

Knapp Certification Industry Scan

Conducted by
Knapp & Associates International, Inc.
Princeton, NJ, USA

November 2007

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Introduction

Background

- Professional/personnel certification programs have become prevalent across diverse industries and occupations/ professions, but there has been surprisingly little research conducted on these programs
- To fill this void, Knapp & Associates International, Inc. (Knapp) and the American National Standards Institute (ANSI) conducted the first comprehensive scan of the certification industry in September 2003 (*Personnel Certification: An Industry Scan*)
- In October-November 2007, Knapp conducted a second scan to track changes in the industry since 2003 and to explore new research questions
- The 2007 *Knapp Certification Industry Scan* is the most comprehensive study of the certification industry to date

Comparisons of 2007 and 2003 scan data

- Much of the data from the 2007 *Knapp Certification Industry Scan* and the 2003 Knapp/ANSI scan were remarkably similar, suggesting that the data obtained in both studies are reliable
- In some instances, the data suggested that change may be taking place in the industry; future scans will confirm whether these data are indeed indicative of a trend
- This report includes comparisons of the 2007 and 2003 data on select topics covered in the scan

Who Did We Hear From?

A diverse convenience sample

- 125 organizations whose certifications pertained to 23 different industry sectors
- Many (61%) sponsored more than one certification program
 - 38% sponsor 2 - 4 certifications
- 58% had been in operation for 16 years or more; 12% for less than 5 years

A diverse convenience sample (cont'd)

Type of organization sponsoring the certification(s)	% of respondents
Not-for-profit entity whose primary mission is certification; legally separate and independent from any trade/professional association	47
An entity within a trade/professional association which has been granted autonomy in decision-making regarding essential certification activities	21
A trade/professional association; control over decision-making regarding essential certification activities is retained by the association	28
For-profit, proprietary entity	4

A diverse convenience sample (cont'd)

- The size of the certification programs varied widely
 - 20% had 100 applications or less annually
 - 38% had 101 - 1,000 applications
 - 25% had 1,001 - 5,000 applications
 - 7% had 15,000 or more applications
- All were headquartered in North America
- Most (79%) had international candidates

Why Do Organizations Create Certification Programs?

Primary reason for creating program	% respondents	
	2007	2003
Elevate the status of the occupation/profession	69	60
Protect the public	18	21
Elevate organization's status	2	3
Create demand for association products/services	2	3
Enhance sales and support of proprietary products/services	2	N/A
Obtain recognition from regulatory bodies	2	3
Avoidance of government regulation	0	1
Generate nondues revenue	0	1
Other	6	5
Don't know	2	3

“What’s In It For Us?”
The Benefits *Actually* Received
from Sponsoring a Program

Benefits experienced by occupation/profession

Benefit	% respondents citing “significant benefit”	
	2007	2003
Visibility of occupation/profession within industry	58	62
Stature of occupation/profession within industry	53	53
Creation/enhancement/expansion of professional development/training offerings for occupation/profession	51	46
Creation/enhancement/expansion of academic training for occupation/profession	32	40
Better understanding of occupation/profession by related disciplines	30	31
Recognition by regulatory bodies	26	28
Visibility of occupation/profession within general public	18	19
Avoidance of government regulation	8*	12

* 34% of respondents indicated this option was “Not applicable” to their program

Benefits to program sponsor: Trade/professional associations

Benefit	% of respondents citing “significant benefit”*	
	2007	2003
Enhanced stature of the sponsor	55	56
Enhanced visibility of the sponsor	55	53
Revenue generation	33	37
Demand for related association products/services	43	33

* Percentage derived from respondents representing trade/professional associations

**Does Certification Make a
Difference to Certificants
and Employers?**

The answer is often, “We don’t know.”

- Only 39% of respondents conduct formal research to evaluate how certified individuals have benefited from their certification
- Even fewer (18%) conduct research on the benefits experienced by employers

For those that conduct such research, the general finding is that certified individuals are most likely to report they have experienced intangible benefits

- The top three benefits cited by certified individuals were:
 1. Enhanced credibility
 2. Personal satisfaction of attaining goal
 3. Recognition by peers and professional colleagues
- 38% of respondents reported increased salary/reimbursement for professional services as one of the top three benefits experienced by certified individuals
- Less than 20% indicated that job promotion, enhanced job opportunities, or a competitive advantage in attracting customers/clients were among the top three benefits cited by certified individuals

For those that conduct research with employers, the general finding was that the verification process provided by certification and the work performance of certified individuals were the top benefits

- The top three benefits cited by employers were:
 1. Independent verification of knowledge/competency
 2. Increased productivity/efficiency
 3. Higher quality of work
- Approximately 2/3 of respondents indicated these were the top benefits experienced by employers

**Where Did the Start-up Money
Come From?**

In the majority of cases, the parent organization absorbed some or all of the costs associated with creating the program, sometimes using its reserves to fund the project

	% of respondents
Absorption of expenses by parent organization	72
Financial reserves of parent organization	20
Grant	14
Loan	10
Absorption of expenses by other organization (i.e., NOT parent organization)	10
Financial reserves of other organization (i.e., NOT parent organization)	4

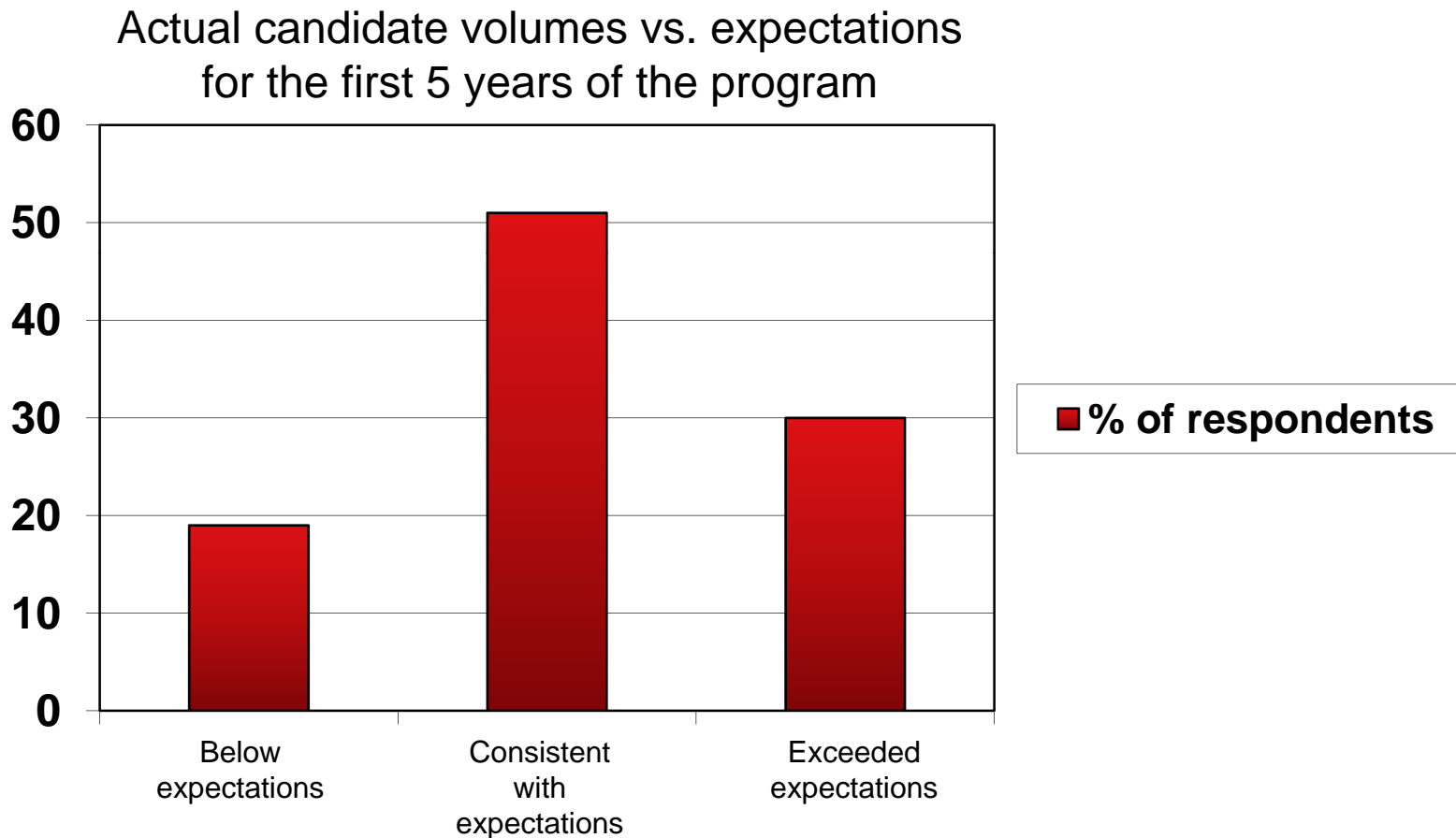
When loans or grants were received, the parent organization or other trade or professional association was the most likely source

Source of loan/grant	% of respondents*
Parent organization	53
Other trade/professional association	37
Other foundation (NOT association foundation)	21
Industry supplier/vendor	21
Large industry employer	11
Association foundation	11

* Percentage based on respondents that had received loans/grants for program startup

**Did Certifiers Accurately
Project the Volumes for the
New Program?**

Most respondents who had access to historical information about initial expectations indicated volumes met or exceeded expectations*



*39% of respondents did not have access to historical data

Is Certification a Growing Concern?

