



Adding Value to Business Schools with Credentials that Count

Whitepaper



WHITEPAPER

Overview

The higher education landscape is rapidly evolving, with alternative credentials emerging as valuable options alongside traditional degrees. This shift is driven by changing employer demands, student preferences and the need for lifelong learning.

Alternative credentials offer several benefits for students, including acquiring new skills, career advancement and lower costs. They also provide numerous advantages for institutions, such as enhancing course value, attracting new students and developing sustainable income models.

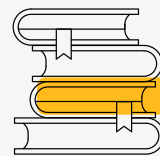
Amidst this transformative shift, business schools are seeing a significant demand for alternative credentials as they strive to equip students with the most up-to-date skills necessary to adapt swiftly to both micro and macro environmental changes. Across the globe, regional economies and business schools are synergistically driving each other's growth. Business schools must continue to respond quickly to align with national and local economic and social strategies. Alternative credentials allow business schools to be more agile in this environment and better meet market demands for training and education.

At the same time, the digital revolution is rapidly fueling significant adaptations within business education. The diverse business education marketplace now includes various delivery methods – ranging from apprenticeship programs to massive open online courses (MOOCs) and mobile phone-delivered online qualifications. In fact, 71% of institutions said alternative credentials are a required strategy for today's business schools.

To drive tangible education and business outcomes through the effective integration of alternative credentials, business schools should dig

deeper to understand their target audience, align with employer needs, foster industry partnerships and provide support structures. They should also strategically select programs, develop targeted marketing and regularly update content.

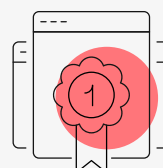
Use This Whitepaper to:



Explore what's driving demand for alternative credentials and the motivations of business students seeking them.



Learn more about how alternative credentials, specifically digital badges add value for business schools in higher education institutions.



Uncover strategies for integrating digital credentials into business programs.

The Changing Landscape in Business Education

The landscape of higher education is rapidly shifting – marked by the rise of skills-based alternative credentials as supplements and substitutes for traditional degrees. Experts predict the global alternative credentials market in post-secondary education will grow by nearly US \$3 billion between 2023 and 2028.

This shift is particularly evident within business schools. A poll from the MBA Roundtable shows **64% of business schools currently offer alternative credentials**, and a significant majority reported they “agree” or “strongly agree” that alternative credentials are a required strategy today. But what are the driving forces for this transformation? We have categorized them into the following categories.

1. Need To Balance Between Cost and Employability

Many factors contributed to the increase in demand for alternative credentials. For students, the initial investment in a traditional degree can be quite costly, and students may have hesitation about the ROI of certain degrees.

At the same time, many employers are seeing a misalignment between skills developed in traditional programs and industry requirements. For example, in a recent study of graduates in Spain, most reported being employed in jobs that were either overqualified for or had little relation to their university studies.

In addition, there is an emerging demand for soft skills, like active listening, curiosity and conflict management, that aren’t easily verified by a traditional degree. A recent study of labor market trends by Pearson in four major economies – the United States, the United Kingdom, Australia

and Canada – showed that, while technical skills remain highly valued, the top five most in-demand skills are all human skills. These include proficiencies such as collaboration, customer focus, and cultural and social intelligence.

Traditional business programs can be costly to acquire while producing uncertain value:



US \$36,870 average annual tuition for bachelor’s degree business programs at private, nonprofit four-year colleges

Up to **£59,000** in fees for an MBA in the UK, not including living costs

£45,000 average student loan debt in the UK

20% of students in the UK think employers are no longer looking for academic qualifications

And, as employers struggle to find the skills they need, they are increasingly looking beyond traditional degrees to fill hiring needs, prompting a shift towards skills-based hiring. Many large

companies are **eliminating strict degree requirements** in hiring, and global organizations like PWC and EY that have traditionally emphasized academic success are backing off on grade minimums to broaden applicant pools.

