



ALABAMA  
**Talent Playbook**



**Alabama Talent  
Triad Overview**

# Alabama Talent Triad Overview



## Building a Talent Marketplace—A Playbook for States

Alabama's Talent Triad is a unique system, bringing together often disparate efforts to create value and impact for the state's workforce and economy. Driven by Alabama's Governor's Office and its goals of adding 500,000 additional credentialed workers to the state's economy and increasing the state's labor force participation rate to the national average, the Talent Triad represents a comprehensive skills-based talent marketplace that connects jobseekers, employers and education providers to make all learning count.

Several states have taken the first step to transform their economy to a currency of skills by implementing skills-based hiring approaches for state employees. This is a positive step toward alleviating government hiring and recruiting challenges. But we know it is not enough to simply remove degree requirements from job descriptions to result in economic mobility, prosperity, and change across the state. More action will be needed to create skills-based talent marketplaces that connect all workers, career opportunities, and learning experiences to power economic growth and the mobility of its citizens.

Alabama's leaders understood this problem deeply and used evidence to drive towards the creation of the Alabama Talent Triad, which is the first skills-based talent marketplace facilitated by a state in the US. To share about this important effort, partners have created The Alabama Talent Playbook, which provides details for how the state is building a skills-based economy and allows other state leaders to learn how Alabama's Talent Triad has emerged as the most promising transformational talent marketplace in the country.

## Alabama's Talent Marketplace: Technology and Data Tools for the People of Alabama

The Talent Triad is a public-private partnership, sponsored by Governor Ivey's Office to increase the number of credentialed Alabamians, address industry needs, and increase the state's labor force participation rate. Unlike many other efforts where states are deploying technology to gather and connect workforce and education data for state-level research and reporting, the Talent Triad was not built to serve government.

**The Talent Triad was designed to serve citizen stakeholders and facilitate the success of:**

- Jobseekers and working learners who wish to apply their skills in a new or advancing role
- Employers who seek to find talented Alabamians to fill in-demand jobs
- Education providers working to train and build Alabama's talented workforce

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While the state will benefit from the insights gained from stakeholders using the Talent Triad and from the impacts on labor force participation and employment, the state is not the primary beneficiary. Instead, Alabama is making a big bet, leveraging public data and infrastructure, philanthropic support, subject-matter expertise, and private sector know-how to create a truly unique talent marketplace to serve its people.

The Alabama Talent Triad engages 19 state agencies in a common vision and collective work to build an ecosystem where technology and data can utilize the benefits of skills-based hiring and competency-based education, while also continuing to support current education and training efforts, to increase credential completion and labor force participation.

## **The Talent Triad is composed of three segments, each of which creates value:**

- The Alabama Credential Registry is an online resource that enables Alabama education and training providers to register the credentials they issue, including certificates, licenses, degrees and non-degree credentials, creating a real-time outlook for the full array of credentials available to learners in the state. Unlike other credential registries, Alabama's goes a step further to describe the competencies that learners gain in completing these credentials. That work is organized through the state's Competency Ontology, and results in what the state calls the "DNA" for in-demand jobs – the skills and knowledge that drive in-demand jobs. The Alabama Credential Registry is also developed to support stackable learning pathways and credit for prior learning. Finally, the Alabama Credential Registry will be used to fulfill Alabama's mandate to ensure credential quality and transparency for all degree and non-degree credentials.
- The Alabama Skills-Based Job Description Generator and Employer Portal allows employers to create customized job descriptions based on the skills "DNA" of the jobs in their firms. Employers can use the Skills-Based Job Description Generator to more easily transition their existing descriptions into skills-based job descriptions by utilizing the skills from credentials they trust and rely upon while providing the option of removing non-required credentials. Employers can then post jobs, matching with potential employees who have in-demand skills. At the same time, when including new skills and job descriptions to the market, employers can help signal their needs to their education partners in real-time.
- The Alabama Digital Wallet includes multiple tools: User profiles; Learning and Employment Record (LERs) supporting both verified and self-attested skills, credentials, and experiences; digital resumes; and recommended jobs and learning opportunities. Job-seekers can tailor digital resumes to include the skills, credentials and experiences to specific roles and fields, and are in full control of their own credential and competency data.

