

# THE VALUE OF HR CERTIFICATION AROUND THE WORLD

# INTRODUCTION

In recent years, there has been a growing appreciation of the benefits of HR credentials among HR professionals. Increasing competition for HR jobs means that more and more employers are listing HR certification as “required” rather than “preferred” on their job postings. The increasing number of certified HR professionals indicates that this type of credential is now seen as fundamental for HR professionals facing complex challenges in their careers. Whether dealing with talent management, payroll and employee benefits, or labor relations and risk management, the skills required to pass the HR certification exams become requisite by employers and employees.

While U.S. employers and HR managers appear to appreciate the benefits of credentials, there has been little research into the precise nature of the benefits HR professionals and their employers gain from the credentials, how certification adds value to an organization and to each certified individual, and in which job functions it is most beneficial to have alternative credentials. Furthermore, very little is known about how HR certification is viewed in countries where HR practices are still in an early stage of development, such as China and India.

The HR Certification Institute therefore commissioned an independent research company to conduct a study on the value of HR certification around the world. This global study aimed to assess HR leaders’ and employees’ awareness, understanding, valuation and perceptions of HR and non-HR professional certifications and credentials. It also sought to better understand how usage, understanding and perceptions of HR certifications vary between the United States and elsewhere. A key focus was to understand the perceived value of professional certification, particularly when compared with certificates and college degrees.

THIS WHITE PAPER OUTLINES THE KEY FINDINGS FROM THE SURVEY AND PROVIDES AN ANALYSIS OF ITS IMPLICATIONS FOR BOTH HR LEADERS AND HR PROFESSIONALS.

## PROFILE OF HR PROFESSIONALS

Before looking at the findings in detail, it is worth explaining the characteristics of the HR professionals who took part in the study and the HR markets in which they work:

- **HR remains a female-dominated industry**, with women making up 79% of U.S. participants. Outside of the U.S. (OUS), however, 54% of the participants were women, reflecting the fact that in a number of foreign markets the HR function is less well-defined and tied to more general roles such as finance.
- **HR is a more mature industry in the United States than elsewhere**, with 45% of U.S. respondents stating that they have over 15 years of experience compared with 19% of those outside of the U.S. In countries such as China and India, the concept of HR as a business function is often at an embryonic stage.
- Unsurprisingly, those who are **more experienced (and who have been certified for longer) hold higher-level positions within the company** and are more likely to be in overall charge of the HR department. Those with less experience secure positions such as HR generalist, HR assistant or HR analyst.
- **HR teams are often smaller in the U.S. than elsewhere.** While companies outside of the U.S. have dedicated HR teams, these teams tend to be bigger than within the U.S., where 40% of employers have HR teams of five or fewer.
- **HR is generally a national rather than international function**, with only 14% of U.S. HR professionals stating that their role involves more than one country. The picture is slightly different outside of the United States, where roles are a little more international (37% stating that their role involves more than one country).
- **U.S. employers give their employees more freedom in deciding which professional certification to obtain.** In the United States., employers play an advisory role while outside of the U.S. employers tend to have a stronger role in deciding which certification their employees obtain. This may reflect different levels of ‘power distance’ among countries, but also suggests that employers outside of the U.S. are better at integrating—or more willing to integrate—certification with career development plans.

## METHODOLOGY

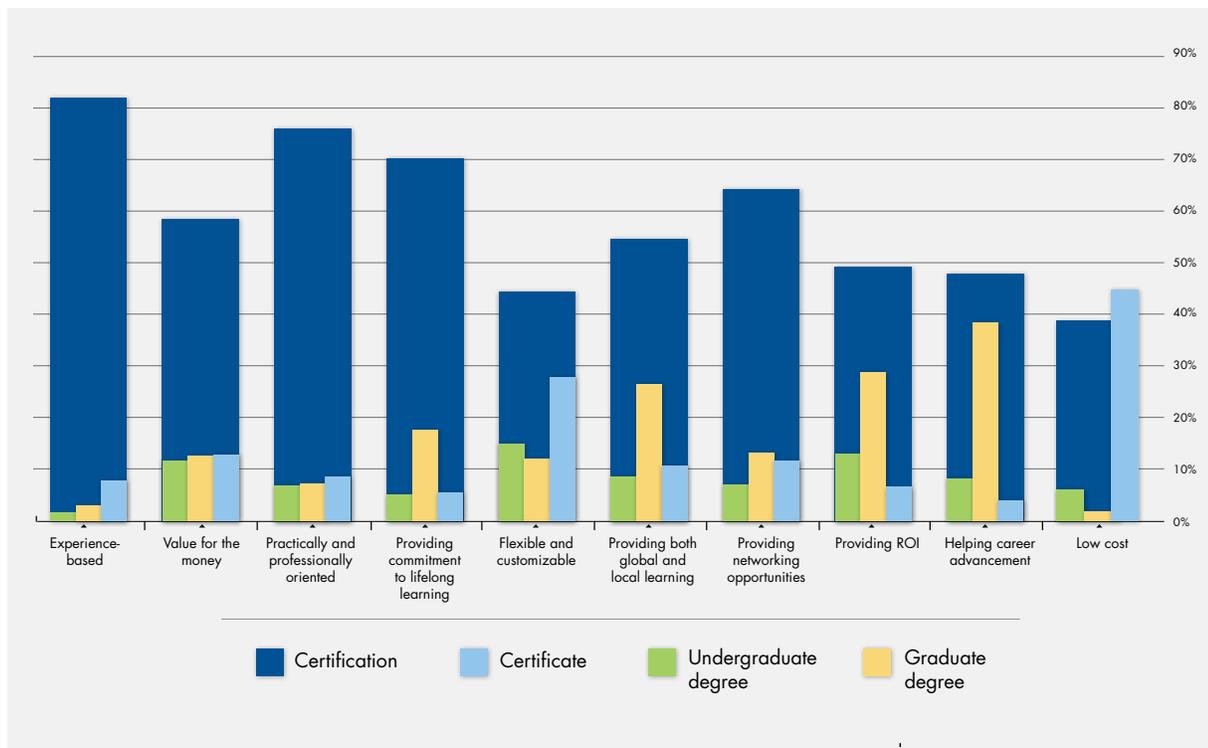
Data contained in this white paper are gathered from the qualitative and quantitative phases of the study. The qualitative phase was based on four online focus groups with HR professionals worldwide. The quantitative phase consisted of a web survey with 1,592 HR professionals, allowing the results to be analyzed with 95% confidence level.

