

THE EVOLUTION OF HIRING: MICROCREDENTIALS AND THE MANUFACTURING INDUSTRY

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Recruiting and retaining qualified talent is a major challenge for the manufacturing industry. In recent years, there has been significant growth in the availability of alternative credentials, such as microcredentials, which offer a more flexible skills-based approach to hiring.

However, adoption of the use of microcredentials in the hiring process is not widespread. Interviews conducted by the Manufacturing Institute with select membership and data from a recent Northeastern University survey suggest opposing dynamics specific to the manufacturing industry. While manufacturing is already primed for the skills-based hiring that microcredentials can help facilitate, employers need the ability to utilize them with more confidence. With clearer frameworks and broader adoption, microcredentials could become a valuable tool in bridging workforce gaps and strengthening talent pipelines.

Microcredentials: A category of educational or professional credential that is smaller than a degree.

This brief includes data from two sources. The first are employer perspectives shared via conversations with the Manufacturing Institute about the day-to-day realities of human resource managers' use of microcredentials as a tool for hiring or retention. The second is segmented data from a recent Northeastern survey on hiring managers and microcredentials. Pairing these perspectives, themes emerge about survey respondents and interview participants:

1. They do their own skills-vetting

2. They need to convince hiring managers/company about the merits of microcredentials

3. They need methods to assess microcredentials

Northeastern University
Center for the Future of Higher
Education and Talent Strategy



Read the
full report

The research included in this brief was made possible through funding by the Charles Koch Foundation (CKF). The findings, conclusions, and recommendations presented in this report are those of the authors alone, and do not necessarily reflect the opinions of CKF. For the full survey report, please visit Northeastern's Center for the Future of Higher Education and Talent Strategy website.





Company 1

MAJOR THEME: THEY DO THEIR OWN SKILLS-VETTING

Company 1 does not incorporate microcredentials in its hiring process, considering them a potential barrier to entry. They prioritize maximizing the applicant pool and are concerned that credential requirements could deter candidates. The company has eliminated all formal education requirements, including high school diplomas and GEDs, focusing instead on other signals of skills and on internal training programs to equip workers with the necessary skills.

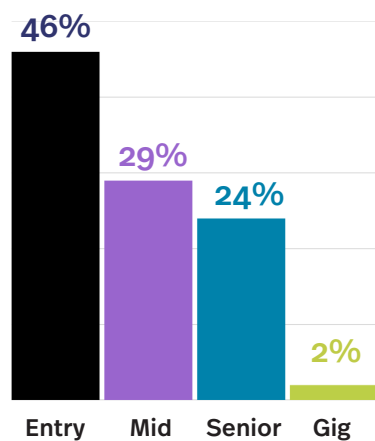
Although Company 1 does not incorporate microcredentials in its hiring process, employees who join Company 1 with existing credentials often advance more quickly within the organization compared to those without.

"In phone screens our recruiters specifically talk to them about hobbies (if they work on cars, if they do house projects, and if they've done electrical). It's amazing how many of our team members have woodworking skills. And they just learn by watching YouTube videos and fixing their own cars. Do they have a certification for it? No, but if they can speak to it pretty well, I'm gonna trust that they know their stuff, and we're gonna give them an opportunity as long as they also are a good fit for our culture."

CORRESPONDING SURVEY DATA POINTS

The survey data reinforces Company 1's descriptions of high levels of entry-level hiring. 46% of the manufacturing-segmented respondents' hiring was for entry-level roles vs. only 32% for other industries.