Because all aspects of the Talent Triad use the same competency-based "DNA", job seekers and employers can be "matched" based on the alignment of skills, credentials and experiences. The LER is valued by employers because it supports verifiable skills and credentials and offers discrete information about what a job candidate actually knows and is able to do on the job. The Talent Triad is designed to save employers both saving time and money for on-boarding new employees, and providing Alabamians a more direct path to careers. Additionally, jobseekers will receive recommended learning opportunities from Alabama's education and training provider to support upskilling and credential development.

## Why skills-based hiring?

While unemployment numbers continue to decline, there is a deeper story that reveals persistent gaps in access to education and employment for populations of citizens who have for decades experienced systemic barriers that have locked them out of education and, therefore, the economy.

As Alabama examined its own data, leaders realized that they have one of the most severe worker shortages in the US, [with a 57% labor force participation rate](#). In fact, no state except New York has a positive worker-to-job ratio. It is in every state's interest to explore every potential option to connect jobseekers with good jobs and state education systems, should they need to upskill. Talent shortages help no one, including state governments. In Alabama, that option was supporting the opportunity for employers to eliminate unnecessary requirements for many middle- and high-skilled roles and shift to skills-based hiring.

Recent research suggests that nearly half of all middle-skill and a third of high-skill occupations have been disrupted by the switch to skills-based hiring, and the majority of those changes appear to be permanent. Employers such as Bank of America and IBM are still seeking skilled talent, while also recognizing that finding talent is much more nuanced than simply requiring a particular credential.

Thus, employers are shifting to skills-based hiring, which is a recruiting approach that centers candidates' knowledge, skills, and abilities over traditional factors such as credential requirements or years of experience. Using a process based on competencies, skills-based hiring approaches aim to hire candidates whose skills match those required by the job.

Skills-based hiring is gaining steam for good reason: it stands to make positive impacts for employers, jobseekers, and for the public good.

- Employers who adopt skills-based hiring practices may increase their talent pipelines for hard-to-fill jobs, drawing more qualified candidates to the roles and ultimately reducing the amount of time to fill the role. This both reduces the costs of recruiting and saves money by decreasing productivity loss, need for overtime, and impacts on company morale. Employers may save money in the longer term by improving their hiring quality and by attracting candidates who have the skills for the role, which helps companies [report](#) significant reductions in mis-hires.
- Jobseekers, especially students and disengaged youth, may find an increasingly accessible and transparent labor market where they can compete utilizing their skills rather than only on their credentials. Jobseekers may also see increasing value from their non-academic learning experiences, including expertise gained in the military and on-the-job. Jobseekers hired for skills do better once hired. Recent [McKinsey research](#) indicates that skills-based hiring is “five times more predictive of job performance than hiring for education and more than two times more predictive than hiring for work experience.”

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Recent research from Burning Glass and Harvard Business School Managing the Future of Work Project's researchers studied a sample of 11,300 roles at large firms (defined as a given occupation at a given employer) for which we could observe a meaningful volume of hiring for at least one year before and after when a firm removed a degree requirement, evidenced in a database of the career histories of 65 million US workers. They found that on average, firms increased the share of workers without a BA hired into these roles by about 3.5 percentage points.

However, when considering that this 3.5-point shift applies only to the 3.6 percent of roles that dropped a requirement during that time, the net effect is a change of only 0.14 percentage points in incremental hiring of candidates without degrees. Overall, by our estimates, that has translated to new opportunities for only approximately 97,000 workers annually, out of 77 million yearly hires. Put differently, for all its fanfare, the increased opportunity promised by skills-based hiring was borne out in not even 1 in 700 hires last year. Just as importantly, that progress isn't shared uniformly across all firms that adopted skills-based policies. Rather, we found that nearly all of the change in actual hiring was driven by 37 percent of the firms we studied that removed degree requirements.

Alabama Talent Triad's response: Alabama is working to ensure the discussion with students, jobseekers, employers, educators, and training providers is not about skills-based hiring vs. degrees, which has seemed to be the trend and offers mixed responses and debate versus supporting progress. Rather, Alabama is ensuring that all learning counts and that skills are associated with both degree and non-degree credentials so that the principles of skills-based hiring can be applied whether or not a degree requirement is needed for a position.

