

Credentials, Credentialism and Employee Selection

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Literally, credentials are letters or certificates that establish the position, authority or identity of the bearer. Credentialling is the process through which a person is approved or recognised by law or an authority to engage in a particular professional or technical capacity. Credentialism can be seen as the empty pursuit of degrees or other credentials that are not necessarily related to intellectual or educational achievement (Arnstein, 1982:162). Davis (1981:649) has defined credentialism as pressure to upgrade formal educational pre-requisites for entry into and promotion through labour markets. The Kirby report (1985:11) defines credentialism as the process that occurs when the entry qualifications for an occupation are upgraded but there is no commensurate change in the knowledge or skill requirements for the job.

For the purpose of this paper credentialism will be used in a general sense, taking into account the definitions mentioned above. This paper will: (1) examine the growth of credentialism in our western society and in particular the effects that this growth has had on the labour market; (2) show that credentialism assists in the maintenance of the status quo and often discriminates against certain groups; (3) show that the link between productivity and educational achievement is at best both unclear and indirect and, at worst, non-existent; (4) examine the over-reliance on credentials in selecting staff and show how this practice constitutes poor personnel management practice; and (5) argue that credentialism has allowed some professional groups and associations to restrict supply and to create an exclusive control over their professions.

Given Australia's international strategic position, a central objective of Government policy over the past years has been to develop an appropriate environment in which Australian industry can become more internationally competitive. Central to this policy is an increase in the training and skill development of the Australian Workforce (Dawkins, 1989). Presently, plans are being developed by the Australian Government to require large organisations to spend a minimum of one per cent of their pay-roll on training. This increase in training could well lead to an increase in the issuing of credentials, hence entry qualifications for the occupations may be upgraded without any commensurate change in the knowledge requirement for the occupation.

There is also pressure on tertiary education institutions to become more 'relevant' to industry demands. A stringent government funding forces universities to become more enterprising, university administrators are looking to industry to provide vital funding. The funding strings attached by industry, is for credentialled graduates, especially in the areas of business, economics and computing. Both of these developments will play an integral part of increased credentialism in Australian society.

Credentials were first used in the nineteenth century, with the main purpose of protecting the public by showing the competence of the professional (Husen & Postlethwaite, 1984:1103). Over the last sixty years, the western world has experienced a growth in the number of people who have credentials, a growth in the number of credentialling bodies and a growth in the use of credentials as a way of selecting people for employment. There has also been a growth

in the number of occupations that have limited the size of their occupations and limited the free practice of these professions by the use of credentials and accreditation (Dore, 1976; Watts, 1985; Berg, 1970). Credentials are used as a criteria for employee selection due mainly to their administrative convenience and the illusion of equity (Watts, 1985).

SCREENING OR INVESTMENT

It appears that in demanding credentials for certain occupations, employers' reasons fall into two rather crude categories: (1) *The Investment Effect*—credentials show that the applicant has undergone certain educational training that has made them more productive. (2) *The Screening Effect*—education, and hence credentials, indicate certain attributes in the applicant that the employer wants. (Williams, 1979: 10.4). This is an uneasy dichotomy and it is probable that in every case, to some extent, the screening and the investment effect would co-exist.