This shift in recruitment strategies pushes institutions to reconsider the value of traditional paper qualifications in a skills-centric world. As the cost of traditional programs continues to rise and paper certificates lack the capability to share and validate achievements easily, alternative solutions become imperative to enhance students' employability. A well-developed digital credential, enriched with detailed **metadata**, offers students a credible means to authenticate and discuss both their hard and soft skills.

2. Dramatic Shifts in Learning Demand and Supply

Spurred by the pandemic and advancing technology in education delivery, students are reframing their approach to education, which is reshaping the landscape in business education from the demand side.

COVID-19 has accelerated a trend of students expecting a wider variety of learning options, including online, offline, and hybrid formats. **New models emerged in postsecondary education**, and students are increasingly expecting concrete evidence of ROI in the form of new jobs or increased income. In a **survey of UK business schools**, respondents said that providing digital and online learning experiences was the most significant opportunity for growth over the next ten years. Globally, 20% of **MBA candidates surveyed in 2021** prefer online and in-person hybrid program delivery, up from 14% pre-pandemic.

With various learning approaches now available, individuals have greater access to lifelong and continuous learning opportunities to advance their careers. By 2030, distance-learning students **are predicted to** outnumber those enrolled in traditional, campus-based programs. In UK business schools, the **number of full-time students** aged 30 and over has increased every year since 2015.

Lastly, there is a desire for skill-based training. Business skills are in high demand as employers face talent shortages. A recent **report by McKinsey** indicates that businesses report the top skill gaps that need to be addressed, including data analytics, executive management, sales and marketing, financial management, and supply chain management.

In fact, business schools are turning to alternative credentials to help plug these gaps. The most common alternative credentials found at graduate business schools are in:

- » Data analytics (63%)
- » Leadership (46%)
- » Entrepreneurship (38%)
- » Finance (29%)
- » Supply chain management (29%)
- » Marketing (26%)

"These certificates (alternative credentials) offer students who might already have a master's the opportunity to obtain in-demand skills with less of a financial or time commitment."

MaryAnne Hyland

Adelphi University's Robert B. Willumstad School of Business



Business Schools Leading the Charge

In response to a dynamic macroeconomic environment and fluctuations in employer needs, **more universities are offering new programs** to nontraditional students, distance learners, and international students.

In the US, **business schools at prestigious universities** like Columbia, Harvard, the University of California, Berkeley, Penn and Duke offer online, non-credit business courses to help students upskill and explore which business schools might best fit student needs. The result has been encouraging. In the US, **online MBA programs** exceeded full-time MBA enrollments for the first time in the 2020-21 academic year.

In the UK, many universities have developed extensive online business courses and degrees, including the **University of Warwick**, the **University of London** and the **University of Liverpool**.

Business and management also attract **large numbers of international students**. Business schools are leveraging this popularity by offering more accessible online alternatives. Scaling these courses **to broaden enrollment** can strengthen school budgets while expanding the school's brand.

A Primer on Alternative Credentials

Now that you can see a clear demand and successful use cases of alternative credentials, you may wonder how to apply an effective credentialing strategy in your business school to replicate the success.

To start, let's define alternative credentials—they verify, validate, and attest that the learner has achieved specific skills or competencies. They may include offerings like noncredit and professional certificates, badges, boot camps, and massive open online courses (MOOCs). Alternative credentials can be offered online, in the classroom, or as a combination of both. They are also not always transcribed.

Compared to traditional degrees, alternative credentials:

- » Are generally offered in shorter or more flexible time spans.
- » Often don't require being on campus or physically present in a specific location.
- » Tend to be more narrowly focused on specific professional or lifelong learning knowledge, skills or competencies.

3 Main Types of Alternative Credentials

01 Certificates: Educational institutions may award academic certificates recognizing the completion of organized learning activities, such as courses, boot camps, or apprenticeships. These may or may not confer academic credits applicable to degree programs.

02 Digital badges: Digital badges are online and information-rich records of professionally relevant skills and competencies needed in the workplace. They provide an alternative way to

recognize specific skills not always visible on a traditional educational transcript.

03 Microcredentials: Often considered a subset of digital badges, microcredentials validate that specific professional knowledge, competencies, skills, or abilities have been achieved. They are generally shorter in duration than certificate programs and focus on in-demand, high-quality, and growth-oriented jobs.

