The ACT National Career Readiness Certificate™ and the Workforce Innovation and Opportunity Act

Background

Educators, workforce developers, training providers, and employers turn to ACT Career Solutions—which include career readiness assessments, credentials, and aligned curricula—as trusted measures and tools for building workplace skills. These groups use ACT Career Solutions to strategically inform education and workforce development across the country. For example:

• Employers assess skill levels of prospective employees.
• School districts determine whether graduating seniors are “career ready.”
• Workforce agencies provide access to career curricula and skills assessments to help clients find employment.
• State economic development agencies provide site selectors with evidence of a skilled and available workforce.

The federal Workforce Innovation and Opportunity Act (WIOA), enacted in 2014, represents a landmark effort to help job seekers access employment and training services, to help individuals succeed in the labor market, and to assist employers in matching skilled workers to the jobs needed in the global economy. WIOA provisions include statewide and local workforce development programs that increase attainment of industry-recognized certifications, improving workforce quality while meeting employers’ skill needs.

Under WIOA, workforce investment systems must accommodate access to and track the attainment of these certificates. There will also be an increased need for workplace and career certifications that employers can trust. Diplomas are helpful, but they lack consistency and become a challenge for employers to understand exactly what essential workplace skills have been learned. WIOA reflects the need for complementary career readiness credentials that are widely recognized by employers.

Since the last major workforce investment law passed 15 years ago, there has been rapid growth in both the number and types of work-related skills certificates introduced. Meanwhile, the means of identifying and assessing needed workplace skills has also significantly improved. One tool that has substantially increased in use is the ACT National Career Readiness Certificate™ (ACT NCRC®)—an industry-recognized, stackable, and nationally portable certification that documents whether an individual can demonstrate the foundational work readiness competencies relevant to success across industries, occupations, and multiple career pathways. Since January 2006, nearly 2.8 million Americans have earned an ACT NCRC.
Any industry-recognized certification used for employment selection and skill development under federal programs should: (1) be nationally portable; (2) be recognized by employers; (3) measure workforce quality; (4) be used in pursuit of academic credit; (5) align with economic development; (6) be included in stackable certifications; (7) have associated curriculum for skill development; (8) be able to measure non-cognitive or “crosscutting” personal skills; and (9) provide evidence that it has a positive impact on individual wage and employment outcomes in addition to improving employer return on investment. What follows is an outline of how the ACT NCRC meets each of these criteria and can therefore be used with confidence as an industry-recognized certification under the definitions of the WIOA.

The ACT National Career Readiness Certificate as an Industry-Recognized Certificate

1. National Portability

Industry-recognized certifications used as an outcome of workforce training and development should be nationally portable. Certificates that retain their value across geographic boundaries are important for a mobile workforce that can pursue in-demand jobs regardless of location. This is especially true in metropolitan areas that cross state lines or border multiple states. The ACT NCRC is accessible to and verifiable by certificate holders and prospective employers through a national database, which allows employers nationwide to verify individuals’ skill attainment. The ACT NCRC—awarded at four skill levels: Platinum, Gold, Silver, or Bronze—is accepted and recognized in virtually every state across the country. Multiple industry sectors and organizations recognize the ACT NCRC as an indicator of an individual’s core workplace skills and include it in their systems of stackable industry certifications. Portability is critical when applied across multiple career pathways. The skills measured by the ACT NCRC provide documentation of work readiness skills essential for the majority of jobs in the United States.

2. Employer Recognition

At a macro level, when employers look to expand, relocate, or bring new business into a state, one of their top criteria is the quality of the regional workforce. Economic developers are therefore paying greater attention to the education and skills of the local workforce. It’s critical to demonstrate the existence of a skilled workforce through industry-recognized certifications when crafting future workforce development strategies.
At a micro level, individual employers may use industry-recognized certifications for hiring and development decisions. ACT developed the ACT WorkKeys assessments—the basis for the ACT NCRC—for businesses to use in conjunction with other selection tools as valid and reliable skill measures for employment selection and staff development. The ACT NCRC has been endorsed by thousands of employers across the country and across industry sectors as a preferred certification during the employment selection process, as it reflects the skills and skill levels needed across industries and occupations and is viewed as a reliable predictor of success on the job.4