Education can not be shown to be directly related to productivity and increased efficiency. (Berg, 1972; Blaug, 1972; Collins, 1979; Watts, 1985; Psacharopoulos, 1987). Davis (1981) has shown that the claims of the beneficial effects of educational upgrading have been questioned for the past 200 years. As Blaug (1989) has stated, we should acknowledge that we know very little about the causal impact of education on economic growth. In using credentials as a screening device, studies have shown that in making their choice employers are assuming wrongly that the candidate will be more productive merely due to their possession of credentials and that in some cases the candidates may even be less productive (Berg, 1970:85). In terms of simple efficiency, the relationship between credentials and success in a particular occupation can in fact be very low (Watts, 1988). Education is not associated with employee productivity on a purely individual level and in many areas job skills are learned mainly through practice on the job. In many areas of employment a person's life experience, intrinsic maturity, social skills, and value base may be more important than educational training or credentials, in areas, for example, such as youth work, journalism, alcohol and other drug work or child care. In these areas credentialism may even be of detriment to the areas of work, specifically if credentials required for these areas of work are not related to skill or knowledge requirements for the job. In these cases a demand for credentials may favour the less able with credentials at the expense of the more able without credentials. Moreover, in many situations the cost of hiring staff will increase dramatically where credentials are insisted upon. The current debate in NSW over the high cost of state run child-care facilities is a case in point. The effect that the proposed Community Services Workers State Award will have on non-governmental agencies is yet to be seen.

This is not to say that education itself does not improve productivity; in many areas is clearly does. However, the empty pursuit of credentials can create a functionless inequality. This can lead to the false raising of entry requirements for various occupations and can be of great cost to the community, both in terms of money and quality of service. This empty pursuit by students to merely gain 'letters after their names' shortchanges both them and the institutions. Our tertiary institutions should not become merely Diploma Mills that provide a credentialled workforce for unthinking employers.

As access to higher education is correlated to income and class level, credentials have become, in part, a means of reproducing class structure. Berg (1970) has suggested that educational credentials have become the new property of the ruling classes. Recent evidence indicates that even the abolition of tertiary education fees during the 1970-80's did not change this profile to any significant extent. Westergoard and Resler (1975) have argued that credentialism and the expansion of educational provision has had little or no impact on social mobility.

PROFESSIONS AND PROFESSIONAL BODIES

This aside, many of the skills used in professional practice are learned on the job and in many cases long courses of study have as their sole purpose the raising of the status of the profession and as Collins (1979:17) has suggested, to form a barrier of socialization between professionals and laymen. Many professionals and professional groups have also found that through the use of credentials they can limit supply and monopolize certain professions (Weber, 1972:242). Spalding (1985:21) gives some insight into this process. He suggests that when demand is surpassed by supply, new conditions are imposed to limit entry.

O'Donnell (1985:141) suggests that certain groups aim to protect their privileged place within the labour market by forming and joining professional associations. They also attempt to increase the training time necessary for entrance into the profession to both raise the status of the profession and to limit entry. Over the past decade in the western world we can see a major increase not only in professions but also in the number of associations established to protect the interests of these professionals and to raise the status of these professions. In fact it is interesting to look at the number of occupations that now claim to be professions and at the lengths to which they had gone to establish and maintain themselves as professionals (e.g. Accountants, Librarians, Nurses, Personnel Managers). Concurrently the number of credentials for these occupations/professions has increased.

Is it then conceivable that the professions are at least partly filling up with those with qualifications but limited professional exposure? At the same time are senior practitioners denied access to the professions due to a lack of tertiary qualifications? It is of interest that the Institute of Personnel Management (IPMA) currently is taking a second look at their degree level entry qualifications. The concern is that far too many highly experienced practitioners are being denied full membership of the professional body and the professional body is being denied the full benefit of these practitioners' experiences. As Davis (1981) has suggested professional associations, trade unions and educational institutions have a vested interest in persuading the public of the benefits of upgrading credentials.

The question that the professional bodies and educational institutions need to answer is whether knowledge, skills and attitudes of those employed in those professions have changed to such an extent that degree level courses are a valid job-requirement. If there is no doubt that the body of available knowledge has expanded considerably over the years, the question must also be asked whether this knowledge gap can be bridged only by way of tertiary qualifications or by short intensive courses and seminars.

