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The Decline of the Degree: Why Micro-Credentials Are the Employee Currency of the Future

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Abstract

Micro-credentials have become one of the most exciting products in higher education, adult education and the labour market in recent years. This paper argues that micro-credentials are not just a complement to university courses but can be one of the most important tools for competence development in a rapidly changing world. We seek an answer to the question of why the university degree may lose its relative importance as the primary measure of knowledge and why skills, competencies, adaptability and job-specific skills are coming to the fore. We also present two short examples: the Irish practice and the example of University at Buffalo, how micro-credentials can become one of the strongest elements of the connection between the labour market and higher education. Our main assumption is that the degree will not disappear, but its value may slowly fade into the background, and in the future, micro-credentials that demonstrate verifiable, performance-based competence, immediately applicable skills and the ability to continuously learn will become a competitive advantage. Micro-credentials offer flexible, labour-market-relevant skills but lack the trust, recognition, and quality assurance of degrees, with employers citing consistency concerns more often than skill-fit benefits. Uneven recognition, oversupply, and barriers like cost, language, and digital access further weaken trust and risk excluding vulnerable learners, potentially deepening inequality in adult education.

Keywords: micro-credentials, skills-based hiring, competency-based education, lifelong learning, adaptability

1. Introduction

For centuries, a university degree has been one of the most important socially recognizable indicators of knowledge and expertise. The question today is not whether a degree is valuable, but whether it is sufficient in a world where technology, jobs and the required competencies are

changing constantly and at an accelerating pace. The labour market is becoming less linear, career paths are becoming less predictable, and university learning has become an increasingly targeted process. In this environment, micro-credentials can provide a solution that is both flexible, short-cycle and directly linked to improving the efficiency of work performance (Council of the European Union, 2022; Cedefop, 2022).

The appeal of micro-credentials is that they do not appear as a multitude of learning units accumulated over years, which are difficult to separate, but rather as a certification of well-defined specialized knowledge. This can be particularly important where employers expect quick, measurable and task-oriented skills and knowledge from the candidates. The European Union's recommendation on micro-credentials also points in this direction: micro-credentials can be a key element of lifelong learning, retraining and employability (Council of the European Union, 2022; McCoshan, 2023).

The debate is not simply about education, of course, but about what we consider knowledge. The traditional degree has long been a means of broad literacy, theoretical foundation and social legitimacy. At the same time, the questions of whether a candidate can solve real problems, learn quickly, adapt and mobilize the skills appropriate to the given situation are appearing in a growing tendency in employer decisions. Increasingly, the decisive factor is no longer the formal seals attesting to a qualification, but the demonstrable competencies that individuals can acquire and apply (Bone et al., 2025; Butrica & Mudrazija, 2022).

2. From degrees to demonstrated competence

The reframing of the value of a university degree does not constitute a repudiation of knowledge but rather reflects a transformation in the modalities through which knowledge is measured and validated. Formal qualifications often encompass a wide range of content and acquired knowledge, and it is not always clear which of these can be directly applied in the workplace. Micro-credentials, on the other hand, are targeted and demonstrate the acquisition of a specific competence or skill (Cedefop, 2022; Tamoliune et al., 2023). This is especially important in the digital, green and data-driven economy, where job requirements are changing faster than institutional curricula can adapt to them.

The competency-based approach is not new, but it has only recently become a truly strategic one. In some cases, competency-based learning can lead to better performance than the traditional educational model, especially when the learning outcomes are clearly defined and measurable (Denny et al., 2024). The same logic works in the labour market: the employer does not buy the curriculum description, but the real knowledge acquired during university education.

To put it provocatively: a degree often still shows that someone has been able to meet the expectations of an institutional system for a long time. A micro-credential, on the other hand, shows that someone has acquired the knowledge that allows them to provide an actual solution to a specific problem or current challenge. This difference is important because it can be of immediate benefit to employers, and it is no coincidence that skills-based hiring has become a prominent recruitment method in multiple industries (Bone et al., 2025; SHRM, n.d.; Taamneh et al., 2026).

The primary importance of skills is shown by numerous studies. Adaptability skills include leadership, influencing, behavioural flexibility, and initiative, as well as adaptive behaviour, all of which are key to workplace success (Ybarra, 2023). Similarly, the skills-or-degree debate is increasingly tilting towards skills where work takes place in a rapidly changing environment and where employers are looking for specific task-solving skills (Bone et al., 2025; Horowitz, 2018).

3. Why employers increasingly trust micro-credentials

One of the biggest advantages of micro-credentials is that they are directly linked to employer needs. A well-designed micro-learning course does not demonstrate general literacy, but only a specific competency. This is attractive to employers because it reduces the uncertainty of selection, as candidates can not only demonstrate their general knowledge, but can also demonstrate in a certified way that they have specialized knowledge (ICDL, 2025; Galindo, 2026).

