



CALL TO ACTION

The [Career Education Executive Order](#) issued by Governor Newsom in August 2023 calls on California to build “an inclusive workforce by prioritizing equitable access to career pathways and hands-on learning both in and outside classroom settings for Californians of all backgrounds inclusive of income, wealth, geography, race, ethnicity, sex, gender, immigration status, justice involvement, ability, and age.” The Governor envisions enabling this access through “building connections between education institutions and employers, so that businesses and other potential employers actively inform and shape the skills being taught in education and workforce development systems, and employment pipelines are constructed to enable graduates to transition more seamlessly into careers.”

As further explained by [EdSource](#), the order “lays out some specific strategic goals, such as building an online portal for any job-seeking Californian and rethinking the concept of a student transcript. Newsom introduced the concept of a ‘career passport’ that would look beyond grades. That means a student’s transcript would include marketable work skills and experience developed through classes as well as apprenticeships, internships or other experiences outside the classroom.”

As we progress through 2024, this concept has been formalized as California's Career Passport. The eTranscript California Task Force, under the California Cradle to Career Data System, is one of the groups tasked with providing recommendations for the technology and support systems required to operationalize the Career Passport in a manner that centers equity and the needs of individual users at the forefront.

PROBLEMS TO SOLVE

ADDRESSING BIAS IN HIRING

One underlying impetus for the Career Passport is the recognition of a history of conscious bias in hiring practices in the United States, and a more recent awareness of unconscious, or implicit,

bias. As outlined in the [Journal of Social Issues](#), legislation has been leveraged to identify and control conscious bias in hiring. The Civil Rights Movement of the 1960s has been recognized as “a reaction to widespread, blatant, and sometimes legally codified discrimination against African Americans and other groups. Correspondingly, ensuing anti discrimination legislation— prominently, the Civil Rights Act of 1964 (mandating equal opportunity), Executive Order 11246 (establishing affirmative action), the Age Discrimination in Employment Act, the Americans with Disabilities Act, and counterpart state and local laws—aimed foremost at employers' conscious behavior.” Further behavioral science research, and analysis of hiring practices themselves, reveals the “need to improve specific employment processes (such as interviewing, performance evaluation, or succession planning)” in order to address implicit bias. This form of bias is often predicated on stereotypes, and the concept of shared traits or “in-group bias,” that “leads to employment decisions not based on applicants' abilities to perform the job, but rather categorization,” which can encompass perceptions about educational background, social class, and mannerisms.

REDEFINING SKILLS-BASED HIRING

Over the past few years, there has been a growing movement in the United States to address implicit bias through adoption of hiring practices originally termed “skills-based hiring.” As the [U.S. Chamber of Commerce](#) explains, skills-based hiring and advancement is “a process by which employers and their HR service providers identify, recruit, hire, and advance candidates based on the match between a work opportunity's skill requirements and a candidate's skills.” This can result in expanding the talent pool for employers and creating more job opportunities for workers by removing barriers, such as specific degree attainment, and instead focusing on skill sets. The impact of this approach is a focal point for Opportunity at Work and their [STARs](#) initiative. As they point out, “[research by Grads of Life, Accenture, and the Harvard Business School](#) found as many as 90% of large companies use some form of automated applicant tracking system to screen resumes, filtering out about half of all applications. That same research revealed that more than 60% of employers rejected otherwise qualified candidates simply because they did not have a bachelor's degree.”

As the concept of skills-based hiring gained traction, the recognition developed that an **either/or** approach, namely either we center formal education when screening candidates, or we center skills, will not fix the underlying issue of reducing inequities in who gets hired, who

advances, and what segments of the population are afforded the opportunity for economic mobility.

Instead, the term “skills-first hiring” is now gaining traction as a means to acknowledge that both degrees **and** skills play a role in creating a more inclusive hiring environment. In an interview conducted by the [Society for Human Resources Management \(SHRM\)](#), Aneesh Raman, Vice President and Head of The Opportunity Project at LinkedIn, explained this is not a debate about skills versus degrees. “That’s missing the point,” he said. “Degrees are still the most established way that we credential skills. We’re not saying, ‘Get rid of degrees.’ But skills are foundational and bring objectivity to the labor market. Skills lie below, and credentials and how to contextualize skills lie above that.”

Therefore, the key components of successful integration of skills-first hiring initiatives are predicated on both technology and change management practices, and require collaboration across education, workforce development, and employer systems.

