%+ of Employees Age 50+
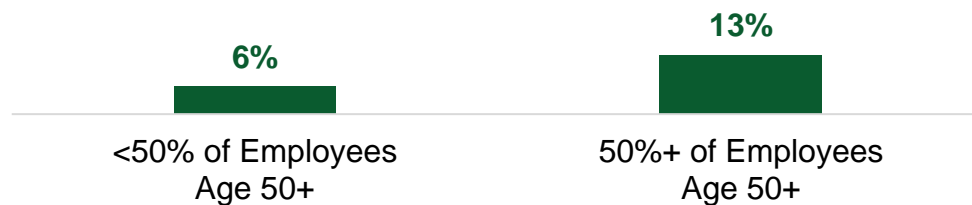
Offer More Reskilling Options than the Competition

18%
<50% of Employees Age 50+

27%
50%+ of Employees are Age 50+

APPENDIX

Employers are allowing more telework and hiring has increased during the COVID-19 pandemic despite minimal changes in skills required.

- Over half (51%) say hiring has increased across the board and just over one in five (22%) say it has decreased.

- Only 18% have lowered the eligibility requirements for positions and just 9% have changed the types of skills they are hiring for.

- Half of employers say they are focusing more on hiring diverse candidates (51%) and a similar share say they are allowing more telework (52%).

- "Other" responses center around the difficulty of finding, hiring, and retaining qualified employees.