HR professionals from 37 countries participated in this study—76% of these were based in the United States and the remaining 24% were from other countries, such as Australia, China, India, Singapore and the United Kingdom. Professionals were drawn from a wide variety of industry sectors, including finance and accounting, industrial, government, IT, health care, education, retail and construction.

## COMPARING THE PERFORMANCE OF DIFFERENT TYPES OF CREDENTIALS

Before focusing specifically on HR certification, our study compared the perceived role and value of professional certifications (whether in HR or otherwise) with other types of credentials. Overall, undergraduate degrees were seen as the most valuable single credential because getting an HR job without it can be challenging. However, once employed, professional certification was seen as the most valuable credential and most effective at developing a professional’s career.

**FIGURE 1: Certification Is the Preferred Credential**

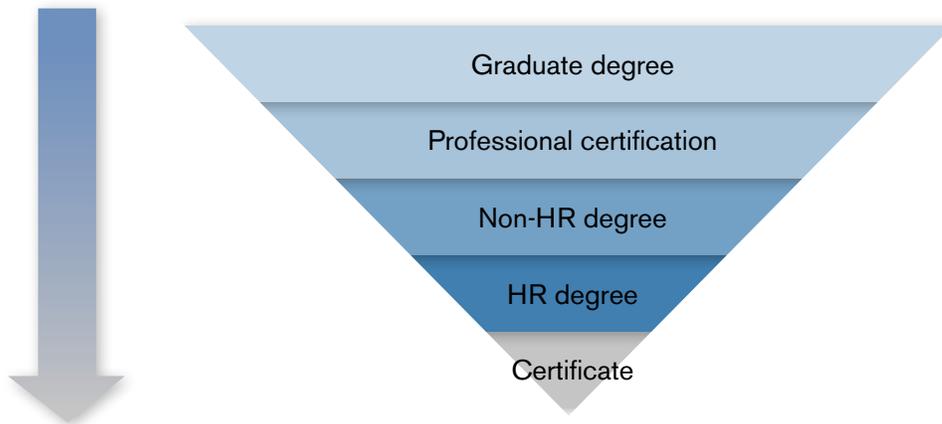


Professional certification was seen as the best performing credential in many different dimensions such as learning, career advancement and value. ‘Being low cost’ was the only measurement where certificate programs performed better. When it comes to relating cost to the benefits obtained, the return on investment (ROI) of professional certification was viewed as being substantially better than all of the alternatives.

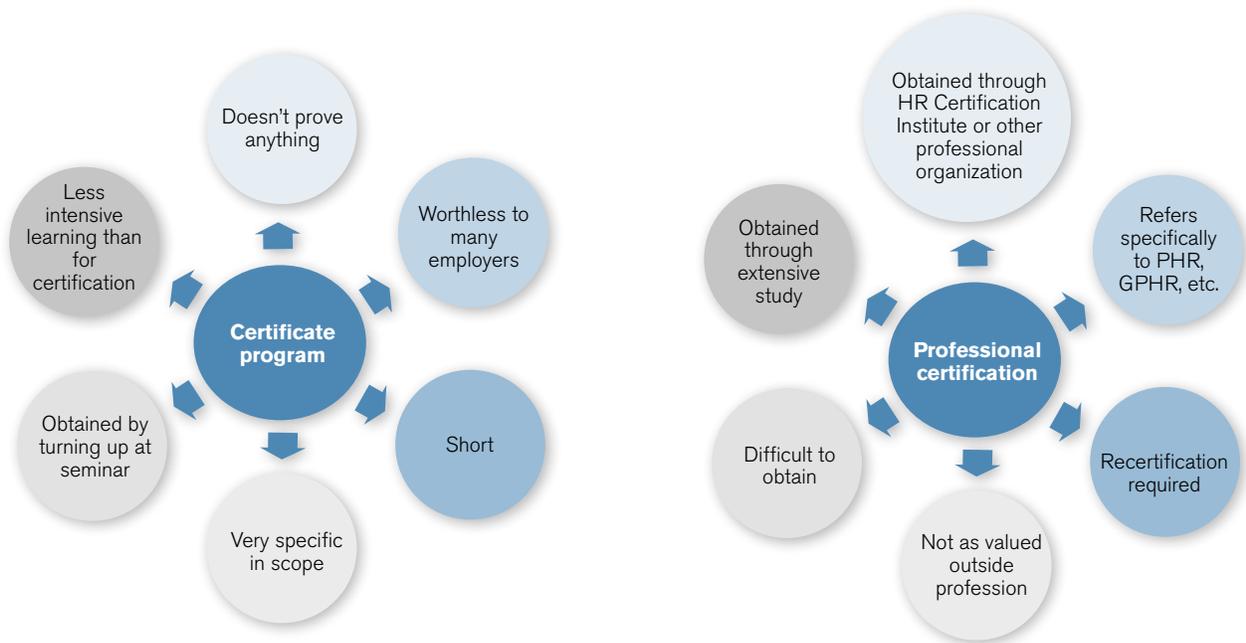
U.S. respondents were far more positive about the overall performance of professional certification than respondents from outside of the U.S., and they also saw professional certification as superior to alternative credentials.

Most HR professionals in all countries saw clear distinctions between professional certifications, certificates and university/college degree credentials. Professional certification was viewed as being more challenging to obtain and of more inherent value than alternative credentials and was the second most valued type of credential by HR professionals, second only to graduate degrees. Certificate programs were the least respected and not considered worthwhile by most respondents because they can be obtained in a very short amount of time and without much effort or participation.

