



RUTGERS EDUCATION AND EMPLOYMENT RESEARCH CENTER

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## PROMOTING QUALITY, CREATING VALUE:

ORGANIZATIONAL INFLUENCES IN THE  
NON-DEGREE CREDENTIAL MARKETPLACE  
EXECUTIVE SUMMARY

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# ORGANIZATIONAL INFLUENCES IN THE NON-DEGREE CREDENTIAL MARKETPLACE EXECUTIVE SUMMARY

Rapidly shifting labor market dynamics, along with growing concerns about the cost and value of a four-year college degree, have fueled growing interest in non-degree credentials (NDCs) among the public and policy makers alike. These credentials show promise as a faster and cheaper way to prepare for the workforce, and a compelling signal to employers that a candidate can perform the skills needed to succeed on-the-job. But with this proliferation of credentials comes many questions about their quality.

NDCs include a wide range of credentials – e.g., certificates, licenses, certifications, and badges – and are offered by a wide range of organizations, such as educational institutions, professional associations, employers, and other groups. This diversity poses unique challenges to those seeking to develop a systematic approach to assess and promote quality in the growing landscape of NDCs. By examining the credential marketplace and the organizational actors within it, this paper seeks to provide a roadmap toward the creation of a more coordinated and standard approach to promote quality NDCs.

The paper begins by clarifying a definition of “quality,” which is of course an essential step before discussing the ways to measure and promote said quality. Based on various national including work by Lumina’s Quality Credentials Task Force, the Gates Postsecondary Value Commission, and definitions of quality NDCs developed by both the Education Strategy Group and the National Skills Coalition, this paper identifies two main elements of NDC quality: credential design and credential outcomes. Whereas the term quality often encompass both elements, the term value often refers only to credential outcomes.

The translation from credential design to outcomes is also subject to three types of institutional mechanisms: regulation, where standards for credentials are set by government entities; norm setting, where professional and industry groups can set standards of practice that others choose to follow; and mimicry, where organizations influence others around them by their use of credentials. Each of these influences on quality may operate differently depending on the field and the local labor market, but all are important to consider to fully understand how quality can be influenced.

To unpack these influences, the paper maps organizational actors in the credential marketplace, including educational institutions, private training providers, private companies, professional and industry associations, union training funds, and state occupational licensing departments. It also outlines the landscape of organizations that influence quality and value, including organizations that promote transparency; government entities; professional associations; quality assurance bodies and their associated standards; higher education accreditors; other quality assurance entities; and individual employers and colleges. By identifying these distinct entities, the paper seeks to bring increased structure to a complex and fractured system.

Overall, we recommend that more conversations are needed to bring these actors together to share approaches and coordinate efforts. Transparency efforts can generate and share more information to better guide action. Funding can be an opportunity to set standards and has the potential to be promoted beyond specific funding streams to drive broader standards. Norms and standards set by organizational actors can also have a significant role in creating guardrails for credential providers. As states and other entities engage in conversations about quality, they may draw on these multiple entities in order to create a more robust and coherent system for promoting quality.

The NDC marketplace is at a critical inflection point. The great interest and attention it is currently receiving brings the opportunity to create a robust system to promote quality - one that honors the unique approaches of NDCs, while at the same time giving the public and policy makers the confidence that investments in NDCs are truly worthwhile.



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