Key Benefits for both Business Schools & Students

Why Students Pursue Alternative Credentials

By offering alternative credentials, you tap into the key motivating factor that resonates with students.

Enhanced career prospects

Many students cite alternative credentials as a route to better and more rewarding jobs within their organizations or with new employers. A survey of global MBA candidates showed that the most significant percentage (29%) of prospective students cited the chance to earn more money as their primary motivation for obtaining the degree. This was followed by a desire to improve employability (27%) and build professional networks (25%).

Acquisition and verification of new skills

As business changes, employees and job candidates are responding with a desire to upskill and demonstrate their mastery to employers. For example, a Pearson VUE survey shows that the desire to obtain skills is the top reason (47.3%) for IT certifications.

Lower cost and higher flexibility

Compared to traditional higher education programs, alternative credential learning opportunities often have lower participation costs, shorter duration of learning and greater flexibility, which benefits adult learners with busy schedules or potential students worried about the expense of postsecondary programs. This also means students can acquire credentials from more prestigious institutions that previously were out of reach due to admission or residency requirements.

“We’re seeing many students who don’t have a traditional business background, and they’re wanting a business degree. It can be a really good option for someone with a specialized background, perhaps other than business. But they want to move on or move up within their organization.”

Walter Davis

Faculty director of MBA programs and professor of management at the University of Mississippi School of Business Administration.

Why Business Schools Should Offer Alternative Credentials

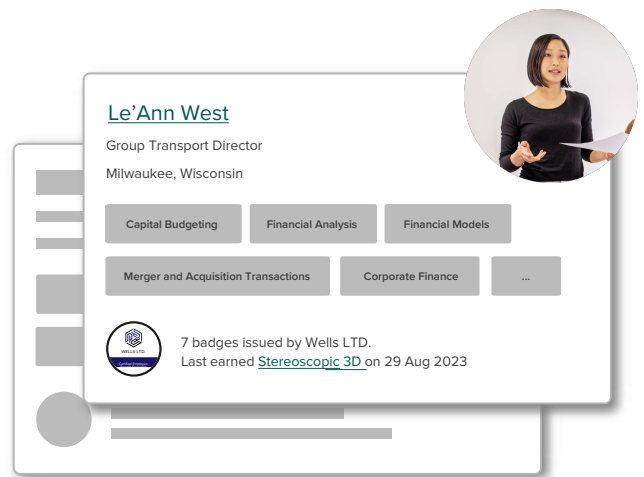
In response to the changing needs of students and society, institutions offering alternative credentials are seeing a range of benefits.

Elevate program appeal and value

Universities are using alternative credentials as an add-on to existing degree programs. This helps students stand out in the employee marketplace with career-oriented skills that complement their field of study. With digital badges, the associated metadata and information provide a more detailed understanding of the skills and competencies acquired during the course.

Attract more students

Alternative credentials offer a path forward for



students who are hesitant to return to school while being in the workforce or can’t commit to full-time study. By enrolling in a shorter-term program, they can explore a field of study while institutions benefit from a larger, more diverse pool of applicants.

For example, the business school at George Washington University offers 27 certificates that can be taken as standalone credentials or entry points into degrees.

“The limited commitment, while gaining skills and social capital they can put to use on the job immediately, ... lowers the perceived barriers of risk of investing in graduate school for many students,” said Vice Dean for Strategy Liesl Riddle.

Develop a sustainable and scalable income model

As discussed, alternative credentials attract more diverse groups of individuals who value continuous learning. This creates a pipeline of interested students who can flow into a sustainable, long-term income model. For example, at the D’Amore-McKim School of Business at Northeastern University, students can begin with a certificate and later apply those courses to a master’s program. The institution found that 25% of students continued into the degree immediately after completing a certificate.

Enhancing competitiveness

International education is a rapidly growing economic sector, offering alternative credentials can enhance an institution's competitiveness by providing accessible, industry-aligned and **globally recognized** qualifications. [Discover more on accelerating international student recruitment with digital credentials with our whitepaper](#)

In addition, given the competition from non-traditional providers and employers offering business education, it remains imperative that business schools continue to innovate in their offerings to remain a top choice for students.