For many it is, but a sizeable proportion are not growing or are shrinking

- 61% of established programs participating in the study experienced an increase in the average rate of growth in initial applications over the last five years
 - Nearly a quarter reported a “significant” volume increase
- 39% reported no growth
 - 25% had stable volumes (plateau)
 - 14% had declining volumes

Growth rate over previous 5 years: 2007 vs. 2003 data

Growth rate	% of respondents	
	2007	2003
Significant decline	5	6
Slight decline	9	19
Stable	25	18
Slight increase	37	34
Significant increase	24	24

**So We've Got Certificants,
But Can We Keep Them?**

More than half of those surveyed retain the majority of their certificants

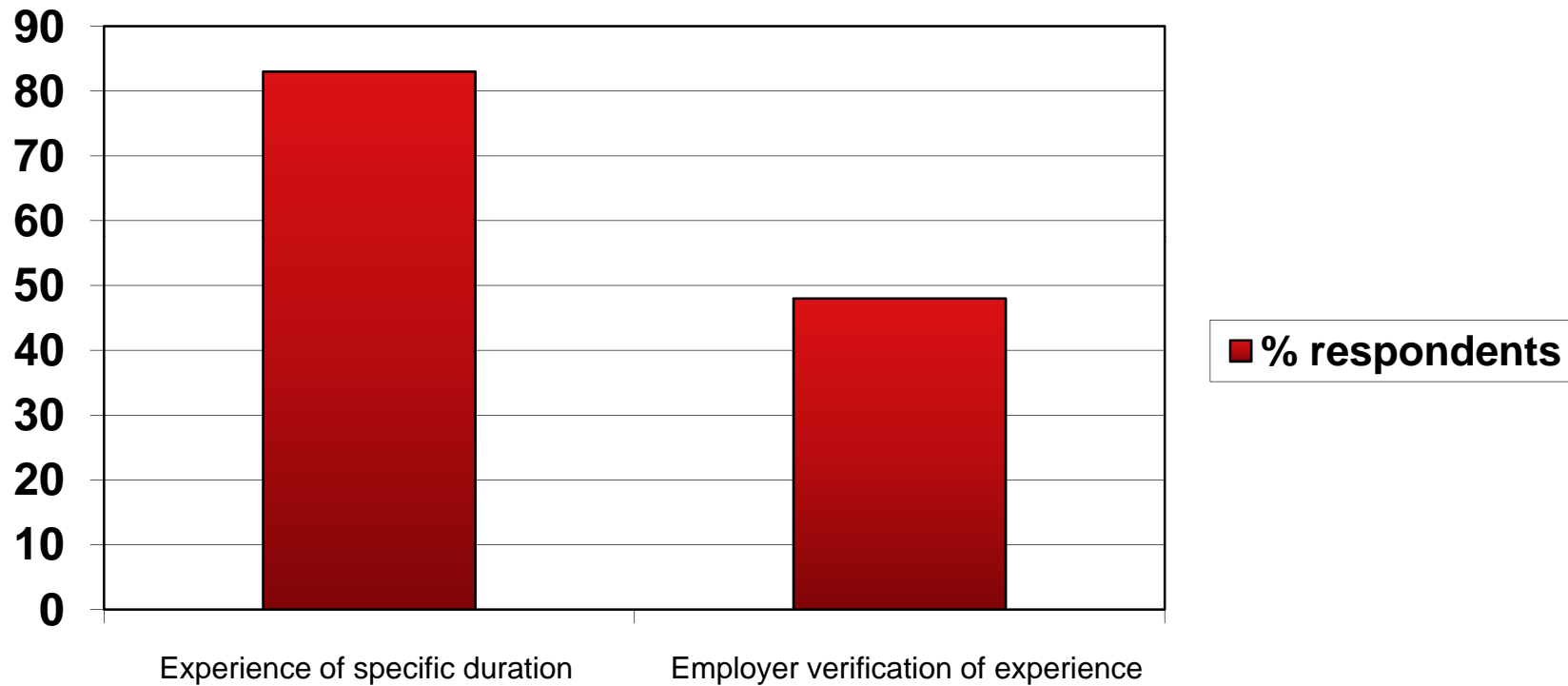
Retention rate	% of respondents
76 - 100%	58
56 - 75%	26
26 - 55%	9
Less than 25%	6

**What is Required to
Become Certified?**

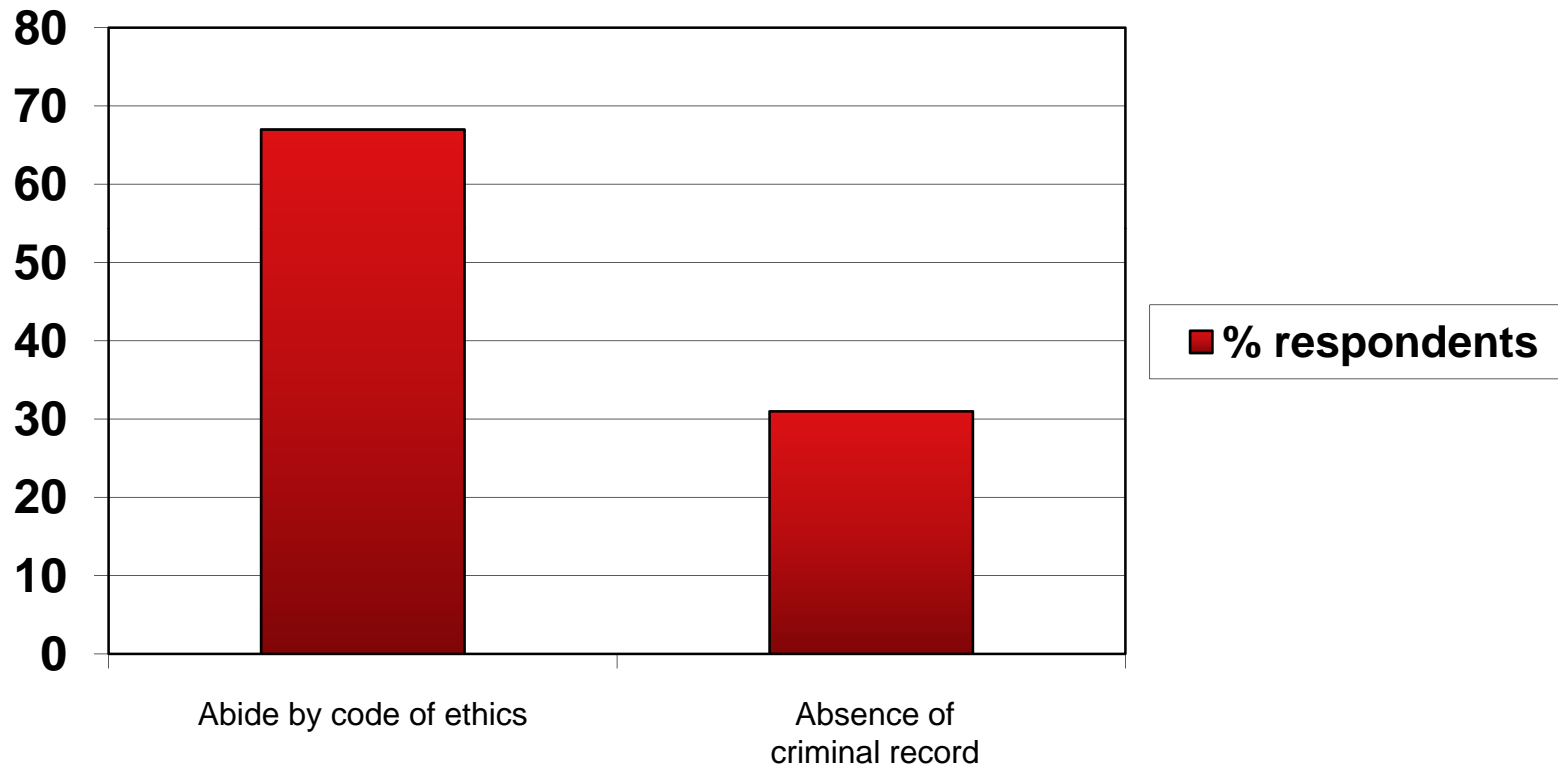
Most respondents had requirements which must be met to become eligible for certification