Variation in Role Level Hire for Most Often

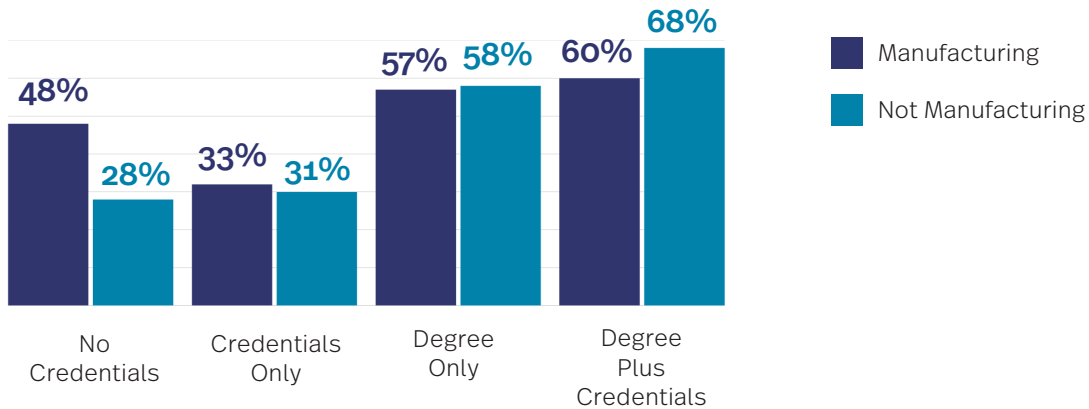


The survey also showed manufacturing respondents hire candidates with no credentials at a significantly higher rate than other respondents which suggests that there is an openness to training via non-degree routes.

The majority of manufacturing respondents also reported not using applicant tracking systems (ATS), a hiring technology that can be used to filter candidates. The manual skills vetting described in company 1 relies on more extensive, personalized phone screens rather than the automated filtering that an applicant tracking system often provides. Effective use of microcredentials as indicators of skills instead of internal assessments could help streamline hiring.

Source for All Charts: 2024 U.S. Hiring Manager Microcredentials Survey, CFHETS Northeastern University

Managers Who Have Hired Candidates with These Profiles in the Past Three Years



Company 2

MAJOR THEME: NEED TO CONVINCE EXECUTIVES ABOUT MERITS OF MICROCREDENTIALS

While the company does not currently include microcredentials or alternative credentials in job descriptions, the interviewed HR manager is actively working to incorporate them. They see potential for microcredentials to serve as a helpful screening tool for identifying candidates with relevant skills, especially as virtual recruitment in their company becomes more prevalent. They believe that incorporating microcredentials could streamline job matching and improve candidate evaluations, particularly for mid-level management and craft professional roles. They emphasized the need for research on the retention and success rates of employees with these credentials to build a stronger business case internally.

"We're going to train the field recruiters to spot them and then understand what microcredentials are. Then our hiring managers will be trained on how to look for these credentials, help them understand what these credentials mean.

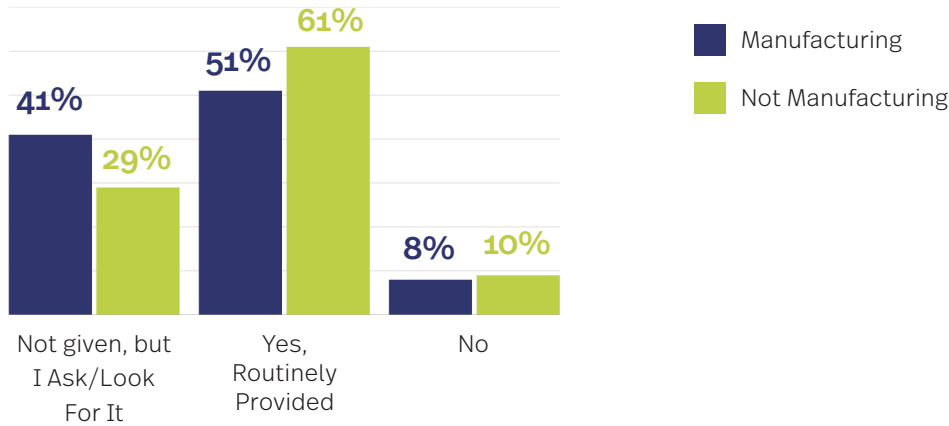
You help them understand why they're important. It's like with schools, right? There are certain schools that we know, the recruiter knows, and the hiring manager knows that if the candidate came from that school, we know their program, and they're good. Certifications are the same thing. The credentials are great, but it's also going to be about who is awarding them, what the retention rate is and then the success of people that have come into the company with these certifications. Are they promoted faster? See if they're still there.

For the employees, did the credential itself actually help them progress through their career? I know we're probably early in the game here, but those would be good numbers to show because I can show to my executives and our internal customers what these things can do."