Driven by advances in digital transformation and artificial intelligence, the business world is transforming at an unprecedented pace. To remain aligned with economic development and evolving business needs, business schools must maintain their agility and responsiveness, adapting swiftly to deliver relevant skills.

How Credly Supports Business Education

To fully capitalize on the demand and benefits of alternative credentials, you need the appropriate tool to assist in constructing, overseeing, and expanding your credentialing strategy. **Credly**, as the leading digital credentialing platform, offers features that facilitate the creation of meaningful digital badges. Here are some key features and their benefits.

- » **Comprehensive analytics dashboard:** Robust **analytics dashboards** monitor student progress, evaluate the impact of alternative credentials and drive data-driven decisions. With detailed insights, institutions can measure

program effectiveness and refine strategies for continuous improvement.

- » **Personalized recommendations:** Personalized recommendations inspire students to pursue ongoing learning within your institution. By tailoring educational opportunities to individual goals, institutions can foster student success and a sustainable financial model.
- » **Enhanced sharing options:** Maximize brand exposure and highlight student accomplishments with Credly's sharing capabilities. Seamlessly share digital credentials across professional networks, social media platforms, and online channels to expand institutional reach and bolster credibility.
- » **Broader network effect:** An extensive network of more than 3,500 global organizations elevates the visibility of your credentials. Access millions of users and explore potential partnership opportunities, enhancing your institution's reputation and fostering trust.
- » **Ongoing customer support and resources:** Dedicated **customer support** and educational resources ensure a smooth experience for students and educators. Receive expert assistance with technical issues, training and optimization strategies to maximize the value of digital credentials within your institution.

Strategic Considerations for Digital Integration

Employing a reliable digital credentialing platform marks the initial phase of developing a successful credentialing program. Below, we've compiled eight key strategies for seamlessly incorporating digital credentials into your business programs:

01 Know your audience: Conduct comprehensive research to understand the evolving needs and motivations of today's students. Identify key demographics, preferences, and career aspirations using surveys, interviews and data analytics. Tailor digital credentials to meet student demands and ensure relevance.

02 Integrate certificates into program structure: Explore the integration of credentials into existing degree programs, utilizing [Credly's integration](#) functionality with various Learning Management Systems (LMS) to facilitate seamless stacking. This integrated approach not only streamlines the process of issuing, tracking, and managing various badges, but also contributing to a cohesive program structure that supports students in progressing toward their educational goals.

03 Align with employer needs: Stay attuned to employer requirements; they typically seek workers with up-to-date skills. Align digital credential programs with the specific business-related skills and competencies the job market demands.

04 Foster industry partnerships: Collaborate with industry-aligned providers to enhance the quality and relevance of alternative credentials. Working with organizations specializing in specific skills ensures a diverse and updated curriculum, enriching students' learning experiences. [\[More on how to strengthen your credentials via employer partnerships in our blog\]](#)

05 Establish necessary infrastructure: Ensure buy-in from academic, operational and student services departments before launching digital credential programs. Develop robust support structures to assist students throughout their journey and enhance their overall experience.

06 Select programs strategically: Choose digital credential programs based on market trends and demands, opting for offerings that address specific needs or are trending.

07 Develop targeted marketing: Recognize the unique needs and aspirations of individuals seeking alternative credentials. Craft a targeted brand identity that resonates with this audience, effectively communicating the value of your offerings.



Get Started

Credly is trusted by over 3,500 education providers and employers. Speak to our team to learn how we can support you.

About Credly

Credly by Pearson is helping the world speak a common language about people's knowledge, skills, and abilities. Thousands of employers, training organizations, associations, certification programs, and workforce development initiatives use Credly to help individuals translate their learning experiences into professional opportunities using trusted, portable, digital credentials. Credly empowers organizations to attract, engage, develop, and retain talent with enterprise-class tools that generate data-driven insights to address skills gaps and highlight opportunities through an unmatched global network of credential issuers.