**FIGURE 2: Professional Certification Is the Second Most Valued Credential After Graduate Degrees**

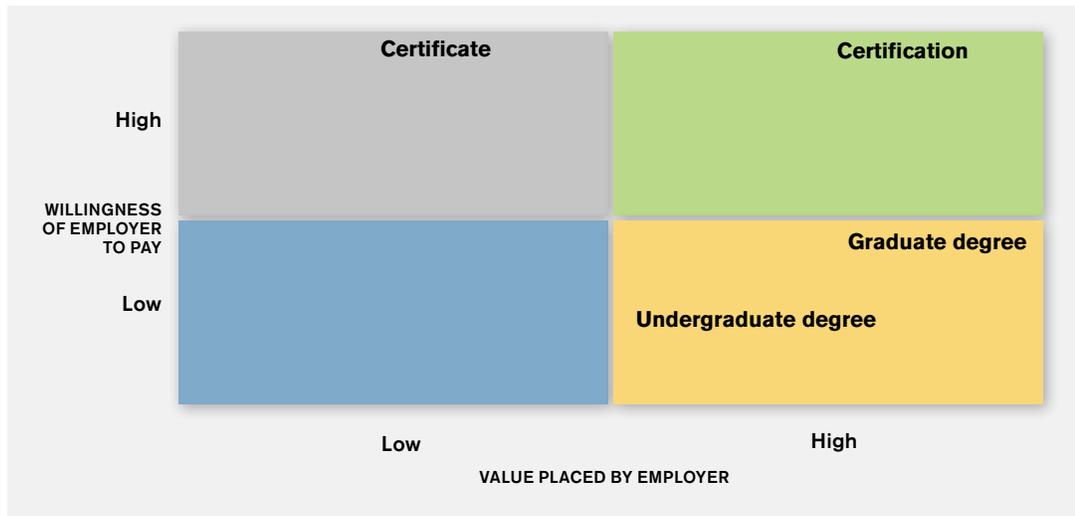


**FIGURE 3: Perceptions of Professional Certification Are Far More Positive Than Those of Certificate Programs**



Professional certification is the best opportunity for professionals continuing their education; certification was considered a highly valued and quality-based credential by all HR professionals and was viewed by employers as an opportunity to advance the positioning and growth of the organization. Additionally, professional certification was the only type of credential that employers showed a high willingness to pay for and on which they also placed high value. While some employers were still willing to pay for certificate programs, these programs were generally seen as offering far lower value than professional certification.

**FIGURE 4: Professional Certification Is the Most Valued Credential That Employers Will Pay for**

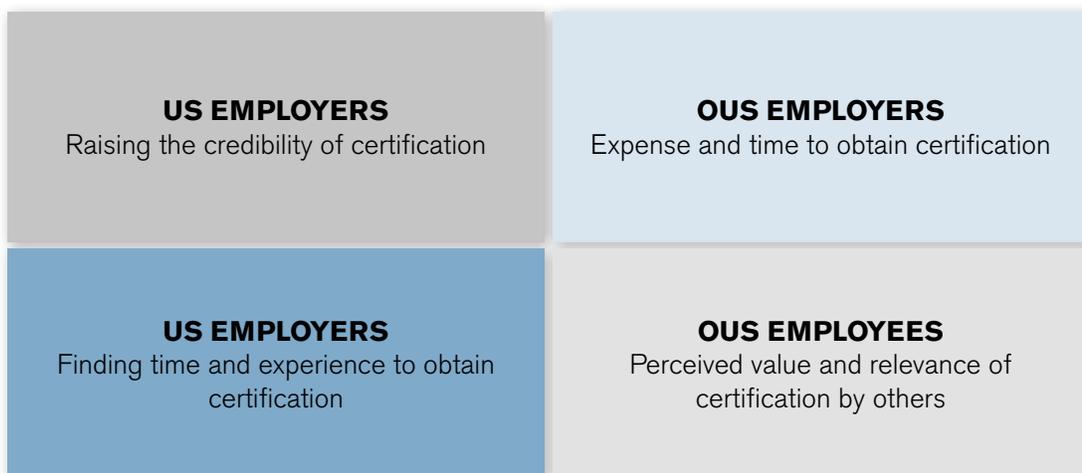


**CHALLENGES FACING HR EMPLOYERS AND EMPLOYEES**

Respondents were asked to describe some of the challenges they commonly relate to professional certification. In the United States, HR professionals tend to face slightly different challenges than HR professionals from other countries, resulting in different strategies to deal with these challenges.

U.S. employees tended to cite finding time and obtaining enough required experience to gain the certification as their biggest challenges, whereas the common challenge for employees outside of the U.S. was non-HR colleagues not seeing the value of HR certification. Likewise, whereas U.S. employers saw raising the credibility and understanding of HR credentials among people in the business community as their main challenge, the expense and time required to earn certification was the primary concern of employers outside of the U.S. HR professionals have taken an array of measures to address these various challenges, such as providing more training based on up-to-date HR information, moving toward more practice-based learning, providing employees with study leave and improving employer-employee communication.

**FIGURE 5: Challenges Related to Professional Certification**



## UNDERSTANDING OF PROFESSIONAL CERTIFICATION

Ninety percent of HR professionals agree that certification is defined as a credential that is based on work experience and educational eligibility, indicates certification status, requires recertification, and is exam-based with separate preparation material for the exam. Equally, nine out of 10 HR professionals agree that certificate programs are unlikely to require any prior education or work experience, to have exams to receive certificates or include recertification. Overall, the understanding of degree seems to be clear both in and outside of the United States.

**FIGURE 6: Definitions of Professional Certifications and Certificate Programs**



The inclusion of recertification in professional certification promotes the value of certification over certificate programs. Across countries, around 90% of employers and employees agree recertification is a positive thing. For HR professionals, the benefits of recertification include that it keeps knowledge current, continues education, keeps certification up-to-date, sharpens skills, and allows flexibility in earning necessary credits.

**FIGURE 7: Positive Perceptions of Recertification**



Fifty-two percent of respondents believed that HR professionals completely understood the difference between professional certification and certificate programs, whereas only 4% of respondents felt that business leaders in non-HR roles (e.g., CEOs) did. This is a clear indication that the business community lacks education on the different means through which professionals can be educated and is not in touch with the inherent contrasts between certification and certificate programs—contrasts that HR professionals perceive.

## BENEFITS OF PROFESSIONAL CERTIFICATION

Professional certification is considered beneficial by both employers and employees in the HR profession. For **U.S. HR employers**, certification demonstrates an employees' commitment to the HR profession, adds validity and credibility to the department, assures current and up-to-date knowledge, and provides opportunities for development. For **U.S. employees**, the advantages of certification include becoming more valuable to the company, having an advantage when applying for a new job, demonstrating commitment and understanding of the HR profession, and showing their dedication to continuing their education. The benefits of professional certification vary between professionals within and outside of the United States.