- Requirements fell into six broad categories:
 - Work-related experience
 - Moral integrity and conformance to ethics codes
 - Academic degrees and formal training
 - Professional development activities
 - Preliminary assessment of knowledge/skills/competencies (employer/peer evaluation, client/peer reference, work product)
 - Professional memberships
- Only 13% have no eligibility requirements for initial certification

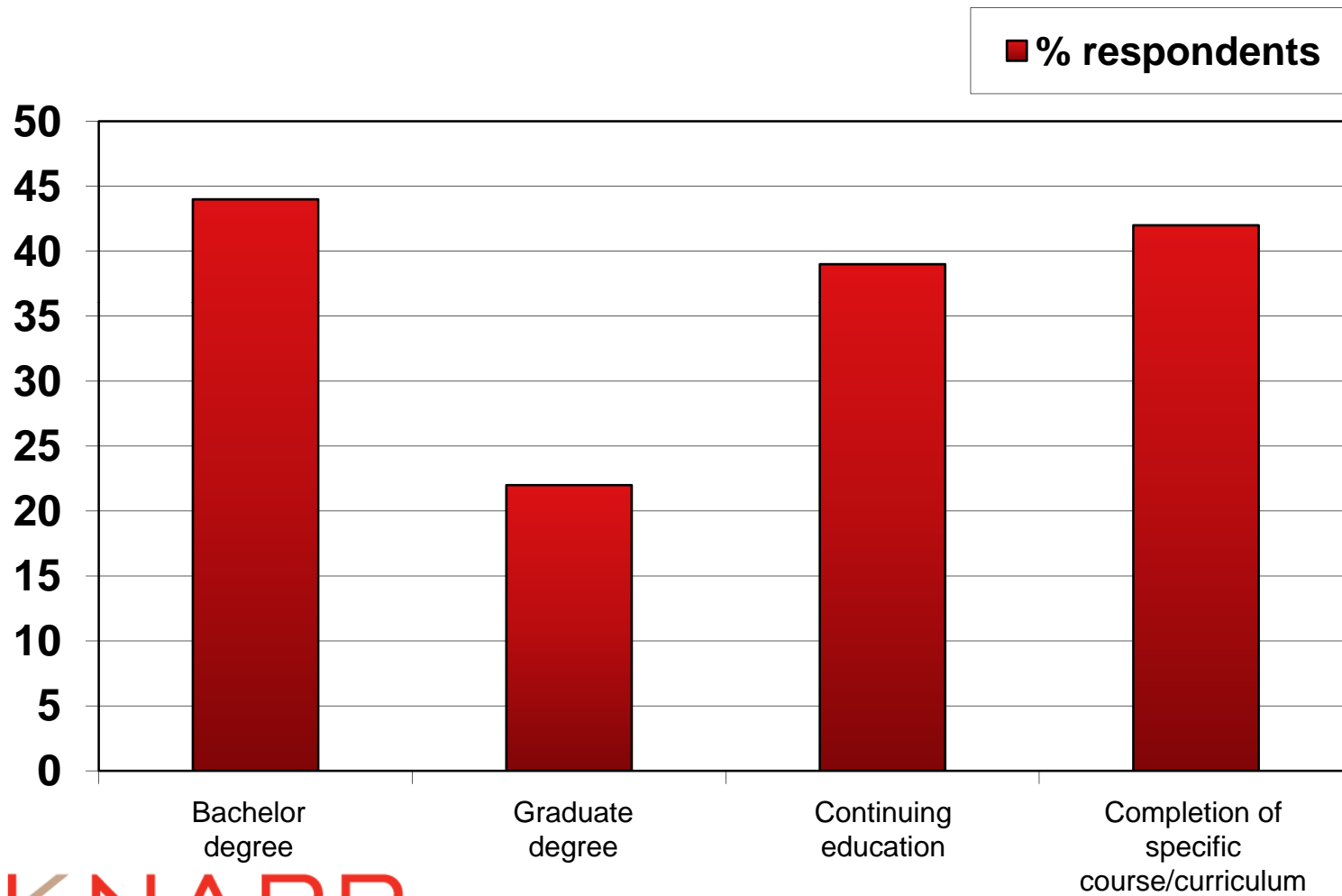
Work experience requirements



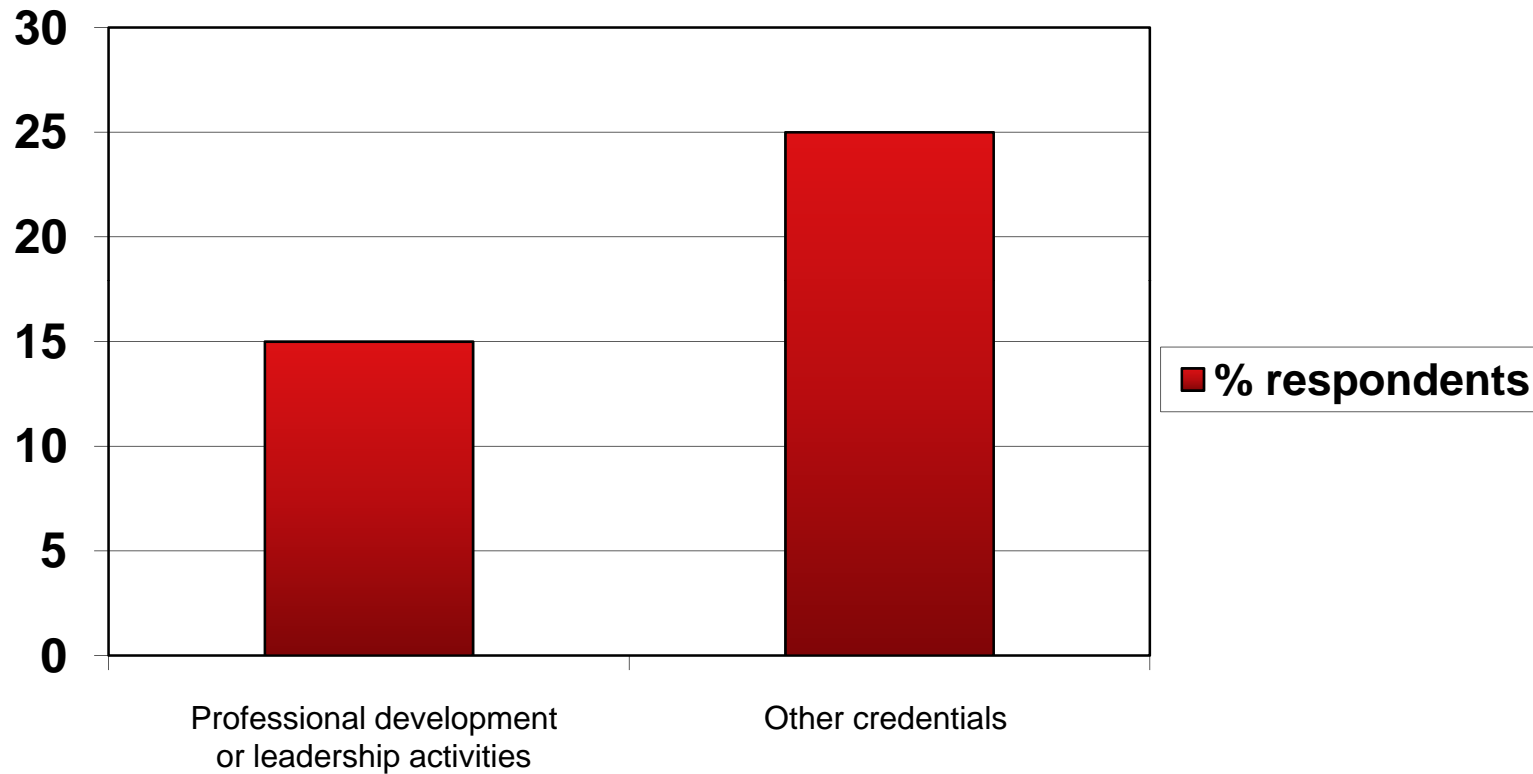
Moral integrity and ethical requirements