Alabama believes that skills-based hiring can be a benefit for everyone, every level of worker, and at every age to advance both your career and ongoing education and training aspirations. Alabama is setting the foundation for these practices via the Alabama Credential Registry by including both degree and non-degree credentials, ensuring those credentials include skills, and by including an evaluation process for all non-degree credentials. And by building a common skills ontology and transparency for everyone, the Talent Triad is also building confidence to make earned skills equally as valuable as degrees. It is that trust that we are hearing from employers both in Alabama as well as nationally via thought leaders like Haley Glover from the Aspen Institute. Those foundations are being operationalized in the skills-based job description generator and digital wallet/LER.

## Competency-Based Education: Powering Talent in a Skills-Based Economy

As impactful as skills-based hiring can be for employers, job seekers and governments, the approach will only succeed if it is underpinned by competency-based training and education system, enabling:

- Education providers to align programming toward in-demand competencies and assess mastery of each competencies for every learner
- Education providers to access students from non-traditional pathways who may have never otherwise matriculated
- Students and job-seekers to understand, demonstrate and advocate for their expertise regardless of where they gained competencies

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Competency-Based Education (CBE), a growing movement within K-12 education, postsecondary education and other education providers, is poised to accelerate skills-based hiring and deepen its impact. CBE, simply defined, measures progress and awards students for mastery of learning, rather than time-based measures and proxies for learning such as hours or seat time. This model allows learners to progress at the speed of mastery, often accelerating completion of credentials and lowering the cost. Furthermore, because every learner progresses because of mastery, each graduate has the guarantee of skill development and employers can trust skill assertions about graduates.

The benefits of CBE to students, especially adult learners and those who have lacked access to or support in traditional higher education, are clear.

Most individuals who access CBE programs and use them to gain skills were students who would have not traditionally accessed education systems or had some college and no degree. Most are working learners, balancing work in a field they hope to build a career or found themselves without the qualifications for promotion.

- In many programs, the median time for learners to complete is faster than students in traditional time-based programs, thereby lowering cost of attendance and shortening their time to higher wages and careers.
- Programs continually document workers earning higher wages, on average, compared to graduates from traditional programs, signaling that employers value and trust that students in CBE programs are skilled workers.

Furthermore, when learners emerge from CBE programs with a strong understanding of their own expertise, as well as a Learning and Employment Record (LER) that provides a validated record of mastery, job seekers can thrive in a skills-based hiring environment.

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## Alabama's Role

State governments have the right combination of scale, capacity, access to data and capacity to shift policy to build a skills-based talent marketplace:

- Ensuring every resident can access new Learning and Employment Records (LERs) and digital wallets that are built to share skills, credentials and experiences between sectors and assist individuals to more easily and quickly find meaningful education and careers.
- Supporting all employers, regardless of size or industry, to operationalize skills-based hiring through the Skills-Based Job Description Generator, which allows employers to craft job descriptions using skills and receive matches to job seekers.
- Encouraging greater alignment between descriptions of jobs and credentials through the establishment of the Competency Ontology and Credential Registry, that will continue to grow and create a more common language through the assistance of AI tools.
- Facilitating standards of quality across all credentials and supporting the expansion of competency-based education to ensure job seekers and employers can trust the competencies and skills being awarded, thereby building further trust in the matching being done by the technology.
- Making all learning count and thereby opening up new possibilities for modularizing and unbundling degrees through prior learning assessment and stackable credentials, which will allow more adult learners to access associate and bachelor's degrees.
- Establishing legislation that aligns and consolidates workforce, education, and innovative initiatives across the state to ensure support and the necessary change management from all agencies, sectors and industries.

## Call To Action

The Talent Triad launched December 2023. The Talent Triad team will continue to scale while also exploring new integrations and ways for the data to be interoperable to the ways job seekers and employers seek to create economic growth and individual mobility.

We invite you to learn with us. Please go to <https://www.alabalatalenttriad.com/> to continue to learn about the Talent Triad Updates within Alabama.



The logo features a stylized 'A' composed of overlapping geometric shapes in shades of red and white. 

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