CORRESPONDING SURVEY DATA

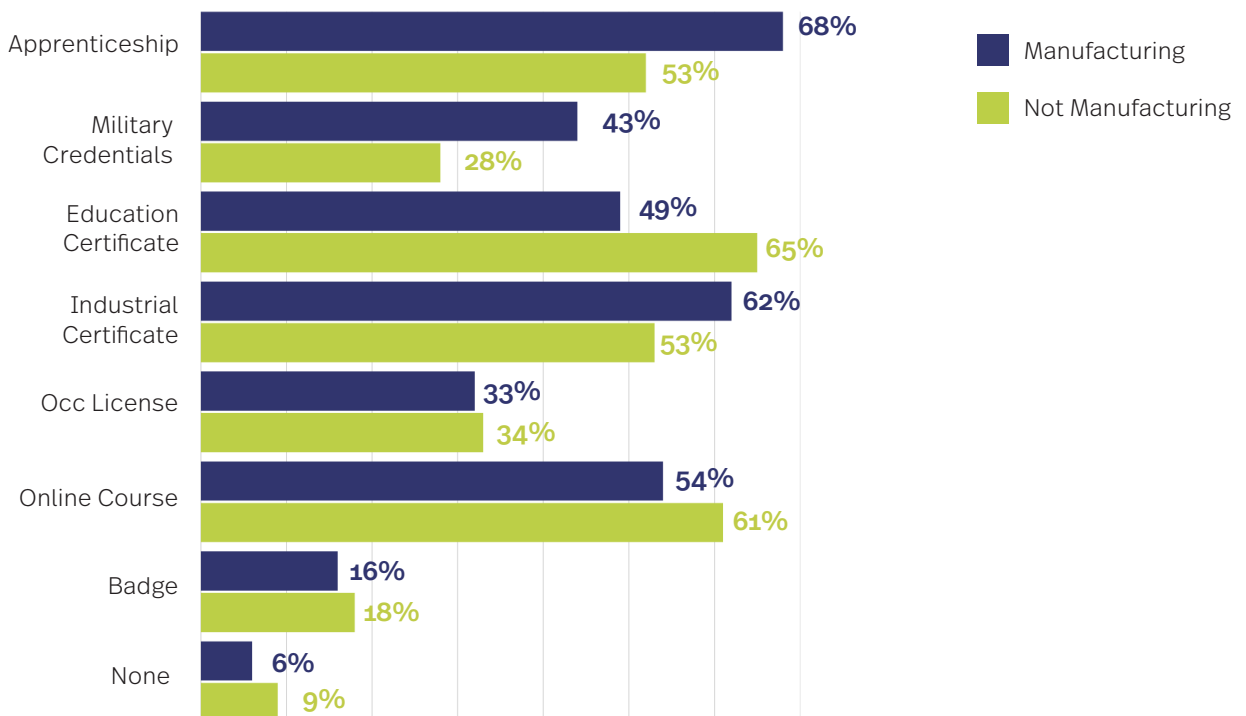
The survey data reflects that manufacturing often does not have hiring processes to help them recognize microcredentials. Only half of the respondents indicated that they routinely received information as part of a candidate evaluation process. More so than peers in other industries, hiring managers are likely to receive information about microcredentials only because they ask for it.

Do you get information about candidates' microcredentials?



Despite these hiring process obstacles, manufacturing managers see more of some types of microcredentials than peers, in particular, apprenticeships and military credentials. The prevalence of candidates presenting military credentials and apprenticeships suggests an opportunity to include these types of microcredentials more formally as a gateway to considering other kinds of credentials.