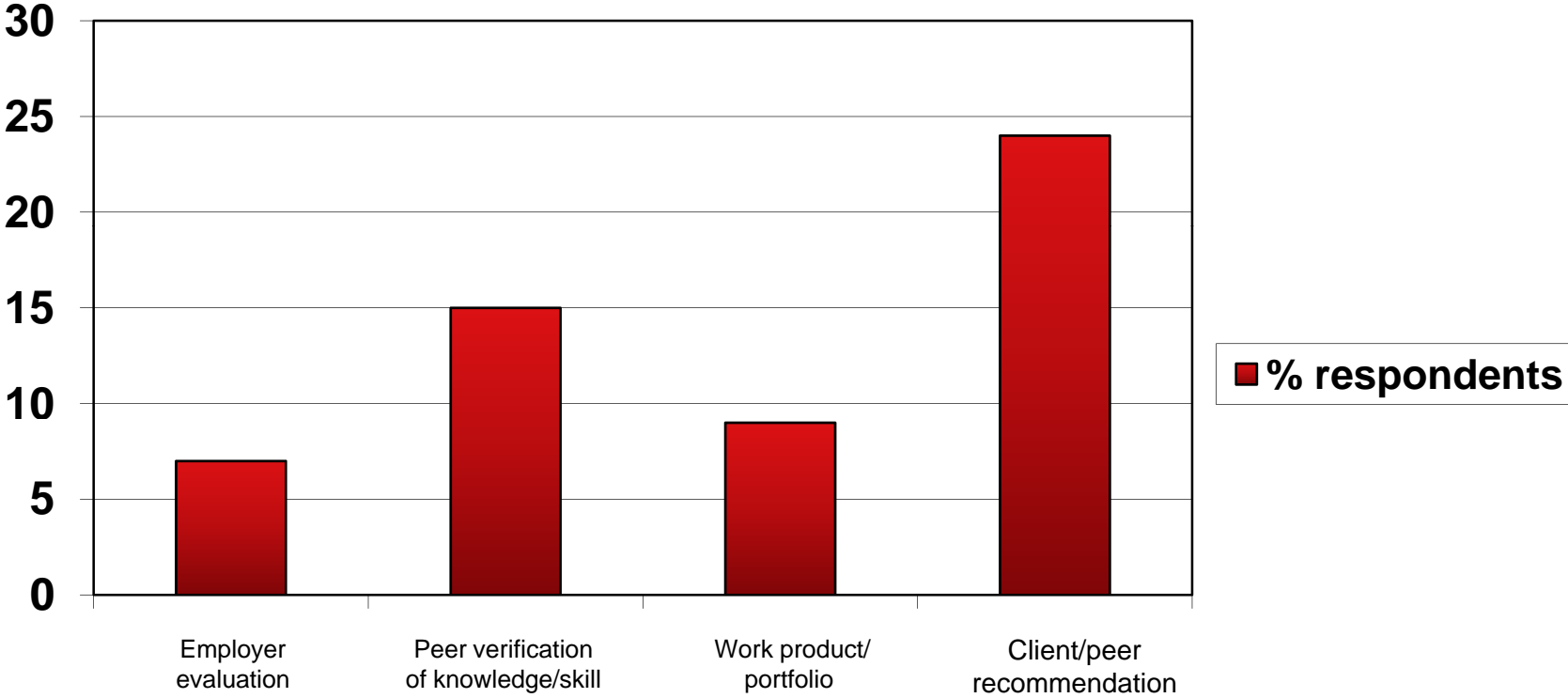
Academic degree and formal training requirements



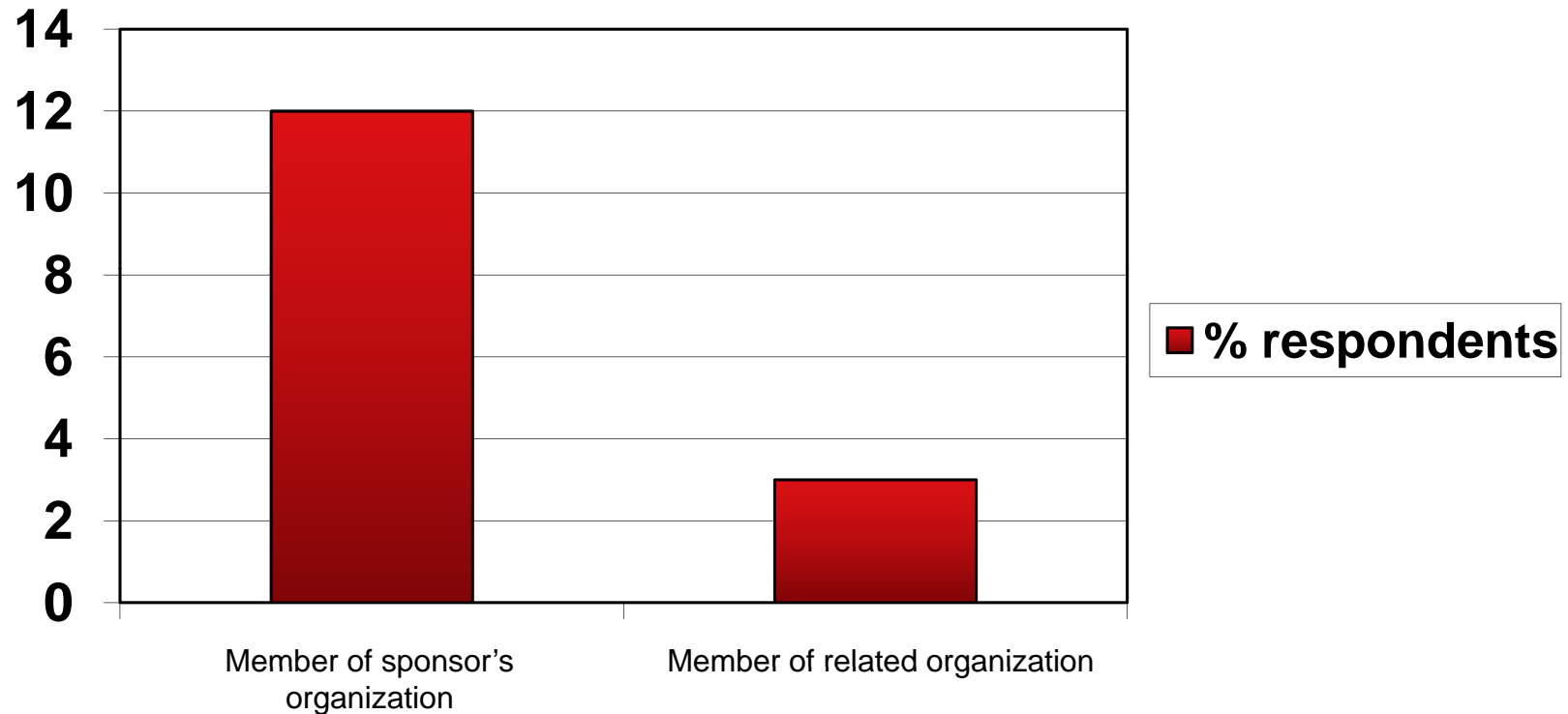
Professional development requirements



Preliminary assessments of knowledge/skills/competencies



Professional membership requirements



What Are the Requirements for Recertification?

The vast majority of respondents offer time-limited certification

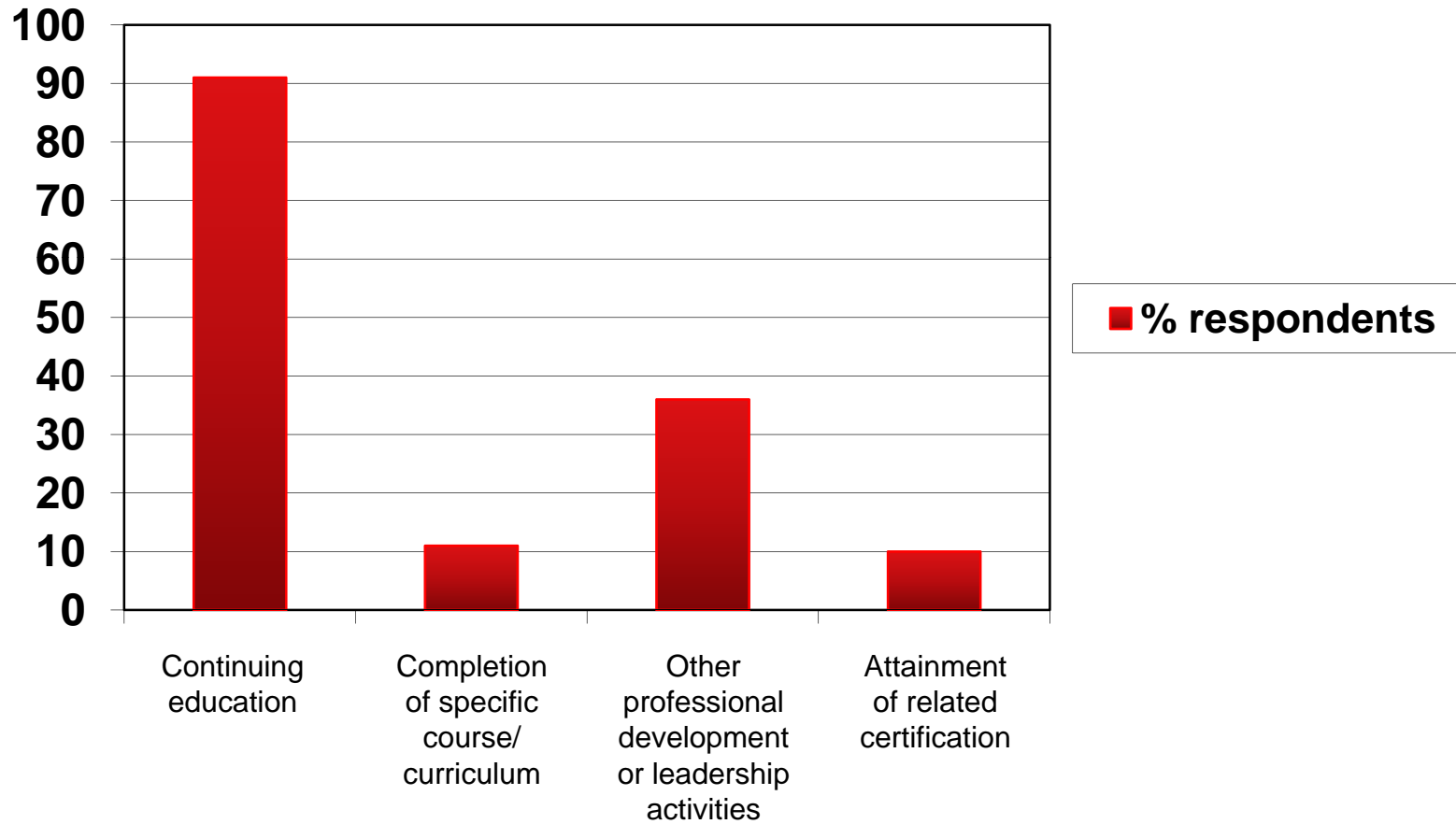
- 89% require that certified individuals engage in activities to maintain or renew their credentials
- Most of these certifiers require that individuals renew their certifications or recertify at least every five years and many require more frequent renewal