In relation to the personnel profession, it is quite clear that the roles expected of the personnel manager have changed substantially over the past 50 years. From a predominantly payroll/service function to today's emphasis on strategic management, the modern day professional is more-and-more expected to answer to management for their contribution to the major objectives of the business operation-whether that be private or public. In short, they must now adopt a strategic role rather than remain in the wings awaiting commands from their line management colleagues. Overseas and local surveys have indicated clearly that the human resource people have changed direction to incorporate activities concerned directly with drawing up and implementing strategic plans. (Sherman et.al.)

Sherman adds that one of the necessary characteristics of a profession is the existence and teaching of a body of knowledge. Such teaching might take place

by way of seminars, conferences and workshops. These offerings do not generally carry credentials due to their short term nature.

If the conclusion is that the total role of the personnel professional has changed then the second question posed remains to be answered. Can this gap be closed only by way of lengthy credentialling processes? Or are the professions attempting simply to raise their status and limit entry?

CREDENTIALS AND VALID SELECTION

As has been suggested before, there is no clear linear relationship between educational achievement and work performance. Despite this, educational achievements and other forms of credentials frequently are being used as selection requirements for a wide range of occupations. As we have previously discounted the investment effect and have shown problems with the screening effect, we should look to other differences between those in jobs with credentials and those without credentials.

Berg (1970) reports evidence that better educated employees are more likely to be dissatisfied with their position and change jobs more often than those without educational credentials. Similarly Parmaji (1979) cited in Husen and Postlethwaite (1984:1105) reports a study conducted in India which found that while job efficiency did rise with the level of credentials, job satisfaction declined. As has been suggested previously, when entry qualifications for an occupation are upgraded but there is no commensurate change in the knowledge or skill requirements for the position, we have credentialism. In this case it is not difficult to see that the worker may quickly become bored and uninterested in the position. The person may also as has been suggested by Berg (1970), change jobs more often hoping to find a challenge and a purpose for acquired credentials. The phenomena may be likened to the reality shock syndrome (Stoner 1985 et. al.) where job expectations do not match early experiences on the job. The result often is high new recruit turnover.

Graduate recruitment programs represent a strategy where tertiary qualifications provide a means of access to a whole range of positions within organisations. Typically they use campus interview programs to attract a pool of applicants who then move initially into the lower rungs of the organisation. While some organisations 'Fast-track' these recruits, others allow them to fall victim to the reality shock syndrome. These fast trackers will typically create resentment amongst those who have for years served the organisation well but who do not possess credentials. Proactive organisations may well need to provide separate development strategies for this group of employees in order that such resentment is minimised. It is conceded that where fast-tracking is the intention then the requirement for tertiary qualifications from the outset may well be justified.

It has been suggested that the link between education and productivity or work performance is not necessarily a linear one. This link can be both positive and negative and in some cases non-existent. It has been shown that personal attributes and intrinsic qualities may be more important than credentials for many occupations and that these are not always identifiable through the possession of credentials. In some cases credentialism may lead to the choice of the less able with credentials at the expense of the more able without credentials.

UNLAWFUL DISCRIMINATION?

Historically, credentials have been less available to certain groups within society . . . trend which may well continue and even accelerate given federal and state cutbacks to education together with the introduction of the Higher Education Contribution Scheme (HECS)—the so-called graduate tax.

If it can be argued that the stipulation of qualifications which have little or

no bearing on job performance will remove whole groups of persons then the process is clearly discriminatory and as such may prove unlawful under anti-discrimination legislation.

To counter such allegations, employers are turning more and more to aptitude and other forms of psychological testing rather than relying on traditional qualifications. Others have removed such qualifications altogether. Some authors such as Seligman (1973) have claimed that removal of such credentials leads to a lowering of standards. Ruch (1971) in discussing the classic Duke Power Case (United States Supreme Court) offers a way out of this dilemma by suggesting that all task and people factors for a specific job be subject to complete analysis and in so doing create a position and person description made up of valid selection criteria. Credentials should only be specified where they can be shown to be a valid job requirement. Merit is therefore redefined for each job advertised and is built around valid selection criteria with universal qualifications becoming less relevant. If the end result is that the best person is selected in terms of these selection criteria then standards have been raised not lowered.