3. Measurement of Workforce Quality
The federal government has committed to doubling the number of postsecondary credentials by 2020. This can only be achieved by improving the skill sets of the current workforce, not just of those seeking to enter it. As noted in various national employer surveys, there is a need for upgrading and improving skills in both the current and emerging workforce.5 Industry-recognized certifications can play an important role in documenting skill increases beyond diploma or degree programs. States and communities use the ACT NCRC to measure workforce quality and to identify and remediate skill gaps.6

4. Academic Credit for Skill Attainment
Industry-recognized certifications are increasingly used as a measure of career readiness for students exiting the secondary education system. The federal government has encouraged states to set standards to ensure that all high school students graduate ready for college and career.7 Toward that goal, there has been widespread state use of both ACT WorkKeys and the ACT NCRC in high schools as a measure of student career readiness.8 More recently, the American Council on Education recommended awarding college credit in applied critical thinking to individuals who earn the ACT NCRC.9 In 2014, more than 55,000 high school students in the United States who earned a Gold-level ACT NCRC qualified for up to three hours of postsecondary credit for baccalaureate and associate degrees, while another 138,000 who earned a Silver-level ACT NCRC qualified for up to three hours of credit in postsecondary vocational certificate programs.10 Many community colleges, proprietary schools, and other institutions of higher education award the ACT NCRC in their occupation-based certificate programs and embed both the curriculum and certificate into their degree programs.11

“As a long-term user of this kind of testing, I’ve been able to travel the state and say, ‘Hey, it works.’ It has been validated. It gives us a better predictor that people will be successful in the jobs they apply for. I’m excited about the notion that we could have a ready-made workforce in Oregon. Imagine the potential of having 150,000 certified workers. Just picture how great it would be if everyone coming out of high school had an ACT National Career Readiness Certificate and every one of them was ready to go to work and be successful. That would be my vision of a bright future.”

Dave Williams, vice president of utility services, NW Natural, Portland, Oregon

“The American Council on Education is committed to the national goal of boosting the number of adults with college degrees. ACE credit recommendations help millions of adult learners, including veterans and active duty military, gain credits and earn postsecondary credentials. We are pleased to recommend that members of ACE’s College and University Network award credits to individuals who have completed specific levels of the ACT National Career Readiness Certificate.”

Patricia Book, assistant vice president for lifelong learning, American Council on Education
5. Alignment with Economic Development
ACT Work Ready Communities initiatives around the country empower states, regions, and counties with data, processes, and tools that drive economic growth. Participants use the ACT NCRC to measure and close the skills gap in their communities while also building common frameworks that align workforce development efforts. State and local leadership teams initiate, deploy, and drive tailored efforts to increase the number of counties certified under the ACT initiative. Currently, 21 states and regional economies are participating, enabling them to better leverage the workforce as an economic development resource. In 2013, Site Selection magazine chose the ACT NCRC as a metric of a community’s work readiness skills in its state rankings and promotes the ACT NCRC as a criterion in business expansion and investment efforts.12

6. Inclusion in Stackable Certifications
The skills needed to enter into and progress within a given career pathway or industry sector have been documented by the US Department of Labor in coordination with various industry partners.13 These skills are often referred to as foundational skills as they are essential for entry into career pathways as well as mobility into higher-level occupations. The ACT NCRC verifies foundational skills critical to learning occupation-specific skills and has been shown to predict job performance in a variety of occupations.14 Industry organizations—including the National Association of Manufacturers and the Center for Energy Workforce Development—endorse the ACT NCRC and include it in their systems of stackable industry certifications. These organizations recognize the ACT NCRC as documentation of the skills that move individuals along a career pathway in their chosen industry sector. Use of the ACT NCRC and the associated ACT Career Curriculum (see next section), in combination with an industry based-certification training program, has resulted in increased pass rates and employment outcomes for participants.15 Industry associations have also partnered with postsecondary institutions to align curricula to career pathways, allowing individuals to earn an ACT NCRC as part of a for-credit education program.16
7. Match to Curriculum for Skill Development

Workforce investment systems seek to create opportunities for individuals to align their skill sets with in-demand careers. It is critical to have access to curricula that develops essential workplace skills to meet job demands so that individuals can learn the relevant skills needed to enter and progress in these careers.