Recertification frequency	% of respondents
At least annually	14
Every 2 - 3 years	50
Every 4 - 5 years	33
Every 6 - 10 years	4

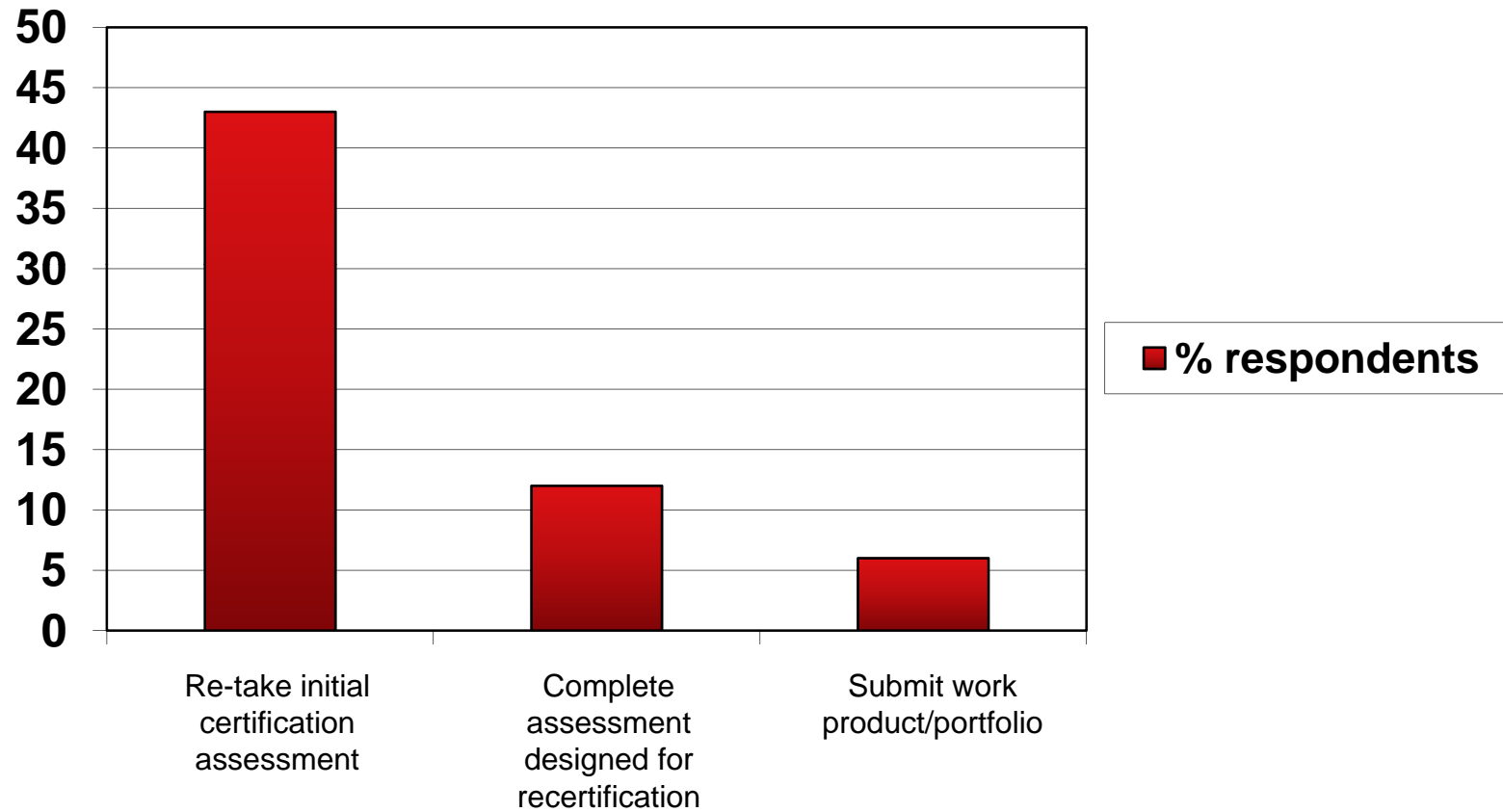
Although there are a wide variety of requirements that can be instituted by certifiers, only a few were used by a sizeable proportion of respondents

- Recertification requirements fell into six broad categories:
 - Professional development activities
 - Completion of an assessment
 - Moral integrity and conformance to ethics codes
 - Work-related experience
 - Professional memberships
- Nearly all respondents (91%) require completion of continuing education/professional development courses in pertinent topics as one of the requirements (or the sole requirement)
- The next most common requirement was completion of an assessment (55%)