**FIGURE 8: Benefits of Professional Certification**

<p><b>US EMPLOYERS</b></p> <ul style="list-style-type: none"><li>• <b>Demonstrates proof of commitment to profession</b></li><li>• Allows development opportunities</li><li>• Assures employers of up-to-date knowledge</li><li>• Adds credibility to department</li></ul>	<p><b>OUS EMPLOYERS</b></p> <ul style="list-style-type: none"><li>• <b>Provides consistency within department</b></li><li>• Increases effectiveness and efficiency in job performance</li><li>• Gives exposure to new ideas</li></ul>
<p><b>US EMPLOYEES</b></p> <ul style="list-style-type: none"><li>• <b>Demonstrates commitment to profession</b></li><li>• Demonstrates understanding and knowledge of profession</li><li>• Gives advantage as job seeker</li><li>• Demonstrates commitment to continuous learning</li><li>• Increases worth to the company</li></ul>	<p><b>OUS EMPLOYEES</b></p> <ul style="list-style-type: none"><li>• <b>Gets more respect from the organization &amp; colleagues</b></li><li>• Broadens and enhances knowledge</li><li>• Shows commitment to learning and development</li><li>• Increases professional confidence</li><li>• Gives others confidence in ability</li><li>• Gains competitive advantage on peers</li></ul>

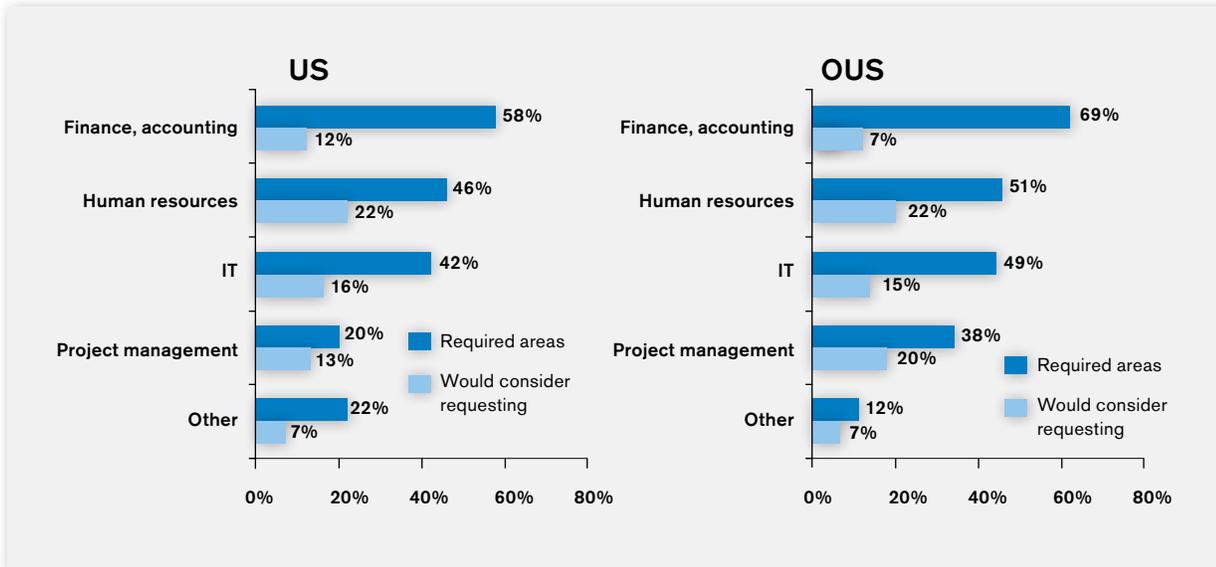
For most HR professionals, measuring the benefits of certification is not done through a formal assessment. U.S. employers are the least likely to assess certification through some formal method, while employers outside of the U.S. are most likely to assess return on investment by measuring the benefits qualitatively or by calculating the benefits financially.

Overall, U.S. respondents appear to be more focused on providing advice, funding, encouraging learning to be applied in work, and encouraging the professionals to seek their certification to maximize the value of certification. On the other hand, respondents outside of the U.S. place far greater emphasis on providing study leave. Equally, respondents outside of the U.S. tend to measure the value of certification in more ways than U.S. respondents do and are more likely to monitor the increase in productivity and customer satisfaction resulting from certification.

## PROFESSIONS WHERE CERTIFICATIONS ARE REQUIRED

When hiring new talent, respondents outside of the U.S. tend to have a greater demand and broader range of requirements for professional certification than their U.S. counterparts. In particular, HR professionals outside of the U.S. identify finance and accounting, human resources, IT, and project management as the functions in which they request potential candidates to have certification.

**FIGURE 9: Certification Requirements in Specific Professions**



## THE VALUE OF HR CERTIFICATION AROUND THE WORLD

Professional certification is greatly valued among HR professionals around the world. As the concept of HR as a business function is often at a developmental stage, professional certification is viewed by employers outside of the U.S. as an important opportunity to help staff become skilled and knowledgeable about the profession and to add credibility to their HR department. Many employers outside the U.S. make professional certification a standard requirement, because, to them, it promises the success of their employees and their organization.

## IMPORTANCE AND MOTIVATORS OF HR CERTIFICATION

The vast majority of HR professionals believed it was important for people working in the field of HR to be professionally certified; specifically, 96% believed it was important, and 58% believed it was ‘extremely’ important. HR employers both inside and outside of the U.S. tended to see certification as being of higher importance compared with employees’ perceptions, while all groups expected certification would gradually become more important in the future (over the next five years).