Industry-recognized certifications, used as part of the workforce investment system, should be aligned with step-by-step instruction to help individuals improve their skills. Such instruction, like that supporting the ACT NCRC, should be self-paced, modular, and offered online for ease of access and flexibility of use. ACT Career Curriculum offerings are used in all 50 states at statewide or regional levels. The curriculum, which includes ACT Career Ready101™, provides work readiness skill development courses to individuals across the continuum from middle school through career. Improvement of work-related skills allows individuals to increase their ability to gain employment and earn higher wages.

8. Measurement of “Crosscutting” Personal Skills for the Workplace

Employers have consistently communicated the importance of behavioral skills (also known as noncognitive or “personal” skills) in the workplace. Having a measure of both workplace cognitive and crosscutting personal skills provides an employer with a more focused picture of an individual’s ability not only to perform job tasks but also to communicate and work effectively in teams. Ideally, both cognitive and noncognitive skills that relate to job performance should be developed and measured. ACT has both the assessments and expertise to measure the crosscutting personal skills that are important to the workplace and also provides the essential curriculum for personal skill development. The ACT Career Curriculum provides specific courses designed to improve the behavioral characteristics identified by employers as critical to workplace success.

Research on the ACT WorkKeys Talent assessment, a personal skills inventory, has shown it to be predictive of job performance across a wide variety of industries and occupations. ACT offers the ACT WorkKeys Talent assessment for use in conjunction with the ACT NCRC to meet the growing volume of employer requests for an assessment to measure these all-important behavioral characteristics.

“As students enroll in a Tennessee Technology Center program at any one of our 27 campuses, one of the first things they do is go to the Technology Foundations classroom on campus and take an online assessment to measure their current foundational workplace skills. TTC uses a readiness assessment: ACT KeyTrain. The pre-assessment lets us know the beginning skill levels of each student. Students spend several hours each week in the Technology Foundations classroom as a required ‘co-requisite’ of their selected program. They work through ACT KeyTrain curricula and then take the pre-assessment again to confirm their competency before taking the ACT WorkKeys exams. Our goal is to have every graduate earn a Silver-level or above ACT National Career Readiness Certificate.”

Chelle Travis, assistant vice chancellor for instruction, Tennessee Technology Centers

“Mercy Health launched an initiative in early 2010 named Best People / Spiritual Workplace. Our goal was to ensure a pipeline of qualified, competent, compassionate, and caring health workers. Central to this initiative was the notion that health care is the business of people caring for people. Equally important are the words and behaviors in every interaction with patients and their families. With that understanding, we know that to be the best in health care, we need to hire the best people. Our efforts to elevate the skill level of our employees are absolutely consistent with the spirit and intent of the ACT Work Ready Communities initiative powered by the ACT National Career Readiness Certificate.”

Tom Karel, vice president of human resources, Mercy Health, Saint Mary’s, Grand Rapids, Michigan
9. Wage Increases and Employer Value
Certifications should be validated with evidence showing how they benefit both individuals and employers. For those attaining a higher-level ACT NCRC, research has found increased earnings across all levels of education as well as an increase in the likelihood of gaining employment and staying in a job. Analyses of the usefulness of ACT WorkKeys assessments based on employer data have shown their use is associated with increases in employee productivity and reductions in turnover, time-to-hire, cost-to-hire, and training time.

Summary
ACT, Inc., a nonprofit organization, is committed to helping individuals achieve education and workplace success. Developing certifications that indicate essential workplace skills is integral to that mission. Certifications and aligned curricula enable individuals to better understand and develop requisite skills for in-demand careers and help to align employers with the talent they need. ACT WorkKeys career readiness assessments—on their own or as the foundation for the ACT National Career Readiness Certificate—are widely used and recognized by employers, states, community colleges, industries, and economic development organizations as a reliable indicator that individuals can demonstrate needed workplace skills. ACT WorkKeys assessments and the ACT National Career Readiness Certificate are important tools that can be used not only by individual job seekers but also by employers and statewide and regional stakeholders in reaching WIOA’s goals.