Impact of Covid Pandemic

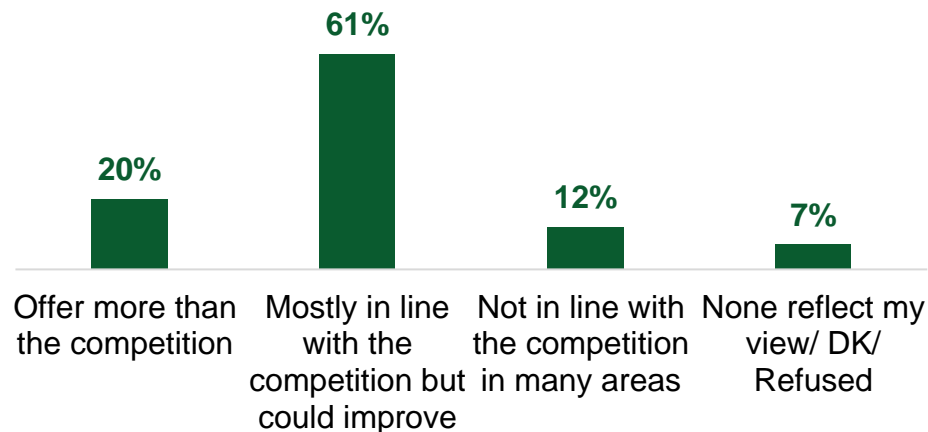|	
Allowed workers or more workers to telework	52%
Increased hiring across the board	51%
Focused more on hiring diverse candidates	51%
Increased hiring in some departments and decreased it in others	32%
Decreased hiring across the board	22%
Lowered the eligibility criteria for any positions	18%
Changed any of the types of skills you are hiring for	9%
Other	42%
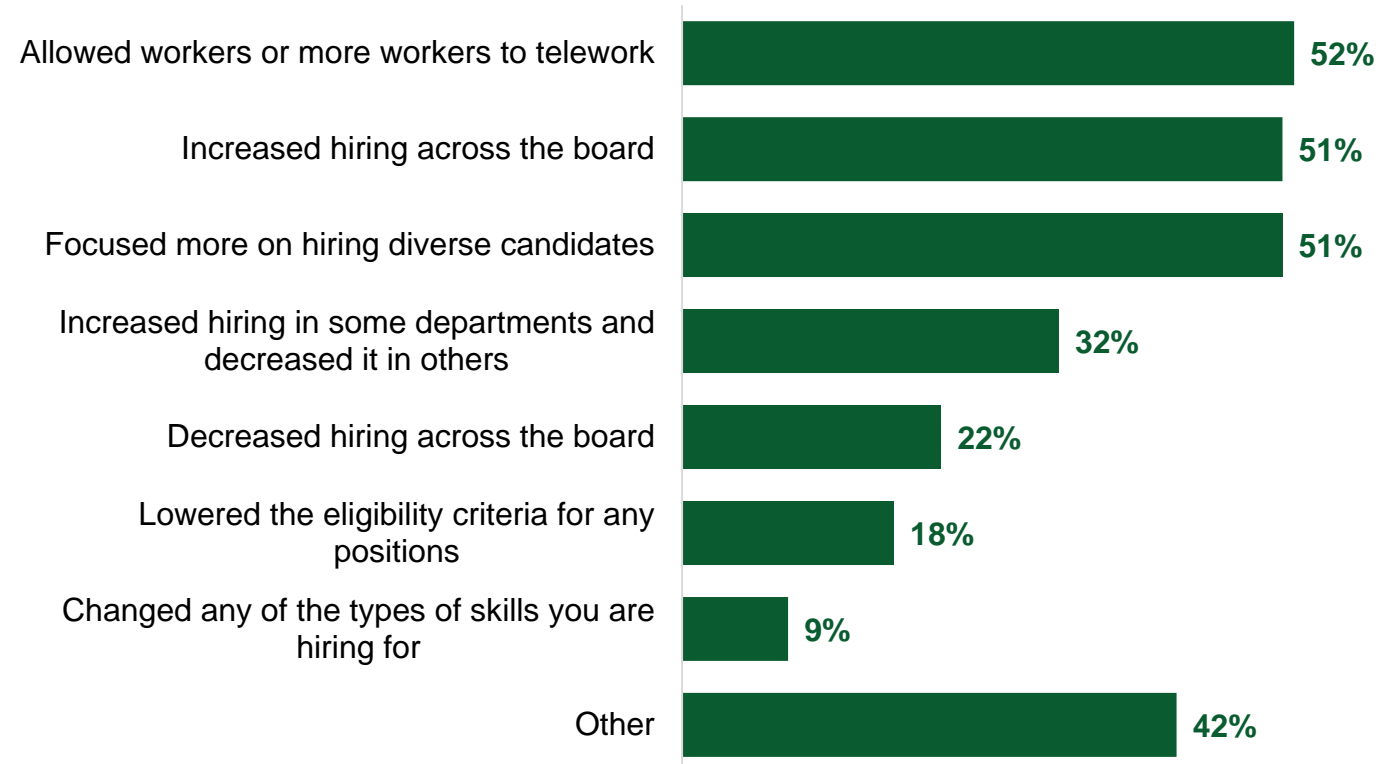
1. Many U.S. businesses have been affected by the covid-19 pandemic. Some have experienced a negative impact, some a positive impact, and others experienced no change. In general, which of the following ways has your organization's hiring practices been affected?
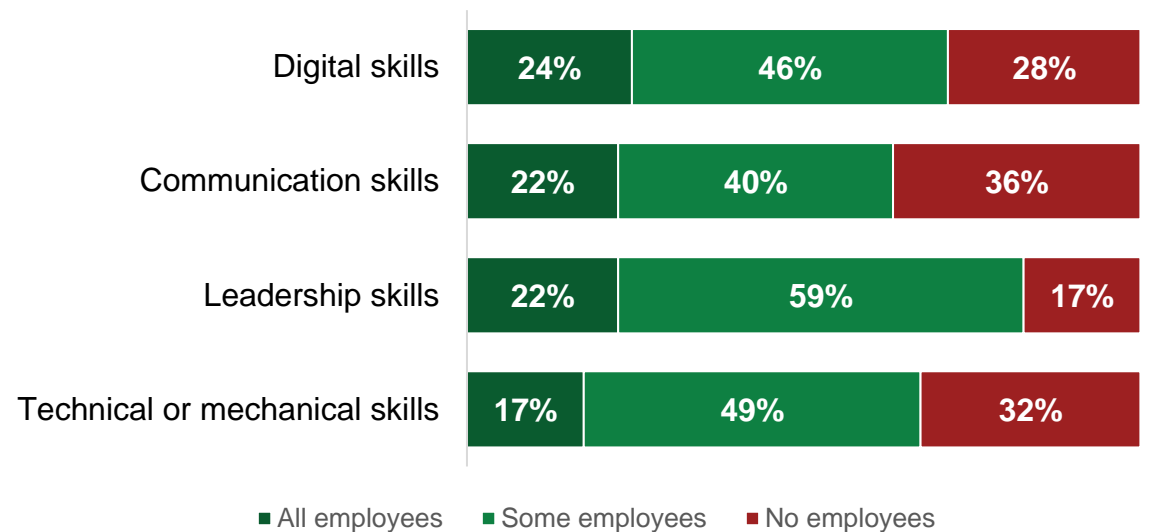*Base: Total Respondents (n=650)*

Most employers say the skill learning opportunities they offer are more than (20%) or in line (61%) with the competition.