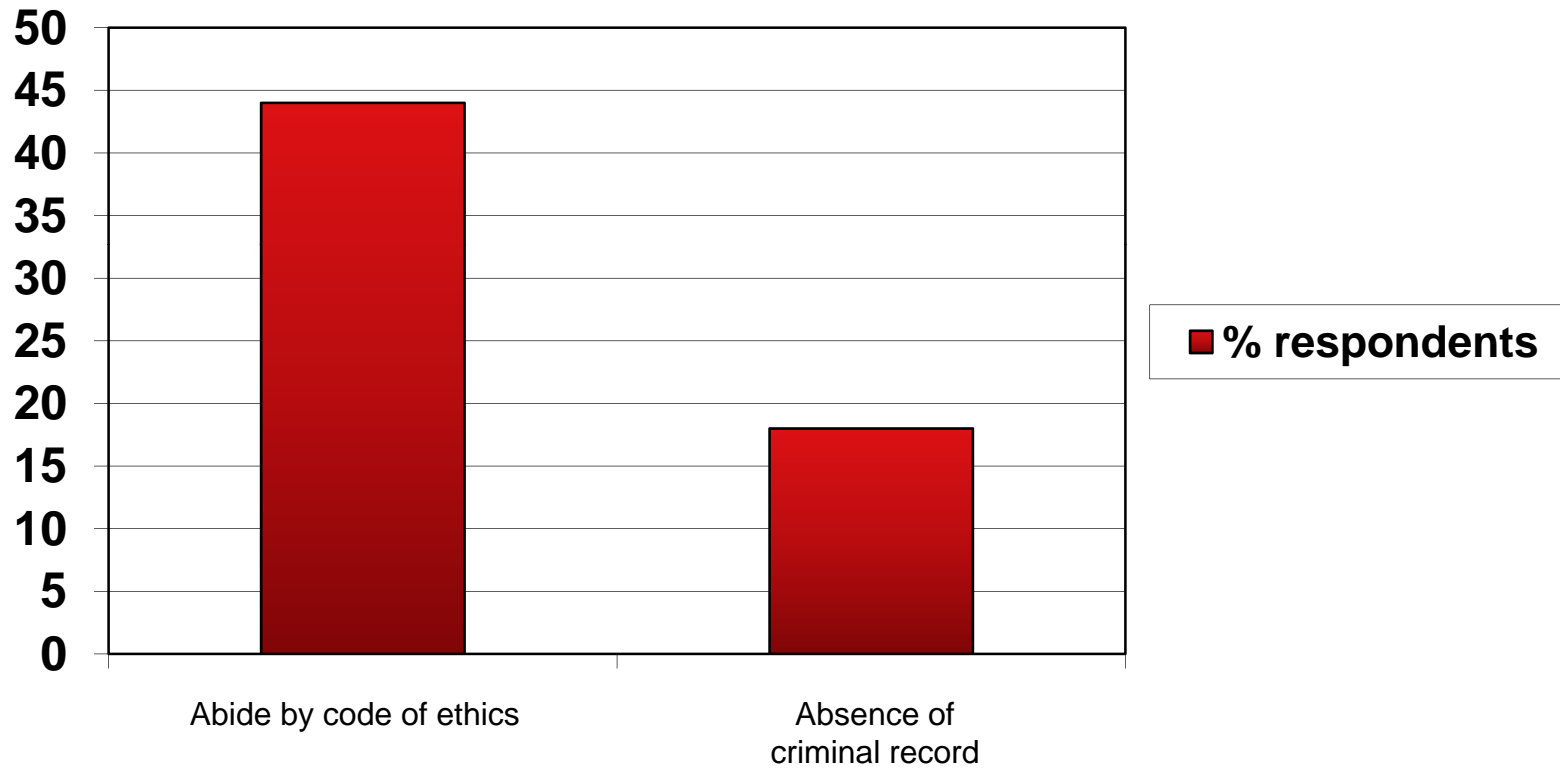
Professional development requirements



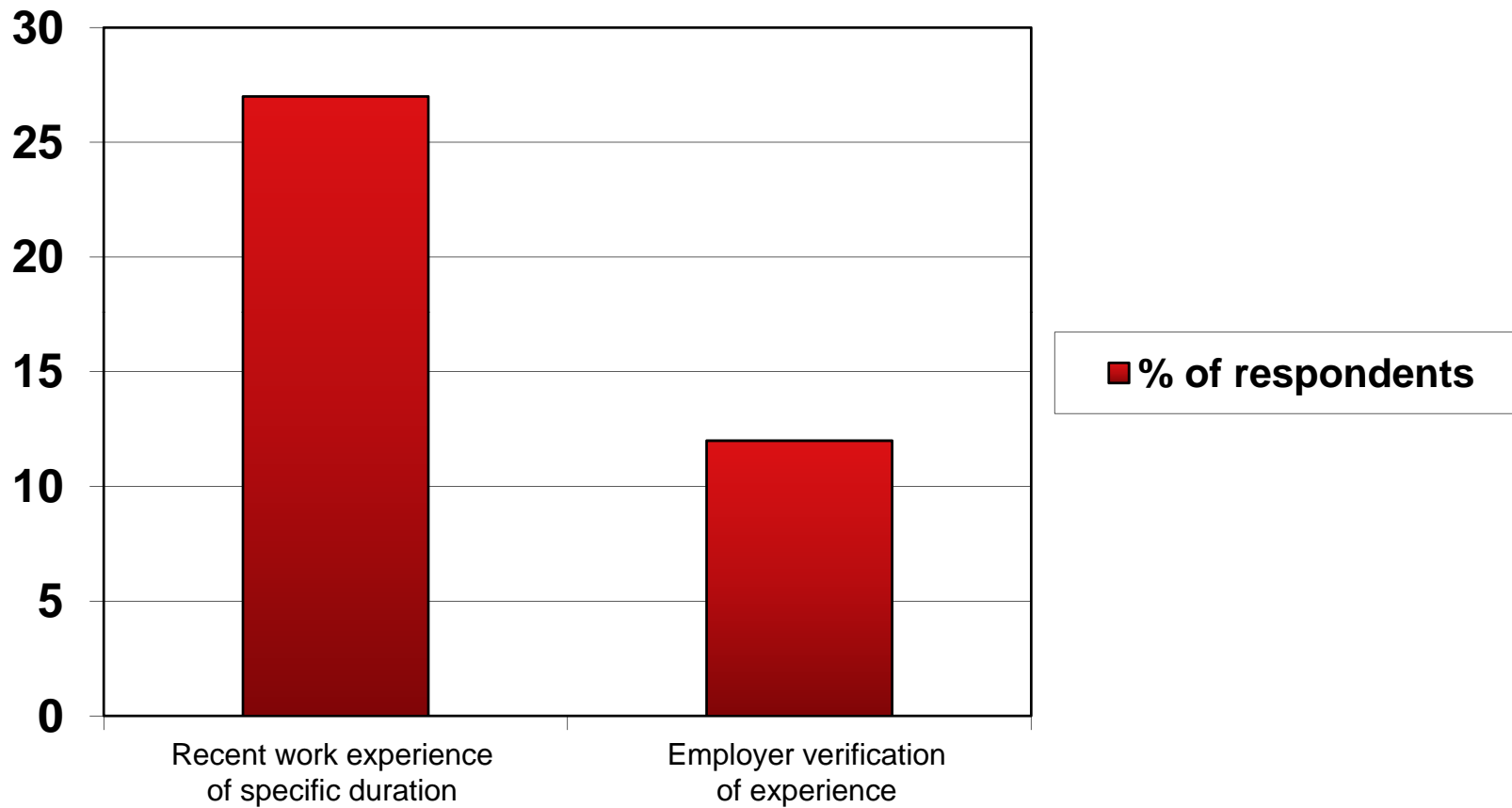
Successful completion of a formal assessment



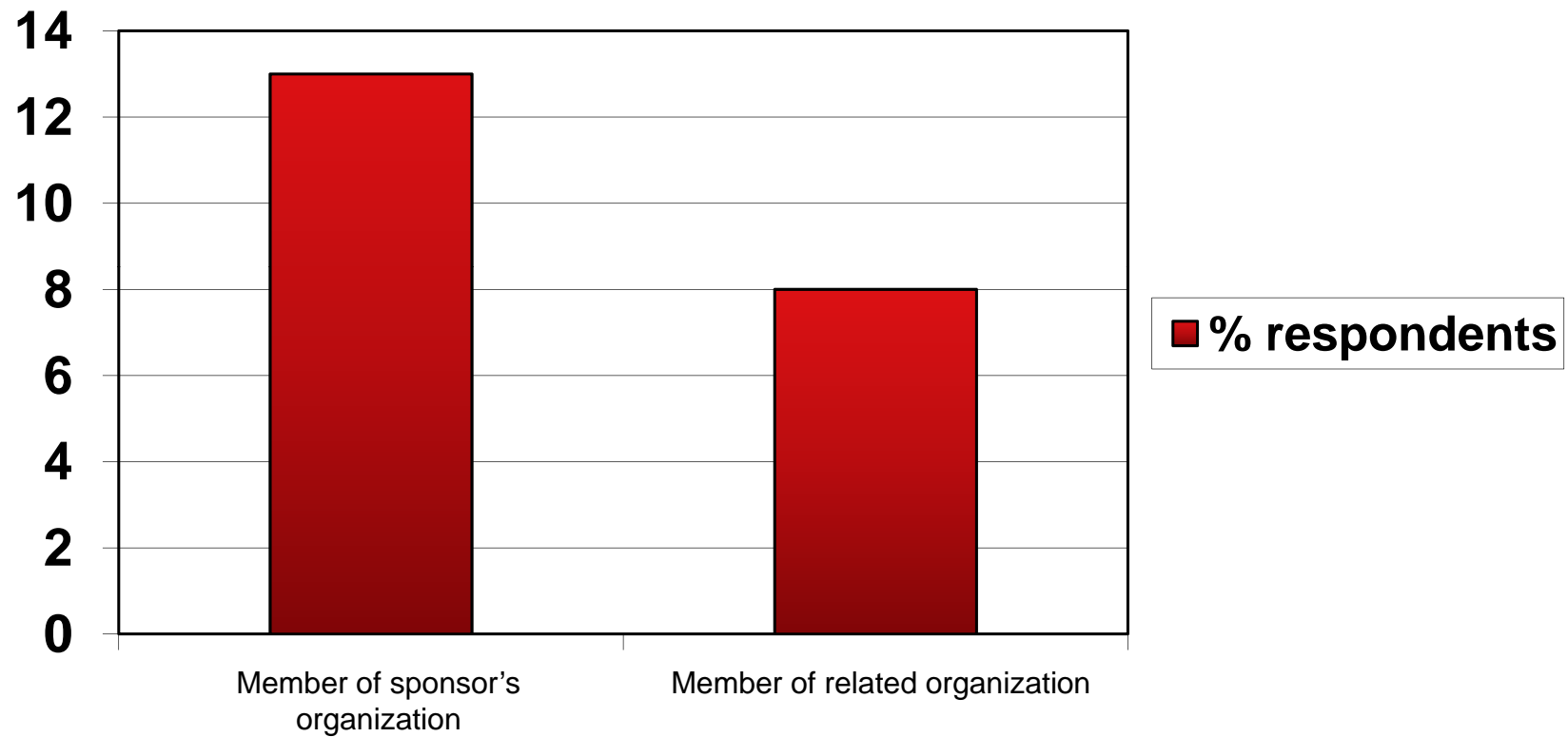
Moral integrity and ethical requirements



Work experience requirements



Professional membership requirements



**What Types of Assessments Are
Used to Verify Candidates'
Knowledge/Skills/Competencies?**

Written examinations are utilized by nearly all respondents as one form of assessment (or the sole assessment)

	% of respondents	
	2007	2003
Written examination	97	95
Oral examination/interview	6	13
Performance-based assessment	17	22
Computer simulation	5	5
Portfolio/work sample	10	14

Virtually all written examinations include multiple-choice questions

	% of respondents*	
	2007	2003
Multiple choice	98	99
Essay	9	15
True-false	8	20
Answer completion	5	10
Short answer	3	10

* Percentage based on respondents who administer written examinations

**How is the
Passing Standard Determined?**

The majority of respondents utilize methods recommended by testing experts and required by industry standards

	% of respondents
Criterion-referenced method	76
Normative method	6
Score selected based on professional consensus or academic standards	18

How Are the Assessments Validated?