Provisions of federal law assert that the definition of a “recognized postsecondary credential” means a credential consisting of an industry-recognized certificate or certification. For the reasons noted above, the ACT National Career Readiness Certificate was intended to be included under the WIOA definition of an industry-recognized certificate. Helping program participants earn industry-recognized credentials is a goal of WIOA and is a service authorized under WIOA to be provided to eligible job seekers at one-stop career centers. The use of WIOA funds for skill attainment and assessment for industry-recognized certificates is permitted, and a participant’s attainment of a certificate is measured as a positive program outcome.

“Over a two-year period, we were able to reduce turnover in one department from 13 terminations at a cost of $215,000 to one termination. We also reduced Workers’ Compensation expense from $300,000 to $15,000 in that same period. Our nonconforming product expense went down by 80%, and we’re having the best run in the company’s history without a long-time injury. As we continue to live, eat, and breathe ACT WorkKeys and the ACT NCRC, we sum up our experience in six words: ‘There is no downside to this.’”

Paul Calvagna, human resources director, Berner Food & Beverage, Inc., Dakota, Illinois
Notes

1 Statewide or regional ACT NCRC programs are underway in all 50 states. www.act.org


3 Attainment of a Bronze ACT NCRC indicates that the certificate holder has demonstrated the essential cognitive skills needed in about one-sixth of profiled jobs, while a Silver ACT NCRC indicates mastery of the cognitive skills needed in about two-thirds of profiled jobs. Those who earn Gold and Platinum ACT NCRCs have demonstrated the essential cognitive skills needed in approximately 93 and 99 percent, respectively, of profiled jobs. http://www.act.org/workkeys/briefs/files/NCRCRequirements.pdf

4 See the ACT Work Ready Communities website for a full listing, by state and by industry, of employers who endorse and recognize the ACT NCRC: http://workreadycommunities.org/index/employers-wall-of-recognition

5 A survey of business owners by the Association of American Colleges & Universities found that nine out of 10 employers judge recent college graduates to be unprepared for the workforce in such areas as critical thinking, communication, and problem solving. Association of American Colleges & Universities (2015). Falling Short? College Learning and Career Success. Washington, DC.


7 http://www.ed.gov/k-12reforms/standards

8 Eleven states currently administer ACT WorkKeys or the ACT NCRC to high school students as an outcome measure of career readiness. www.act.org

9 A Silver ACT NCRC would earn three semester hours in applied critical thinking for vocational certificate programs; a Gold or Platinum ACT NCRC would earn three semester hours in applied critical thinking for lower-division baccalaureate/associate degree programs. http://www.act.org/newsroom/act-national-career-readiness-certificate-recommended-for-three-semester-hours-of-college-credit/

10 ACT analysis of 2014 ACT NCRC data.

11 Hutchinson Community College awards the ACT NCRC and a Kansas Work Ready Certificate to students at completion of their degree or certificate program. Other institutions of higher education using the ACT NCRC or a state career readiness certificate include Tennessee Technology Centers (governed by the Tennessee Board of Regents). Northwest Christian University in Oregon awards college credit for an ACT NCRC.


13 See the US Department of Labor Industry Competency Model Clearinghouse for all 23 industry models. http://www.competencymodel.org

14 ACT profiles of more than 20,000 jobs provide content validity evidence that the skills verified by the ACT NCRC are required to successfully perform work tasks. According to the US Department of Labor’s Employment and Training Administration, correlations above 0.35 suggest that an assessment is “very beneficial” in predicting job performance. Validity coefficients above 0.35 have been found in validation studies for the skill assessments that comprise the ACT NCRC, www.act.org

15 ACT, Inc. (2013). Ohio MSSC CPT and NCRC: A partnership for industry recognized credentialing. Iowa City, IA.


19 Workforce Investment Board of Southwest Missouri (2013). Average earnings, employment, and retention by national career readiness certificate and education levels. www.workready.info