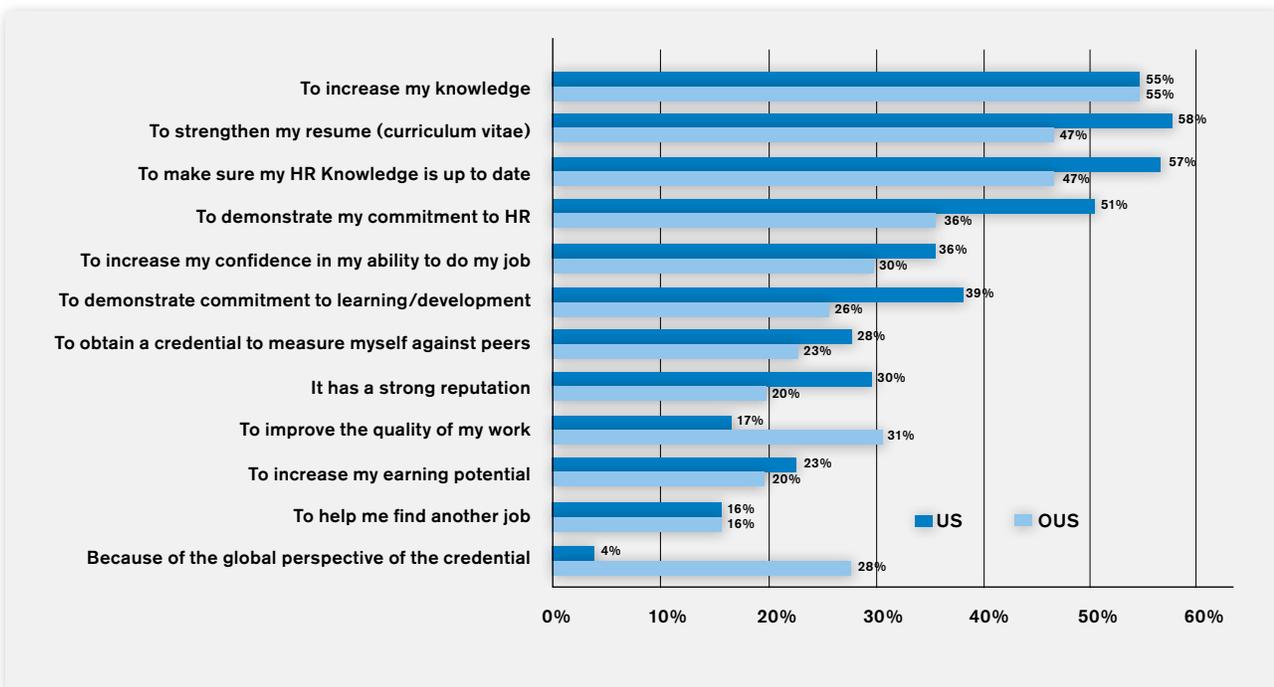
The most prevalent reasons people decide to become certified are to make themselves more efficient and save time at work, to lower their professional development costs, to gain a global perspective from the knowledge base, to help them keep their jobs, to pursue the educational content that interests them, to gain unique skills, and to make contacts in the HR world.

## BENEFITS OF HR CERTIFICATION

Respondents in the United States and other countries identify a number of tangible and intangible benefits to HR certification. These benefits can be grouped into four different categories: career progression, recognition, knowledge and personal achievement. Within these four broad categories, some of the key benefits of certification are that it boosts the person’s credibility and recognition from HR superiors and peers, increases his or her knowledge, and boosts their self-confidence and pride. Certified individuals become more marketable in their careers and thus provide themselves with more opportunities for new jobs and advancement.

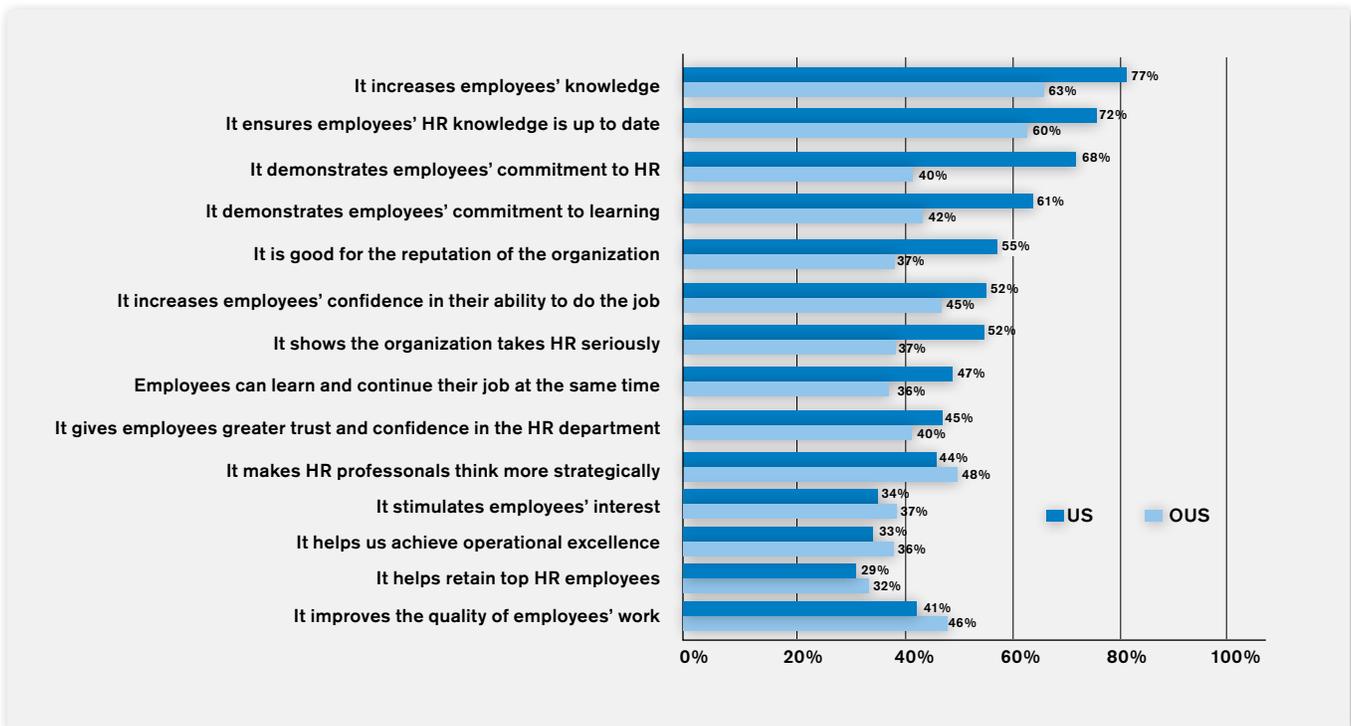
By far, HR certification performs best at meeting professionals’ requirements in that it strengthens their resumes; this trend transcends national boundaries. Other top performing areas of HR certification are that it increases and refreshes knowledge of HR practices and helps HR professionals demonstrate their commitment to the profession.

**FIGURE 10: Personal Benefits of Professional Certification**



For organizational benefits, HR certification was seen to increase collective HR knowledge and keep it up to date, to increase employees’ confidence at their job, to help the reputation of the organization, to stimulate HR employees to work and to think more strategically, and to even improve company profitability. Generally, both employers and employees in all countries hold similar views in terms of the key benefits of HR certification.

**FIGURE 11: Benefits of Professional Certification to the Organization**



For another assessment of benefits, respondents were presented with four scenarios in which two HR professionals—one with HR certification and one who was not certified—were being compared to one another: applying for a new job, being considered for a promotion, being considered for redundancy, and applying as an independent consultant to assist an organization’s HR department. They were asked whether they believed the certified individual would have an advantage over the non-certified individual, and how much of an advantage, if any.