JOB RELATEDNESS

Given that the entire selection process is aimed at predicting future success, does it make a great deal of sense to rely on one indicator? (ie credentials). Tharp (1983) argues that performance is the product of a multiplicative relationship between ability and motivation. Past work experiences, motivation, values and career expectations come into focus along with education/intelligence.

Felton and Lamb (1982) add support to Tharp when they argue for three major criteria for predicting future success.

- Can s/he perform? Can they perform *this* job?
- Is s/he motivated sufficiently to be successful in *this* job?
- Will s/he fit in to *this* organisation? Will s/he adopt the *this* situation?

These questions are highly individualised. Satisfactory answers will not be found by assessing qualifications alone.

Rather than assume a direct correlation between credentials and future job success, a more useful approach is to analyse fully the job/s in question. This is a process of the systematic compiling, maintaining, reviewing and modifying information about the job and the person to fill it. The key is the concept of job-relatedness. The analysis is limited to information concerning essential and desirable job/person requirements rather than information to do with sex, marital status, nationality, religion, etc.

The 1970's and 80's saw the practice of HRM undergo far-reaching changes particularly in relation to Equal Opportunity legislation. This period saw a number of court cases aimed at seeking to clarify much of the vagueness surrounding selection decisions. The classic Duke Power case in the United States set a precedent for others to follow.

In essence, employment practices must be job-related. Where credentials are set down for a specific position the employer bears the responsibility for proving that those credentials are in fact necessary for the effective performance of that job.

In response, personnel practitioners have explored a number of means to ensure their selection criteria are valid i.e. job-related. Although job analysis techniques have been introduced and refined over many years they each have sufficient limitations to encourage a wider search for more objective approaches.

In more recent years two approaches have emerged which claim to remove much of the subjectivity from job-analysis practices. Functional job analysis and the position analysis questionnaire system both attempt to define job content in

more valid terms. Job-related job descriptions and person specifications are thus generated from these questionnaires. It follows that the inclusion of credentials which cannot be supported by valid job analysis processes may lead to unlawful discrimination, either indirect or systemic.

In this way behaviours, skills, knowledge and attitudes for each position may be documented which differentiate superior, average and below average performers. Once validated such criteria can be used to select future employees for the organisation. This is accepted widely as a far better approach to selection than relying on credentials which may have some limited relevance to the job.

In many cases, particularly in the professions, the job analysis may indicate the need for credentials in order that the incumbent be able to practice (medicine, law). In other cases the detailed knowledge required to perform a specific job will be available only from a lengthy course of study at the tertiary level (accounting, personnel management). In effect, the qualification may well be an essential job requirement and this can be demonstrated by the analyst.

CONCLUSION

Many professional bodies have used credentialism to create exclusive possession and control over their professions. Further, by increasing training necessary for entry into the occupation they have both limited entry and raised the status of the profession. The associations have themselves also gained considerable power through the issuing of credentials and in the ability to dictate curriculum in educational institutions.

Using credentials as a means of selecting staff may have great value in some cases but it should not be used exclusively, particularly where the credential has little to do with the work involved. It is also important to note that employees placed in jobs that have falsely raised entry requirements, will be more unhappy in their work and will probably not stay in the job for a long period. To believe that credentials show some attributes in the employee that are worth paying for may be true in some cases but this may also not be in the interests of the employer or even society.

Credentialism has also been shown to be having a detrimental effect on our education institutions. It has shifted the balance of students' interest from an open pursuit of knowledge to an empty pursuit of credentials, credentials which have as their main purpose the gaining of employment.

Credentials should not be used by professional bodies or groups as a tool for their own agency nor should they be used as a convenient tool for selecting staff. Rather, returning to their original purpose of credentials should have as their sole purpose, the protection and benefit of the community in general.

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