- The top training offered across companies is Leadership skills, although the majority offer other kinds as well.
- Only 12% say their training is not in line with the competition.

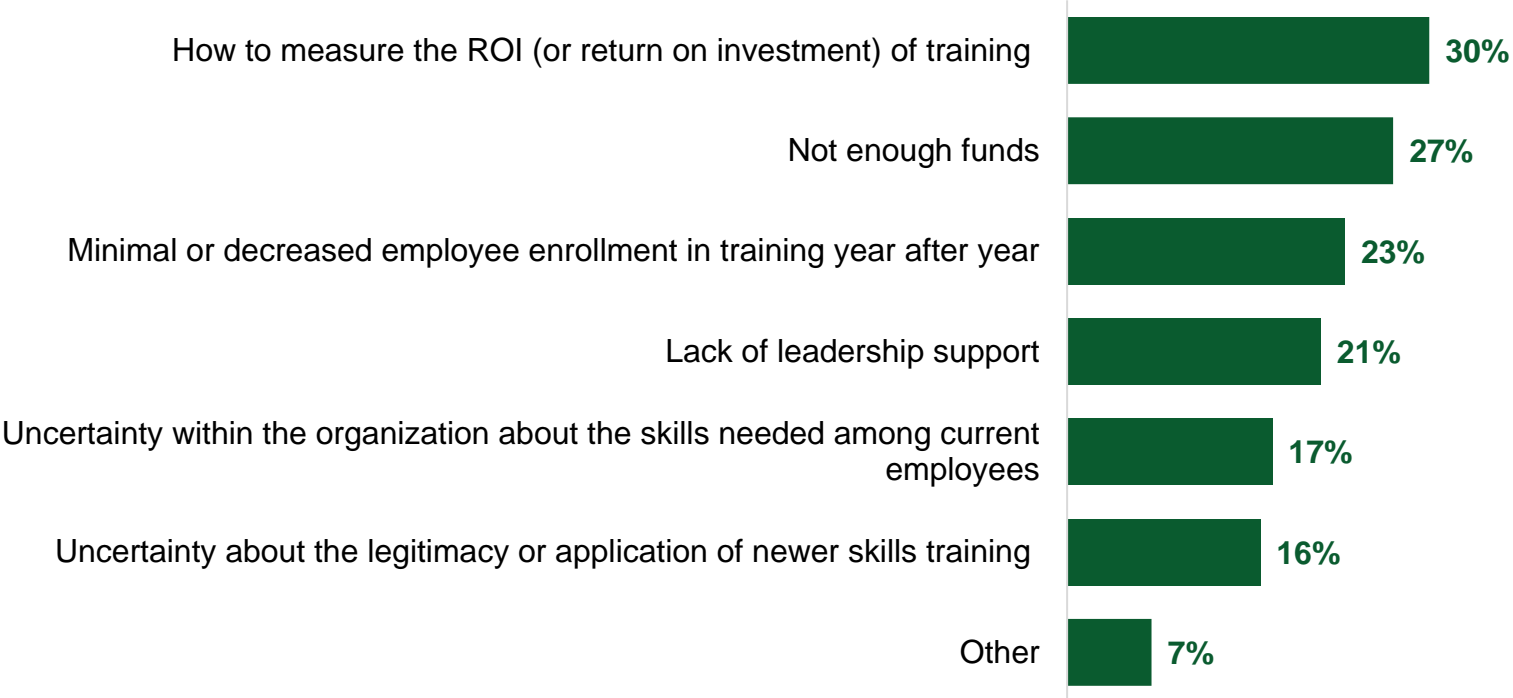## Organization's Approach to Providing Skill Learning Opportunities (Re-skilling/Up-skilling)

Category	Percentage
Offer more than the competition	20%
Mostly in line with the competition but could improve	61%
Not in line with the competition in many areas	12%
None reflect my view/ DK/ Refused	7%

Skills Training Offered

	All employees	Some employees	No employees
Digital skills	24%	46%	28%
Communication skills	22%	40%	36%
Leadership skills	22%	59%	17%
Technical or mechanical skills	17%	49%	32%