What Microcredentials Have You Seen





Company 3

MAJOR THEME: NEED SOME WAY TO ASSESS MICROCREDENTIALS

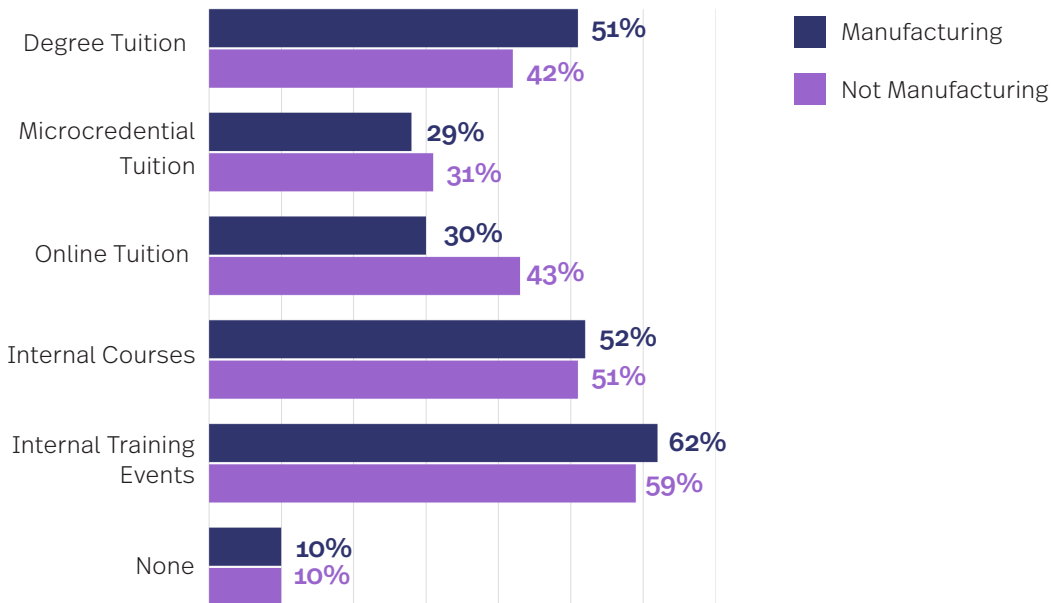
Company 3 has incorporated microcredentials into their job descriptions to standardize requirements for line supervisor roles. The company leverages microcredentials for professional development, helping employees feel valued and invested in. They are seeking clearer methods to verify these credentials without the need for employee testing.

"The biggest hurdle? I think we have... is verification of the badging. Are there third party systems or libraries to access? How do we verify the validity of the microcredentials other than putting them on a forklift or giving them a wrench and say, troubleshoot this."

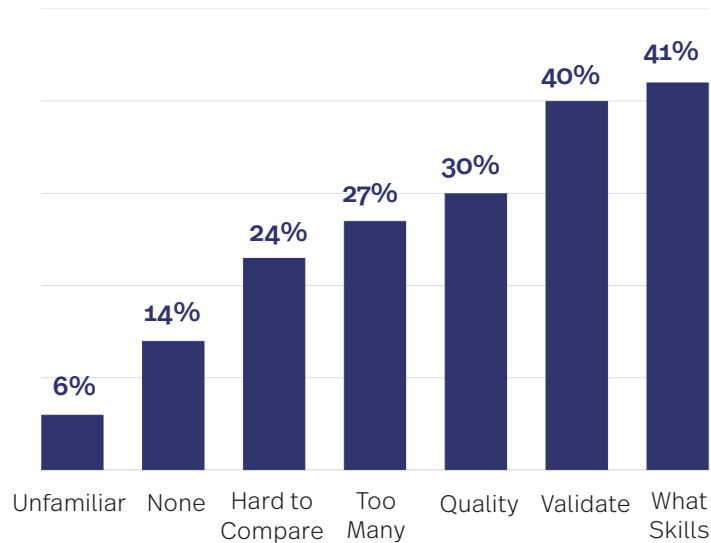
CORRESPONDING SURVEY DATA

This desire to understand the quality of microcredentials was echoed in survey data. The company also spoke about using microcredentials as part of their investment in professional development. The manufacturing segment in the survey shows that their investment is roughly comparable to other industries with one exception: there was a low emphasis on third-party online courses.

Professional Development



Challenges



The challenge company 3 expressed regarding the verification of microcredentials was also born out in the survey data. When asked about considering microcredentials in their evaluation of candidates, the top challenge for the manufacturing segment was difficulty in getting information about what skills were learned. This was followed by difficulty in validating that microcredentials were earned.

Conclusion

Hiring managers and HR need more guidance on interpreting microcredentials when assessing candidates. As the workforce landscape evolves and skills hiring becomes more prominent, companies need the ability to recognize and validate credentials in order to identify qualified talent.

A good place to start is with the strong set of industry credentials already embedded into manufacturing education programs. These established certifications provide clear, verifiable indicators of job-ready skills and can serve as a foundation for broader credential adoption. Additionally, the growing availability of microcredentials designed to support the military-to-manufacturing transition offers another pathway.

Clarity around credentials can help HR teams and hiring managers build confidence in assessing other forms of microcredentials, ultimately bridging the gap between skilled workers and open positions.

While we have taken steps to secure balanced input from a representative distribution of respondents that reasonably approximates the population of U.S. managers, the sample for the survey was a convenience sample and the findings cannot be assumed to reliably quantify the opinions and actions of the entire population of U.S. businesses.