**FIGURE 12: Certification Provides an Advantage in these Situations**

	HIRING		PROMOTION		JOB SECURITY		CONSULTING									
	Employers	Employees	Employers	Employees	Employers	Employees	Employers	Employees								
	U.S.	OUS	U.S.	OUS	U.S.	OUS	U.S.	OUS								
Advantage	96	96	92	96	91	91	77	91	81	74	69	74	95	95	92	97
No Advantage	4	4	8	4	9	9	23	9	19	26	31	26	5	5	8	3

Respondents both in and outside the United States agreed that professional HR certification would be most beneficial to independent consultants and new job applicants. HR employers in the U.S. believed in the benefits of certification in these contexts more often than employees did. The research revealed the opposite trend outside of the U.S.

## FACTORS THAT ATTRIBUTE VALUE TO HR CERTIFICATION

Both employers and employees identify a number of different factors that make certification more valuable. At the top of this list is the overall reputation of the certifying organization, followed by factors such as having experience-based exams, regular recertification and a requirement for continued education.

**FIGURE 13: Factors That Make HR Certification Valuable**

	REPUTATION OF CERTIFYING ORGANIZATION		EXPERIENCE BASED EXAMS		REQUIREMENT FOR RECERTIFICATION		REQUIREMENT FOR COUNTINUED EDUCATION	
	U.S.	OUS	U.S.	OUS	U.S.	OUS	U.S.	OUS
Impact	94	91	92	84	91	75	92	78
No impact	6	9	8	16	9	25	8	22

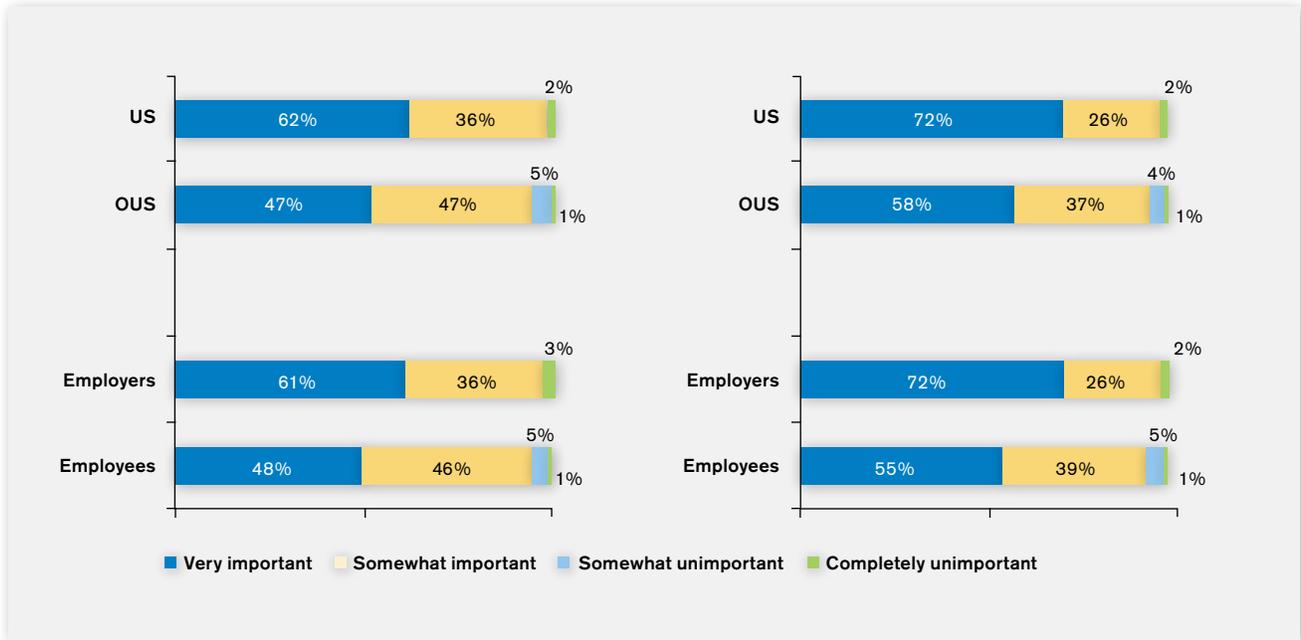
## ROI OF HR CERTIFICATION

The investment in HR certification can include the exam fees, costs associated with exam preparation and study time. In the United States, HR professionals typically pay around \$200-\$400 for professional certification (excluding learning materials), whereas HR professionals outside of the U.S. often pay many times that. In the United States, many employers pay for certifications, with only 37% of U.S. HR employees paying for certification themselves.

Generally speaking, employers can be divided into three different groups: larger companies prepared to sponsor every aspect of employee training and certification; medium-sized companies with a limited budget (typically around \$1,000 per annum) dedicated to HR certification; and small- to medium-sized companies that would expect their employees to pay for training and certification themselves.

Though willingness to pay for employees' training and certification is generally affected by the size of the organization, the importance of certification is hardly diminished by employers. Ninety-seven percent of employers report that it was very important or somewhat important for HR professionals to be certified. Furthermore, 98% of employers recognized the importance for HR professionals to be certified in the future. These findings are mirrored among both U.S. and outside-of-the-U.S. respondents.