■ All employees ■ Some employees ■ No employees

Across organizations, knowing how to measure ROI and funding are the biggest obstacles to providing training
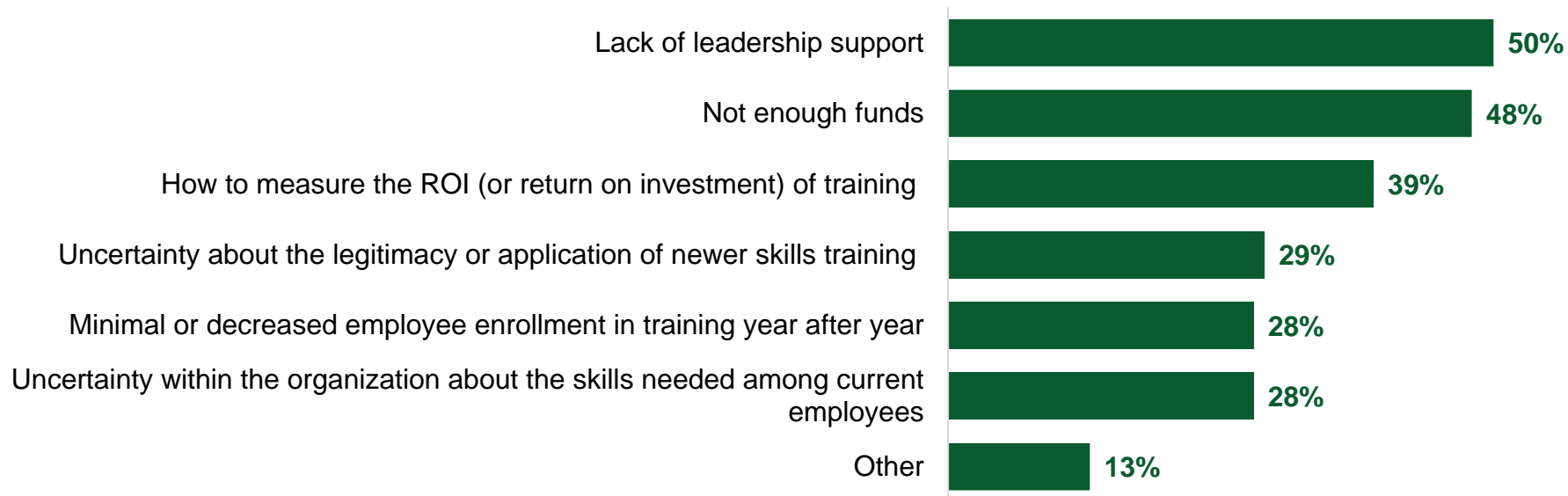
Barriers to Providing Training to Employees

Barrier	Percentage
How to measure the ROI (or return on investment) of training	30%
Not enough funds	27%
Minimal or decreased employee enrollment in training year after year	23%
Lack of leadership support	21%
Uncertainty within the organization about the skills needed among current employees	17%
Uncertainty about the legitimacy or application of newer skills training	16%
Other	7%

But in organizations where skill learning opportunities are not in line with the competition, leadership and funding are the largest barriers

- The theme of leadership support and funding become important to help improve training opportunities, especially for organizations where training falls behind relative to competitors.

Barriers to Providing Training to Employees

Barrier	Percentage
Lack of leadership support	50%
Not enough funds	48%
How to measure the ROI (or return on investment) of training	39%
Uncertainty about the legitimacy or application of newer skills training	29%
Minimal or decreased employee enrollment in training year after year	28%
Uncertainty within the organization about the skills needed among current employees	28%
Other	13%

19. Organizations face many barriers to providing employees the training they need to enhance current skills and learn new ones. After each possible barrier I read, let me know if it is one your organization is currently facing.
Base: Employers Who Say Skill Learning Opportunity NOT in Line With The Competition in Many Areas (n=73)