The vast majority of respondents conduct formal validation studies, and most do so on a regular basis, as recommended by testing experts and required by industry standards

- 90% conducted a formal study (e.g., job/practice analysis, role delineation, body of knowledge) to identify/validate the content of the assessments
- 72% perform validation study updates every 5 years or less
- 5% do NOT conduct formal studies to update the assessment content (e.g., do NOT conduct a new job analysis, convene a special expert panel)

Frequency of job/practice analysis update studies

	% of respondents
At least annually	5
Every 2 - 4 years	23
Every 5 years	44
Every 6 - 10 years	23
Every 10+ years	1
Do not conduct formal studies to update content	5

How Are Written Examinations Administered?

The prevalence of computer-based testing appears to be catching up to paper and pencil

	% of respondents	
	2007	2003
Paper-and-pencil testing	72	81
Computer-based testing	60	34

**How Frequently Are the
Assessments Conducted?**

On-demand testing is the most common approach

Testing frequency	% respondents	
	2007	2003
Less than annually	0	2
Once per year	10	12
2 - 5 times/year	31	33
6 - 12 times/year	8	8
On demand	51	45

Are Assessments Translated?

Translation is not a common practice

- Although customers, either domestically or globally, may request that assessments be translated into other languages, it appears that few certifiers respond to such requests
- 81% of respondents administer the assessment only in English

**And Now the Bad News –
Scoring Errors and
Security Breaches**

Nearly half of the respondents had experienced at least one scoring error in the last five years; more than a quarter had multiple scoring errors

	% of respondents
No errors	52
1 error	21
2 - 5 errors	22
6 or more errors	5

More than 1/4 of respondents had an identified loss or theft of assessments or examination questions in the last five years; 10% had multiple incidents

	% of respondents
No incidents	73
1 incident	17
2 - 5 incidents	6
6 or more incidents	4

The question remains though as to whether the number of *identified* incidents is the *actual* number of incidents (i.e., did unidentified incidents also occur)

Breaches were both intentional and unintentional, but did not necessarily result in the material being made public

- 64% of respondents experienced incidents that were intentional (i.e., the result of theft)
- 66% experienced incidents that were unintentional (i.e., the result of individuals failing to follow security procedures or unintentionally releasing the assessment/items)
- Only 34% of those affected reported that the stolen or unintentionally released information ultimately was published or otherwise made public without permission from the certification program

Above percentages based on respondents who experienced breaches

There were a variety of guilty parties, including individuals associated with the certifier and its vendors

- 48% of affected respondents experienced incidents attributable to paid or volunteer proctors working directly for the program (i.e., NOT professional test center personnel)
- 28% experienced incidents attributable to program employees or non-proctor volunteers
- 17% experienced incidents attributable to employees of a testing company or professional test center
- 37% experienced incidents attributable to examinees or others not involved with development or administration of the assessment

Above percentages based on respondents who experienced breaches

**Considering Pulling the Plug
on Your Credential?**

A sizeable proportion of respondents (30%) had shelved a credential or were considering doing so

- 18% of respondents had discontinued a credential in the last five years
- Another 12% were considering doing so in the future

Appeals and Disciplinary/Revocation Policies

Most respondents had formal policies on appeals, disciplinary action, and revocation

- 84% had a formal appeals policy
- 82% had formal disciplinary and credential revocation policies
- Disciplinary/revocation policies were most likely to specify the following as grounds for action:
 - cheating
 - fraud or misrepresentation
 - gross negligence or professional misconduct

Grounds for action as specified in disciplinary/ revocation policies

	% of respondents*
Cheating on assessment	91
Fraud/misrepresentation on certification/recertification application	85
Divulging the assessment or test questions	78
Violation of code of ethics	74
Gross negligence or professional misconduct	72
Misuse of certification mark	61
Misrepresentation of the purpose of the credential	58
Felony conviction in a related area only	42
Any felony conviction	34
Loss of professional license	27

* Percentage based on respondents who had disciplinary/revocation policies

Show Me the Money – Program Fees

Fees charged by respondents for initial certification range broadly, but the majority were less than \$500 USD

	% of respondents
Less than \$100 USD	6
\$100 - 249 USD	22
\$250 - 499 USD	44
\$500 - 749 USD	11
\$750 - 999 USD	8
\$1,000 - 1,249 USD	1
\$1,250 - 1,499 USD	2
\$1,500 or more USD	6

Fees for recertification were generally less than \$250 USD

	% of respondents
Less than \$50 USD	18
\$50 - 99 USD	17
\$100 - 249 USD	44
\$250 - 499 USD	16
\$500 - 749 USD	4
\$750 or more USD	1

How Viable is the Financial Status of Certifiers?

The survey data paint a mixed picture of financial performance and suggest the odds are a little better than even that a program will generate a net gain/profit

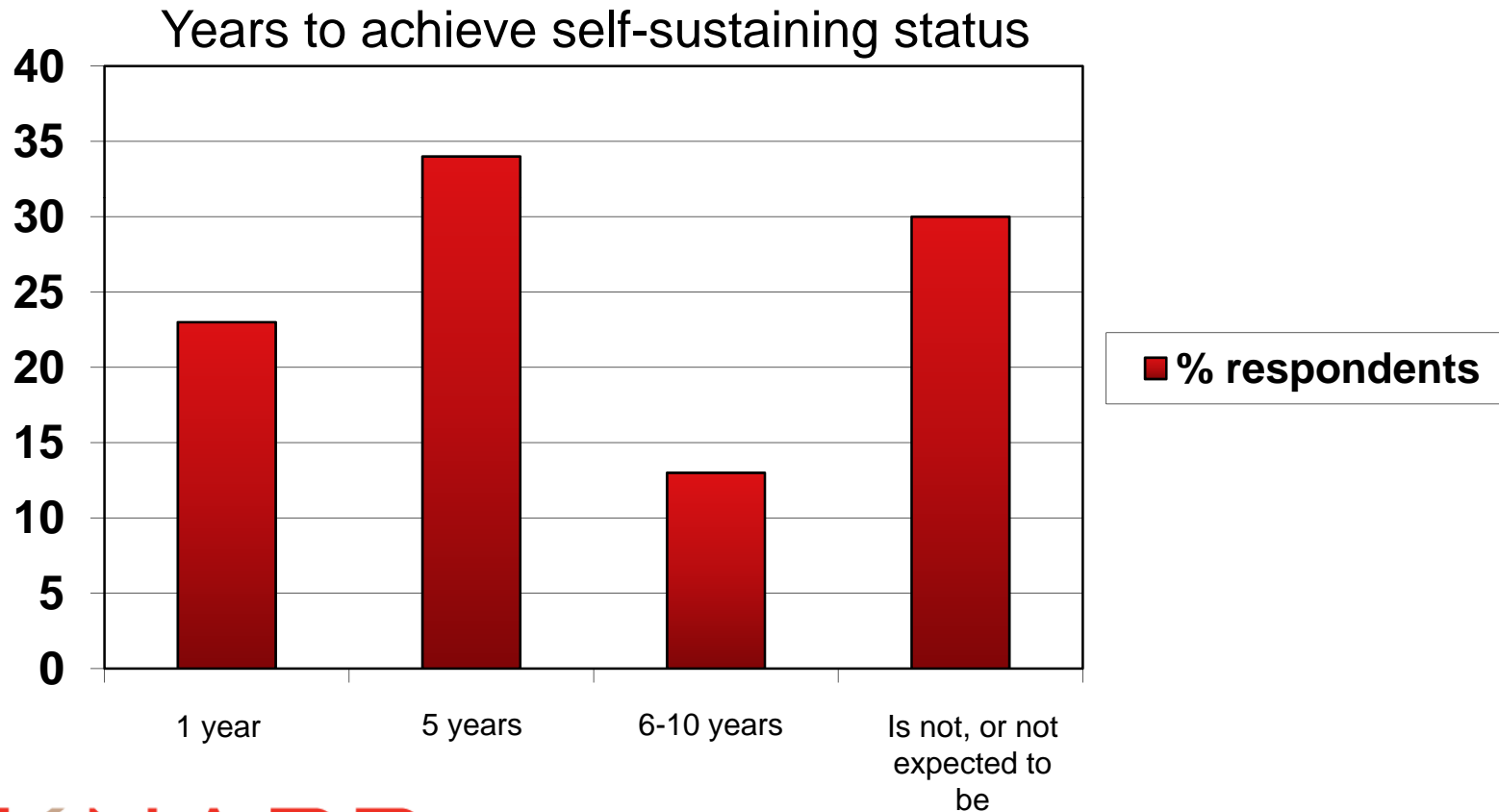
- Slightly more than half (57%) of respondents had a net gain/profit in the most recently completed fiscal year
- 27% experienced a net loss
- 16% reported break-even status