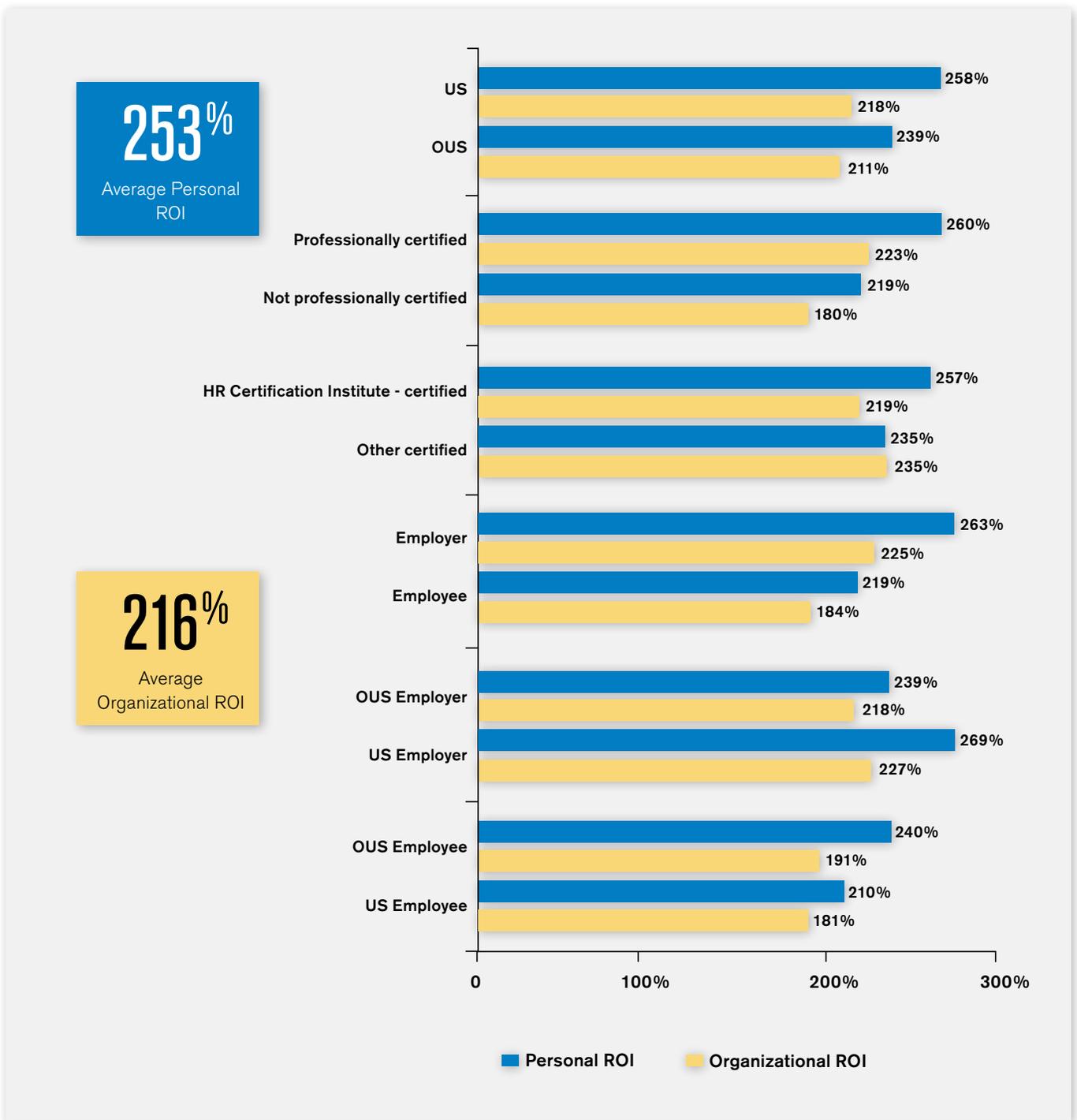
**FIGURE 14: Importance of HR Certification Now and in the Future**



HR professionals were asked, both personally and for their organization, how many times more valuable they considered the benefits of certification compared with its initial cost. Using a formula, a score was calculated to determine just how many times more valuable HR professionals considered the net benefits of certification; this score is also known as the return on investment. The ROI findings were assessed based on each respondent's perception.

On average, HR professionals attributed a personal ROI of 253% and an organizational ROI of 216% to professional certification (281% and 241% among those overall in charge of their HR department). Among total respondents, over one-third believed that the benefits of professional HR certification were worth more than five times the costs, ascribing a personal ROI of 476%. Perceived value of professional certification increases proportionately with level of experience.

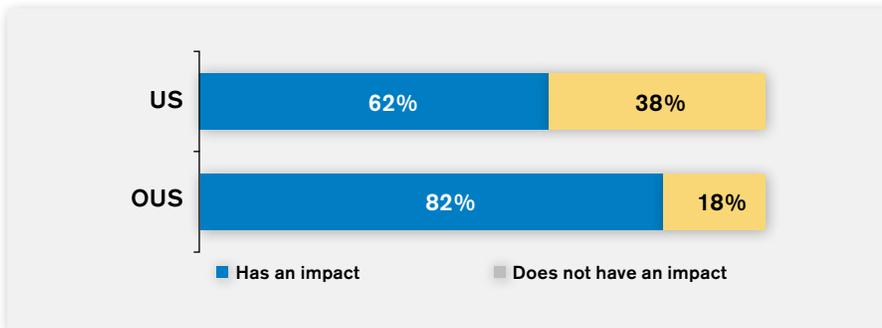
**FIGURE 15: Personal and Organizational ROI of HR Certification**



## IMPACT ON PROFITABILITY

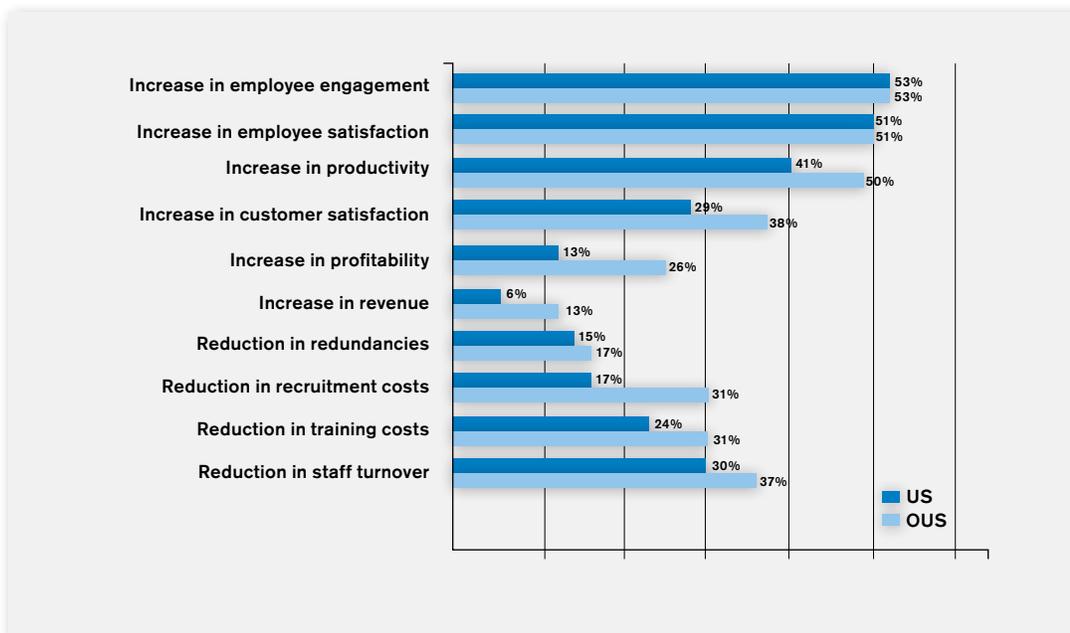
Overall, HR professionals reported that certification had an impact on the profitability of their organization. Outside of the U.S., HR professionals were more likely to report the impact of certification on profitability than U.S. HR professionals (82% and 62%, respectively).