RELATED TOOLS AND IMPLICATIONS

LEARNING AND EMPLOYMENT RECORDS

As explained by the U.S. Chamber of Commerce through their [T3 Innovation Network](#), “Our talent marketplace is fragmented, preventing an individual’s record of learning from being transferable data. And any data that is collected is siloed.” In order to address this, the network advocates for three interconnected lines of work. One is ensuring all learning, both in academic and non-academic settings, is accounted for as vetted data in a cohesive repository, which has been termed a Learning and Employment Record (LER). Another is empowering learners and workers to have access to, and agency over, sharing their LER data as a means to pursue their education and career goals. The final component is defining skills, or competencies, as a means to encourage equitable hiring practices. Within California, the implications of pursuing these lines of work correlate with the ongoing discussions around updating the eTranscript California platform and enhancing advising tools to help guide learners along their academic and career goals. In this context, eTranscript California could function as a means to transfer enhanced academic data, including dual enrollment and credit for prior learning, into a user-centric LER, allowing it to play an important role in what is now being described as an [LER Ecosystem](#). This ecosystem acknowledges the need to connect credentialing organizations with LER platform providers, define data standards, and adhere to

overarching governance, all in service to the end users, namely learners/workers and the employers who seek to hire emerging talent.



Image from: lernap.t3networkhub.org/

SKILLS DEFINITIONS IN EDUCATION AND HIRING

As previously noted, technology is only one part of the Career Passport conversation. The other is the change management required to shift to a skills-first hiring approach, which relies on alignment across employer, workforce development, and educator systems. As outlined in a recent [Forbes article](#), “According to McKinsey & Co., [87% of companies](#) have skills gaps or expect to have skills gaps in the next few years. Korn Ferry [estimates](#) that by 2030 demand for skilled workers will outstrip supply, leading to a talent shortage.” In response to this, “companies can no longer ignore talent skilled through alternative routes,” and must consider the actual skills potential employees bring with them through diverse life experiences. The key is to clearly define these skills in context, meaning what skills are needed within a given job function, how a candidate can convey to an employer that they possess these skills, and how education and workforce development systems can support skill attainment.

Organizations like the [Open Skills Network](#) assert that a skill “represents knowledge, abilities, or learned behaviors described in a short phrase that communicates discrete, discernable value an individual can demonstrate or acquire.” Unlike previous times when these descriptions existed in static crosswalks, such as college and career-ready competencies lists, now “Rich Skill Descriptors (RSDs)” can be machine readable using open source code. Imagine the process flow like this: a learner or worker may have a general idea of the type of work they want to pursue, so they seek out training and education opportunities to acquire the skills needed for that line of work. To serve this need, education or training organizations have to align their coursework or workshops not only with certificate or degree requirements, but also have to support their instructors to think intentionally about the specific skills that are being developed as learners progress through the instruction. Ideally, when learners or workers complete this instruction, they have documentation about the specific skills they gained, in the form of machine-readable data that can be shared in an LER. The format of this skills-based data can often be captured in digital badges or digital credentials. In this scenario, just as eTranscript California represents a move away from paper-based transcripts to help streamline transmission of information, the inclusion of machine-readable skills definitions creates a more comprehensive, verified record of learning that benefits both the individual and potential employers.

In early 2024, the Burning Glass Institute and Harvard Business School released the report [Skills-Based Hiring: The Long Road from Pronouncements to Practice](#), which acknowledges that even with employers that are shifting to skills-first hiring approaches, there are inherent challenges as they “must still sort through applications, screen candidates, and assess their capabilities, applying criteria both stated and unstated, both objective and impressionistic. Much is left to the judgment of the individual hiring manager—the person who will supervise on a day-to-day basis the employee once hired.” Similar to the change management required in education systems to think about coursework through the lens of skills, so too do employers and hiring managers need resources to help think through how to “skillify” their job postings, adjust their interview questions, and assess their candidates beyond degree attainment—all while avoiding implicit bias.

DESIGNING SOLUTIONS

CREATING ACTION PLANS

Clearly, this form of systems change and alignment is not solved by a simplistic approach. This is why the [Skills-Driven State Community of Practice](#) was launched in 2022, which is now in its third iteration as the [Skills in the States Community of Practice](#). This work is supported by funding from Walmart, which shared in their September 2023 news update [All Learning Counts](#), that they have “committed to invest \$1 billion in career-driven training and development by 2026, while Walmart.org* has made over \$140 million in philanthropic investments over the last five years to build skills-based systems beyond the company.” The goal of the Community of Practice is to bring “states to the table as employers – aiming to harness states’ public sector hiring practices to generate a national blueprint for inclusion and innovation in response to workforce shortages.” The group is facilitated by the National Governors Association, Opportunity@Work, Boston Consulting Group, and Burning Glass Institute. The Skills in the States Community of Practice includes “22 states and one territory and will convene throughout 2024 and early 2025 to identify and share emerging best practices, challenges, successes, and lessons learned – culminating with the development and implementation of customized state action plans.” Although California is not an official member of the group, it can benefit from the best practices the cohort shares nationally, and is in essence mirroring this work through developing action plans under the [Master Plan for Career Education](#).