Nearly all learning/development budgets are stable or growing, which could help provide opportunity to increase skills training
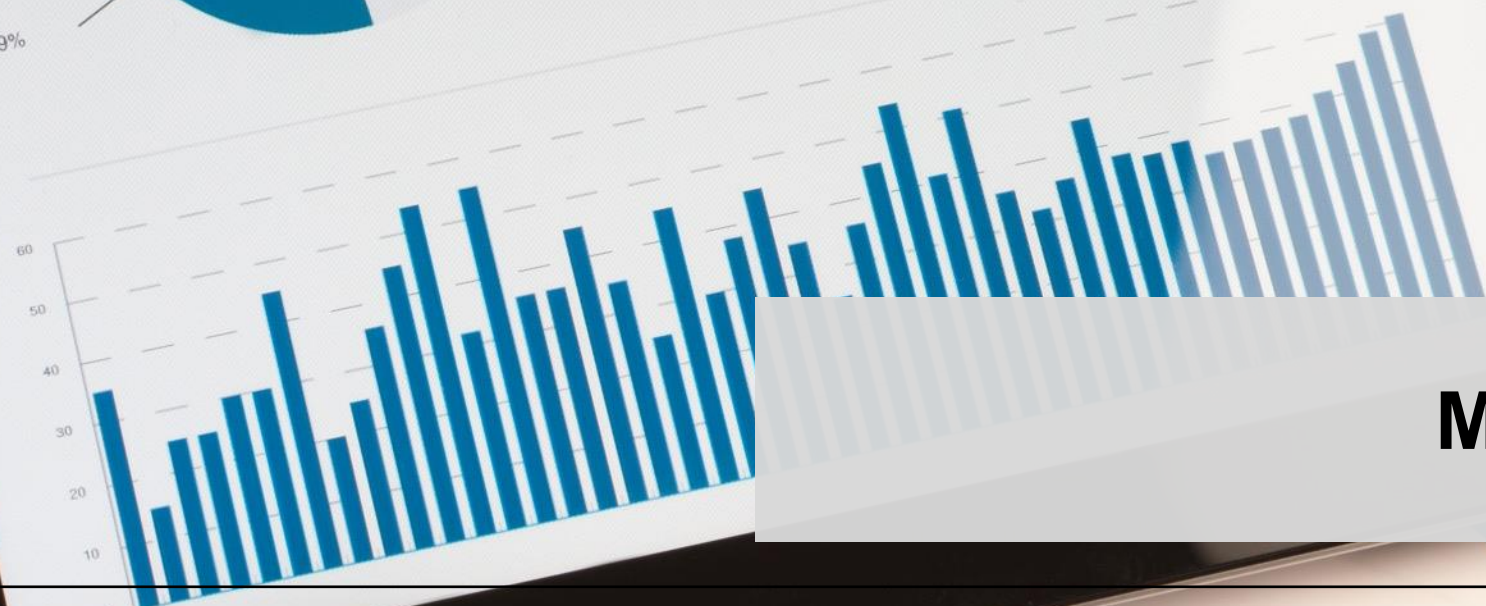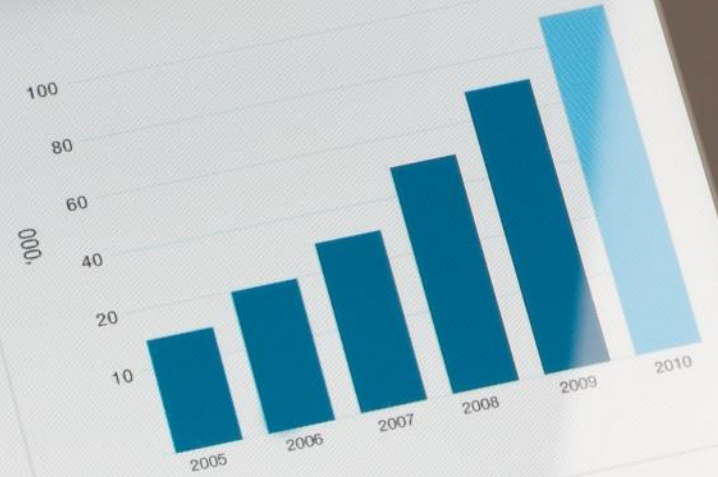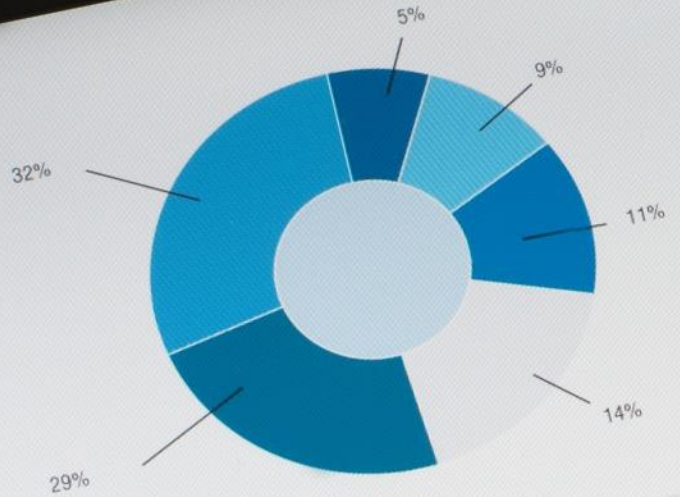
- Over the next 3 to 5 years, the vast majority of employers expect their learning and development budgets to increase (43%) or remain stable (51%).
- Only 2% expect their budgets to decrease.