**FIGURE 16: Impact of Certification on Profitability**



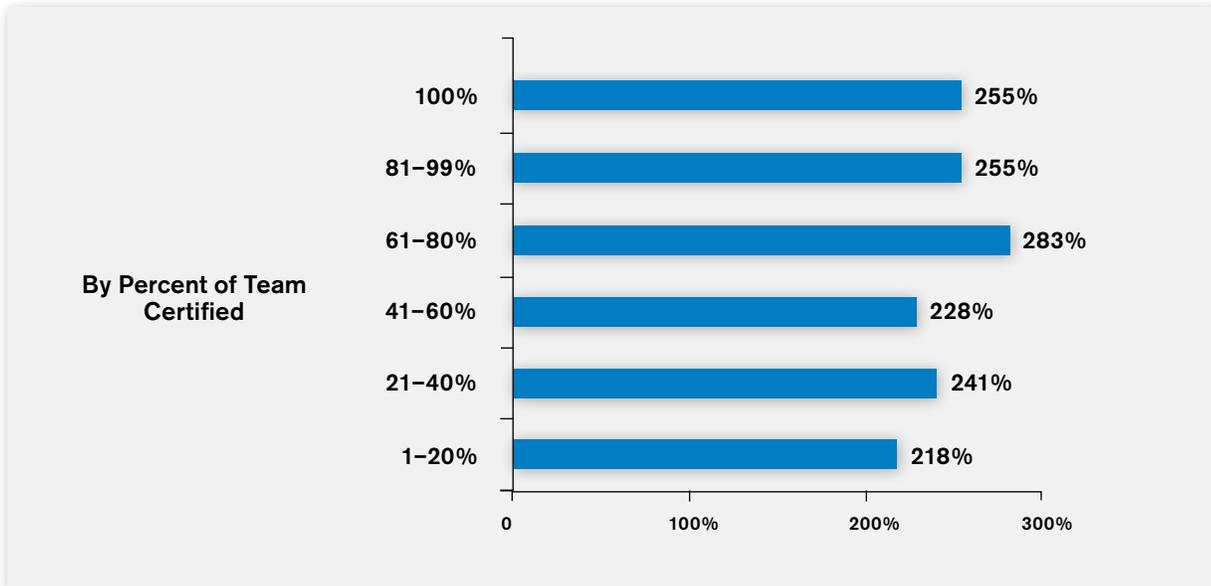
The top ways in which the value of HR certification is measured include increases in employee engagement, employee satisfaction and productivity. HR professionals outside of the U.S. are more likely than their U.S. counterparts to measure the value of certification through customer satisfaction, increases in profitability, increases in revenue, and reductions in recruitment costs training costs and staff turnover.

**FIGURE 17: Impact of Certification on Profitability**



There is a correlation between the percentage of an organization’s HR team that is certified and the organizational ROI. Teams with 61-80% of their members certified saw the greatest ROI, and generally speaking, the higher the proportion of certified professionals, the higher the ROI.

**FIGURE 18: Return on Investment Depends on Size of HR Team**



### MAXIMIZING THE VALUE OF CERTIFICATION

Maximizing the value of certification was seen as a challenge that could be met in a number of ways, with four main recommendations made. The top recommendation made by professionals was for advice to be provided to employees seeking professional certification on how certification can be obtained and what the benefits of certification are. Professionals believed that providing funding to potential certificants and encouraging more people to obtain certification would make certification more prominent and therefore more valuable. Finally, employees should be encouraged to apply what they learn from certification in the workplace.

### THE FUTURE OF PROFESSIONAL HR CERTIFICATION

The future of professional HR certification looks bright, as long as the nature of certification evolves to reflect the changing HR function. Most positively of all, certification will become more and more relevant in the increasingly competitive workplace of today, particularly in international companies that want to be able to compare staff across borders and will demand a more globalized certification.

## CONCLUSIONS

The results of the study clearly show that professional certification is a highly valued credential for HR professionals around the world. While employers are more willing to pay for certificate programs and professional certification, professional certification is considered as a better value for the money spent. On nine out of 10 dimensions, professional certification outscores almost all credentials, with the exception of price. However, the value of professional certification outweighs its costs, while certificate programs are considered less valuable than the money spent. Recertification increases the value of professional certification because it keeps knowledge current, keeps certification valid and relevant, keeps skills sharp, and allows for flexibility and ongoing education.

Overall, the HR profession is seen to understand the concept of professional certification, while business leaders of non-HR roles are considered less likely to understand the difference between professional certification and certificate programs.

Reasons for individuals obtaining professional HR certification vary by geography—U.S. professionals seek to increase their knowledge, improve their resumes and demonstrate their commitment; professionals outside of the United States share these objectives but also wish to improve their efficiency and obtain a global perspective. Employers see increasing and updating employees' knowledge and demonstrating their commitment as the key advantages of professional HR certification. Professionally certified HR employees are more likely than non-certified employees to gain senior positions within their organizations.

The reputation of the awarding body, as well as experience-based exams, recertification and continued education, are the key factors that make certification valuable. U.S. HR professionals value each of these factors more than their counterparts outside of the U.S. Engagement with employees, particularly the provision of advice and funding, are seen as the main means to maximize the value of professional certification. Increases in employee engagement, employee satisfaction and productivity are the top ways of measuring the value of professional HR certification, as are reductions in staff churn, training and recruitment costs. Lower certification costs in the United States mean U.S. employers are most likely to pay for employees' certification.

Overall personal ROI for professional HR certification is 253%. U.S. HR professionals, certified HR professionals and employers report higher-than-average 'personal' ROIs. Overall organizational ROI for professional HR certification is 216%. Certified HR professionals and employers report higher-than-average 'organizational' ROIs. The greater the HR professionals' experience, the more they value the benefits of certification.

In order to continue generating ROI for HR professionals, certification will need to evolve. Providing that this happens, the future for professional HR certification looks bright—more relevant, more international and more valuable.

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