SKILLS TOOLKIT RESOURCES

Additionally, the [Competency-Based Education Network \(C-BEN\)](#) just launched the Center for Skills, to serve “as the leading organization in skills-based assessment, bringing together leaders from education, workforce, and employer hiring systems to guide the field in developing quality talent assessments.” This work addresses the reality that states, such as California, have Executive Orders encouraging the shift to skills-first hiring and the adoption of LER technology, but need to engage in the work to create guidance and toolkits to support educators, workforce development groups, and employers in how they can define, train, and assess for skills.

This type of intentional engagement with developing a skills-first approach was mirrored in an interview WestEd conducted in December 2023 with James Regan, Deputy Secretary for Workforce Development at the Government Operations Agency (GovOps), that could serve as a statewide model as they are currently building a multi-layered approach that will involve:

- » Analyzing current jobs to determine what competencies are required for the job function and what types of credentials can meet minimum qualifications.
- » Messaging across community and workforce development partners to help them revamp their training resources.
- » Partnering with California Community Colleges, CSU, and UC to create feeder programs that align skills education with open positions.

LEERS– STATEWIDE OR PILOTS?

When considering ways to operationalize California's Career Passport, it is important to look at the ways other states are approaching LER adoption, along with the benefits and challenges inherent in those approaches.

Alabama is often cited as an example of a cohesive, statewide approach to LER adoption. Dubbed the [Alabama Talent Triad](#), the state has produced a [playbook](#) for other states to model, in which they outline the three main components of their work:

- 1)** Their Credential Registry enables Alabama education and training providers to register the credentials they issue, including certificates, licenses, degrees, and non-degree credentials, showcasing all credentials available to learners in the state. The registry also describes the competencies that learners gain in completing these credentials. These competencies are then organized through the state's Competency Ontology to show the skills required for in-demand jobs.
- 2)** The Alabama Skills-Based Job Description Generator and Employer Portal allows employers to create customized job descriptions, or update job descriptions, based on the Competency Ontology. Employers can then post jobs within the platform to match with potential employees who have these skills.
- 3)** The Alabama College and Career Exploration Tool, or ACCET, is Alabama's version of an

LER and allows students and job seekers to own, collect, and manage their records of verified skills, credentials, and experiences in a digital wallet. This means they can share and link directly to the skills-based job descriptions generated by employers.

In the context of California, creating a statewide credential registry could provide the same benefits where learners and job seekers could see available education and training opportunities. Developing a platform for employers to adjust their job descriptions through the lens of skills could also increase matches for talent, but only if the platform had a matching tool that learners/workers were actively using. By coupling the registry and the skills platform with a statewide LER, the system becomes a “one stop shop” and could also incorporate career advising tools. The primary consideration in this approach is vetting the technology used to create the platforms, identifying sustained funding for the platforms and their upkeep, and creating the training required for all parties to understand how to use these resources while keeping in mind the vast differences across populations in digital literacy and access.

Indiana's Commission for Higher Education hosted a series of webinars in 2023 to discuss the work they have engaged in with [Credential Engine](#) and others. Indiana chose to take a different approach from Alabama by starting with a survey across their statewide public and private institutions to determine which institutions were engaged in issuing digital credentials, certifications, and badges. From this, they explored the variety of platforms that were being used across the state to issue and curate these credentials, including learning management systems like Canvas, transcript delivery platforms like Parchment, and badge issuers like Credly. Recognizing their education system was already using a wide range of vendors and approaches to capture learning within and outside of academic settings, they determined the next required step was to bring the employer voice into this space to help drive changes in education and workforce development training. They decided to partner with Markle Foundation to help employers get the support they need to shift to skills-first hiring by providing guidance on how to write skills-based job descriptions, craft interview questions, and analyze incoming transcripts that are LER based versus traditional transcripts.

If California were to adopt this more exploratory approach, the state could evaluate options for a statewide registry of credentials, scan which technology platforms are already in use to share skills with employers, develop technical specifications for LERs that would allow eTranscript California to pass information along to a comprehensive learner/worker record, and engage with employers to create toolkits supporting the shift to skills-first hiring practices.