Learning/Development Budget Over Next 3-5 Years

Legend:
- Increase
- Remain stable
- Decrease
- Don't know/Refused
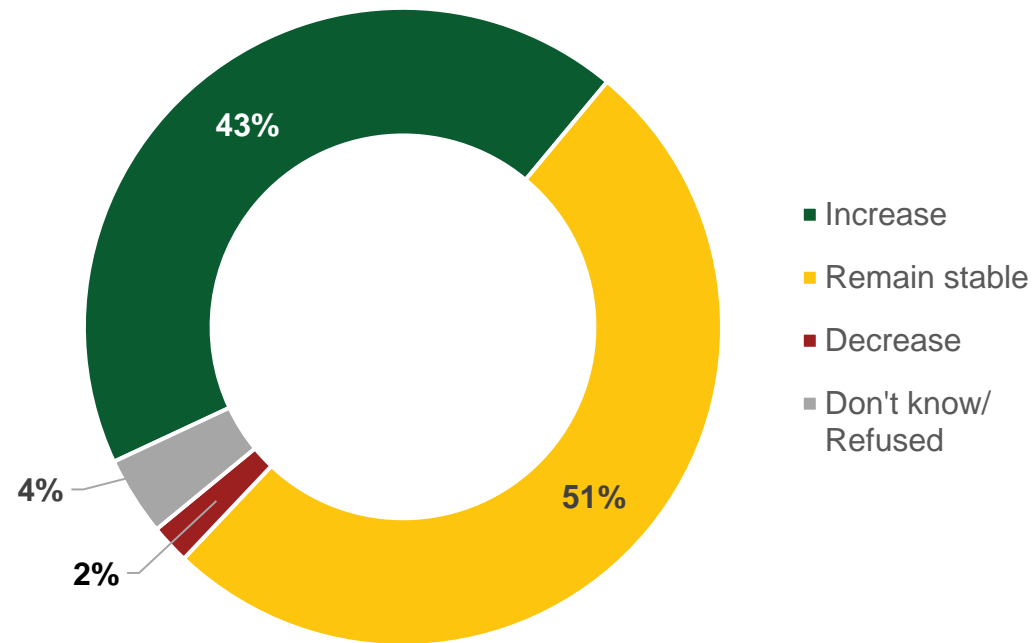
20. Looking ahead over the next 3 to 5 years, do you expect your learning and development budget to (increase), (decrease), or (remain stable)?
Base: Total Respondents (n=650)

METHODOLOGY

Methodology

- **Objectives**: To increase upskilling and reskilling participation and legitimacy in hiring, retention, and promotion decisions among employers

- **Methodology**: Telephone survey using Dun & Bradstreet list of U.S. businesses with 100+ employees targeting those responsible for HR functions (hiring, training, development)

- **Qualifications**: Responsible for HR functions (hiring and/or training/development, referred to as "employers" in this report)

- **Sample size**: n=650

- **Interviewing Dates**: August 27-October 7, 2021

- **Weighting**: Data was weighted by company size, industry, and region. See full methodology report for more information

About AARP

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation's largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org or follow @AARP and @AARPadvocates on social media.

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SSRS is a full-service survey and market research firm managed by a core of dedicated professionals with advanced degrees in the social sciences. SSRS designs and implements research solutions for complex strategic, tactical, public opinion, and policy issues in the U.S. and in more than 40 countries worldwide. The SSRS team specializes in creative problem-solving and informed analysis to meet its clients' research goals. SSRS provides the complete set of analytical, administrative and management capabilities needed for successful project execution. We partner with clients interested in conducting high-quality research. In the industry, SSRS is renowned for its sophisticated sample designs and its experience with all facets of data collection, including those involving multimodal formats.

For more information on this issue,

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This research was designed and executed by AARP Research

This report is not public release at this time