Annual gross revenue covered a broad range, although a sizeable percentage (59%) reported revenue of less than \$500,000 USD

Revenue	% of respondents
Under \$15,000 USD	4
\$15,000 - 24,999 USD	4
\$25,000 - 49,999 USD	7
\$50,000 - 99,999 USD	11
\$100,000 - 499,999 USD	33
\$500,000 - 999,999 USD	13
\$1,000,000 - 2,000,000 USD	7
\$2,000,001 - 5,000,000 USD	11
More than \$5,000,000 USD	9

**What Is the Likelihood of a
Program Becoming Financially
Self-Sustaining and How Long
Does It Take?**

Almost one third of those surveyed indicated their program was not expected to, or had not become financially self sustaining; slightly more than half had programs that were self sustaining within the first five years



**Who Does What –
Which Operations/Functions
are Outsourced?**

More than 3/4 of respondents fully or partially outsourced at least one operation/function, usually those related to the development, scoring, and administration of the assessments

Operation/function which is fully/partially outsourced	% of respondents
Assessment analysis	64
Assessment scoring	62
Administration/delivery of assessment	59
Assessment development	45
Collection of application/assessment fees	17
Application processing	14
None	21

How Do Certifiers Market Their Programs?

Marketing tactics aimed at employers

Tactic	% of respondents
Direct mail to employers	56
Personal meetings with large employers	43
Employer roundtables/advisory boards	35
Outreach to human resource and employee placement professionals	30

Outreach to other stakeholders and influencers

Tactic	% of respondents
Provision of curriculum guidelines/instructional materials to educators	59
Outreach to governmental bodies	52
Incentives to local chapters or other organizations to promote certification	46
Presentations/Q&A sessions at academic institutions	44
Advertising/public service announcements directed at the public	22

Traditional promotional tactics

Tactic	% of respondents
Exhibit hall booth at industry/professional meetings	86
Presentations/Q&A sessions at industry/professional meetings	85
Advertisements in industry publications	80
Direct mail to potential applicants	74
Articles in industry publications	73
“News You Can Use” websites/newsletters for potential applicants	59
Award program recognizing successful certificants	53
Citations in national media	40
Exhibit hall booth at job fairs	30

New(er) marketing tactics

Tactic	% of respondents
Word-of-mouth marketing (buzz marketing, viral marketing, leveraging customer evangelists)	93*
Online communities	51
Certification program blog	19

* This survey item was intended to refer to formal marketing techniques designed specifically to create/increase word of mouth; however, the high percentage of respondents selecting the item suggests that many interpreted this item to mean naturally occurring word of mouth

**But Are These
Marketing Efforts Effective?**

Marketing tactics aimed at employers

Tactic	% of respondents indicating “very effective”*
Personal meetings with large employers	49
Direct mail to employers	25
Employer roundtables/advisory boards	19
Outreach to human resource and employee placement professionals	16

* Percentage of those respondents who utilize the tactic. For some tactics, the percentage is based on a small number of respondents.

Outreach to other stakeholders and influencers

Tactic	% of respondents indicating “very effective”*
Provision of curriculum guidelines/instructional materials to educators	38
Incentives to local chapters or other organizations to promote certification	36
Presentations/Q&A sessions at academic institutions	31
Outreach to governmental bodies	24
Advertising/public service announcements directed at the public	15

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Exhibit hall booth at job fairs	8

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* Percentage of those respondents who utilize the tactic. For some tactics, the percentage is based on a small number of respondents.

Going Global

The vast majority of respondents had some level of international involvement

- 79% of respondents have international candidates (i.e., candidates living outside of the country in which the certifier is headquartered)
- In 2003, 72% of respondents had international candidates

Geographic regions in which candidates reside

	% of respondents with candidates in region
Asia Pacific	56
Europe	55
Middle East	39
Central/South America	38
Africa	22

For more than half the respondents, the greatest rate of growth continues to be in the region in which they are headquartered – North America – although 1/5 reported their greatest rate of growth was in the Asia Pacific region

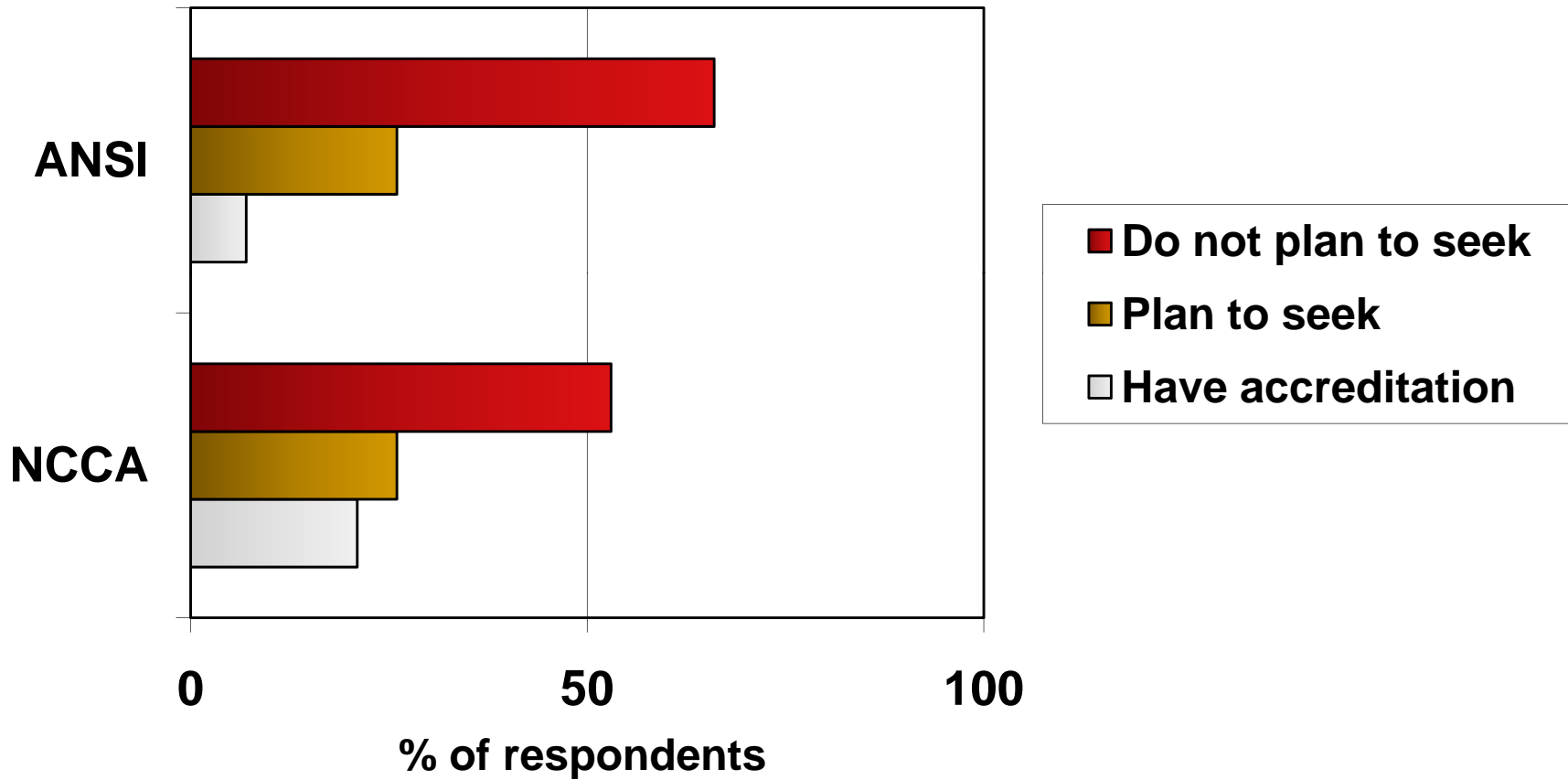
Geographic region in which candidate volume growth rate is greatest	% of respondents
North America	57
Asia Pacific	21
Middle East	6
Europe	4
Central/South America	4
Not applicable – Volumes in all regions have plateaued or are declining	7

**Is Accreditation
Important to Certifiers?**

Interest and participation in accreditation was disappointing overall

- Only a minority of the certification programs were accredited by either the American National Standards Institute (ANSI) or the National Commission for Certifying Agencies (NCCA)
- More than half did not plan to seek accreditation from either ANSI or NCCA

Accreditation status



Accreditation status data: 2007 vs. 2003

Status	Scan Year	% of respondents	
		ANSI	NCCA
Have	2007	7	21
	2003	5	14
Plan to seek	2007	26	26
	2003	21	30
Do not plan to seek	2007	66	53

For further information on the study, contact:

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