

**Alabama Talent
Triad Overview**

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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 talent marketplace that connects students, job seekers, employers and education & training providers.

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 and alignment are needed to create a unified talent marketplace that connects all workers, career opportunities, and learning experiences to power economic growth and the mobility of its citizens in both the private and public sectors.

Alabama's leaders understood this problem deeply and used evidence to create the Alabama Talent Triad, which is the first unified talent marketplace facilitated by a state in the US through alignment of government vision & industry needs, interoperability of systems, a focus on making skills the common currency of education & training programs, supporting responsible AI and data-driven decision making, and continuous innovation. To share the experience of this important effort, partners have created The Alabama Talent Playbook, which provides details for how the state is building a stronger 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.

The Alabama Talent Triad Today

In the first full year of deployment, the Alabama Talent Triad has produced 125,729 validated Learning & Employment Records containing 226,876 credentials & 2,041,884 skills from education partners such as the Alabama Community College System (ACCS) and Alabama State Department of Education (ALSDE). The validated credentials and skills are from CTE programs, dual enrollment programs, ACCS degree and non-degree programs, ACCS Innovation Center programs, ACCS adult education programs, and other third-party approved program providers.

Employer participation has also been encouraging. To date, the Alabama Talent Triad has supported over 10,000 open job roles from 1,585 companies, which span all industry sectors and regions across Alabama.

These efforts have yielded 13,180 candidate recommendations to employers and 26,240 job recommendations to students and jobseekers.

Alabama Talent Triad workforce statistics can be found here: <https://www.alabamatalenttriad.com/alabama-workforce-data>.

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

The Talent Triad is a public-private partnership, now sponsored by the Alabama Department of Workforce to increase the number of credentialed Alabamians, address industry needs, increase the state's labor force participation rate, and produce more real-time and accurate talent pipeline data. Unlike many other efforts where states are deploying technology to only gather and connect workforce and education data for state-level research and reporting, the Talent Triad is designed to serve the entire workforce ecosystem by facilitating the success of:

- Students and jobseekers from grade 8 through retirement
- Employers across all sectors and in-demand occupations
- Education & training providers supporting degree and non-degree credentials and programs of value

Additionally, state agencies and economic development teams will benefit from the outcome data and insights gained from the Talent Triad which is not currently available, is 12 to 18 months delayed, and/or misaligned.

The newly formed Alabama Department of Workforce was created to support alignment and drive economic growth throughout the state for its citizens and industries alike. The Alabama Talent Triad offers the state an infrastructure and model to drive the alignment and outcomes needed to deliver on a unified workforce ecosystem, an increased credentialed workforce, and continuously increasing labor force participation for today's and tomorrow's economy.

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

- **The Alabama Credential Registry** is an online resource that enables Alabama's education and training providers to register their programs and affiliated credentials and skills learned and earned. The Alabama Credential Registry includes both degree and non-degree programs and is inclusive of all credential awards: short- and long-term industry certificates, certifications & licenses; degree and non-degree issued credentials; apprenticeships; etc. The Alabama Credential Registry creates a real-time outlook for the full array of programs available to learners in the state. Unlike other credential registries, Alabama's goes a step further to describe the skills and competencies that learners gain while in-progress and upon completion of these programs. This work is organized to support the state's Competency Ontology, and results in what the state calls the "DNA" for in-demand jobs supporting industry relevance and alignment, as well as supporting stackable learning pathways and credit for prior learning. The Alabama Credential Registry also supports the Compendium of Valuable Credentials review process, which is legislated in Alabama to ensure program relevancy, as well as the issuing of validated credentials and skills.
- **The Alabama Digital Wallet** includes multiple tools: User profiles; Learning & Employment Records (LERs) supporting both validated and self-attested skills credentials, and experiences; digital resumes; and recommended jobs and learning opportunities. Students and jobseekers can capture their validated and self-attested learned and earned credentials, skills, experiences in multiple ways to develop a full profile of their education and training achievements, allowing them to match with both expected and unexpected career and learning opportunities due to the foundational work that is supported within the Alabama Credential Registry. Further, students and jobseekers are able to tailor their digital resumes and are in full control of the information they share.

Because all modules of the Talent Triad share and assimilate data, a unified talent marketplace and robust data dashboard are possible.

Skills as a Common Currency to Expand the Relevant Talent Pipeline

While unemployment numbers continue to decline, there is a deeper story that reveals persistent gaps in access to and alignment of education and employment.

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, as of 2023 no state except New York had a positive worker-to-job ratio. It is in every state's interest to explore options to better align education and industry needs, as well as connect jobseekers with well-paying jobs. Talent shortages help no one, including state governments and state economies. In Alabama, unification and alignment of efforts has taken shape in multiple ways:

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- Putting into legislation the Compendium of Valuable Credential review process
- Unifying the Departments of Education, Labor, and Commerce under the Department of Workforce
- Releasing of the Alabama Talent Triad
- Promoting interoperability of systems
- Encouraging regional and industry-aligned workforce ecosystems

Using skills as the common currency to drive alignment and increase the state's labor force participation rate originally led Alabama to focus on driving a skills-based hiring approach and outcomes via the Alabama Talent Triad. Employers 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 is a key aspect and benefit in which the Talent Triad is supporting because of the transferability of skills across industry sectors and job roles that are quickly evolving. However, the past several years has unveiled that a skills-based hiring approach alone can be divisive and distracting. Rather, an evolution to support the transparency of programs, credentials, and job roles by using skills as the common currency allows alignment and unification to be possible driving increased job opportunities and better outcomes for education programs to be achieved.

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 Google, Amazon, 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.

Skills-based hiring is gaining steam for good reasons:

- **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 relying 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 important, that progress isn't shared uniformly across all firms that adopted skills-based policies. Instead 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.

The Alabama Talent Triad helps set the foundation for outcomes, not just trends. 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 is transparent and that skills are associated with both degree and non-degree credentials so that the principles of skills-based hiring can be applied regardless of degree or credential requirement for a job role.

Alabama believes that using skills as the common currency of programs and credentials will 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 and transparency that both Alabama and national employers need and is the foundation that is operationalized in the Alabama Talent Triad.

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

As impactful as skills-based hiring can be for employers, jobseekers and governments, the approach is amplified when 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 competency for every learner
- Education providers to access students from non-traditional pathways who may have never otherwise matriculated
- Students and jobseekers can understand, demonstrate and advocate for their expertise regardless of where they gained competencies

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' credit for the 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 based on 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.

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

Alabama's Role

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

- Ensuring every resident can access new 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 programs through the establishment of the Alabama Credential Registry, which will continue to grow a common skills framework through the assistance of AI tools
- Facilitating standards of quality across all credentials to ensure jobseekers and employers can trust the competencies and skills being awarded, thereby building further trust in the matching being done by the technology
- Encouraging interoperability of technologies and alignment of initiatives that support the workforce ecosystem
- Making all learning transparent and thereby creating new opportunities for modularizing and unbundling degrees through prior learning assessment and stackable credentials
- 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

Alabama is also encouraged that the Alabama Talent Triad is aligned to support the federal direction as reported by the US Departments of Labor, Education, and Commerce

(<https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2025/08/Americas-Talent-Strategy-Building-the-Workforce-for-the-Golden-Age.pdf>), as well as additional Workforce Pell funding as noted in the One Big Beautiful Bill.

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Call To Action

We invite you to learn with us. Please go to <https://www.alabamatalenttriad.com/> to continue to learn about the Talent Triad. We encourage all Alabama employers, education & training providers, case managers to sign up as partners, and we encourage collaboration from other states and workforce ecosystem stakeholders.



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