A second important advantage is pace. The labour market cannot wait for the entire higher education training cycle to be completed and for freshmen to become graduates. The need for upskilling and reskilling is continuous due to accelerated technological and organizational changes, which is why short, targeted learning forms have become particularly attractive. In the coming years, there will therefore be a huge need for skill updating, especially due to automation, digitalization and AI solutions (World Economic Forum, 2020; UNICEF & ILO, 2025).

A third aspect is measurability. Micro-credentials are often based on specific performance criteria, assessment logics and demonstrable learning outcomes. This means that employers do not see a vague “level of qualification” but rather precisely defined skills. This kind of transparency is particularly valuable in sectors where, for example, performance, data management, digital tool use or project-based work dominate (Galindo, 2026; Cedefop, 2022).

4. Examples

The Irish system clearly shows that micro-credentials are not theoretical buzzwords but working policies and educational tools. According to the Irish Cedefop example, micro-credentials are used in Ireland at different levels of education, training and learning for the labour market, and the system plays an important role in bridging formal and non-formal learning. This is important because it allows learners to think not only in terms of long educational programmes, but in terms of specific competence packages that can be immediately interpreted and valued by the labour market. Based on the experience of Irish practice, micro-credentials do not dilute the value of learning, but make it more visible, flexible and targeted (McCoshan, 2023).

Although it is not as deeply integrated or nationwide as the Irish example, another success story is the experience of the University at Buffalo. The institution implemented micro-credentials by leveraging its existing academic and administrative systems, which accelerated the introduction of this form of education, and at the same time, reduced the risks associated with its introduction. The point here was not simply to issue a new type of certification, but to enable students to enter the labour market faster, acquiring relevant skills more quickly. This model is interesting because it shows that micro-credentials do not work against higher education, but

can represent an expanded, more marketable face of higher education (Downs, 2022). This example illustrates only an institutional-level success rather than national recognition.

The examples show that concerns about micro-credentials can be avoided with proper quality assurance and standardization, whether they are implemented widely or within a single institution.

5. Adaptability, flexibility and the new skill portfolio

One of the most important requirements for the workplace of the future will not be technical knowledge alone, but adaptability. An employee who learns quickly in new environments, adapts to change, and is not afraid of uncertainty will be increasingly valuable. According to research, adaptive behaviour also includes behavioural flexibility, initiative, and a tendency to act (Ybarra, 2023). This is important because employers are increasingly looking for less of a "ready-made person", but rather for an employee who can develop along with changing tasks.

It follows that in the future a well-built skills portfolio can be more valuable than a single degree. It is not a static set of documents, but a chain of evidence: micro-credentials, project results, practical demonstrations, peer reviews and other validated performance evidence. This logic is particularly strong when AI, the green transition and digitalization are simultaneously transforming jobs (Bone et al., 2025).

6. Limitations

Although micro-credentials provide flexible, labour-market-relevant competences, they fail to command the same trust and recognition as university degrees because the absence of standard quality assurance and institutional accreditation enables an oversupply of inconsistent credentials, which in turn makes employers selective and produces uneven recognition across countries and institutions. This causal chain helps explain why employer concerns about consistency dominate the evidence – appearing in around 80% of studies, more often than the top benefit of meeting specific skill requirements at about 75% (Varadarajan et al., 2023) – and why the resulting credibility gap, combined with language, cost, and digital barriers, excludes vulnerable learners and risks reinforcing inequalities in adult education.

The equity gap may arise through several reinforcing mechanisms: disadvantaged learners may face higher costs, language barriers, limited digital access, and less availability of guidance to identify credible and relevant credentials. They may also lack the institutional support that helps learners persist when courses become difficult, while employers may discount micro-credentials from candidates without a recognised university or institutional background. Consequently, those who most need flexible learning opportunities may be more likely to choose low-quality or poorly recognised credentials, receive less support to complete them, and gain fewer labour-market benefits. Addressing this problem therefore requires more than expanding access; it also requires affordable provision, accessible guidance, learner-support structures, transparent quality signals, and employer recognition.

7. Conclusion

The emergence and growing acceptance of micro-credentials are not a short-term trend, but rather a sign of a deeper structural transformation of the labour market and education. A degree will remain important, but it will become less sufficient to gain the trust of employers. In the future, skills, competencies, adaptability and a willingness to continuously learn will become the main carriers of labour market value (Ybarra, 2023; Taamneh et al., 2026).

Micro-credentials can be more powerful because they respond more quickly to changes, better measure specific performance, and are closer to real expectations. The Irish and American examples show that this model is already working (McCoshan, 2023; Downs, 2022).

Learners bear the risk of investing in micro-credentials that may not pay off, with disadvantaged groups hit hardest by costs, limited guidance, and the need to stack credentials wisely. Employers, in turn, must vet issuers themselves, raise screening costs, and favour only trusted providers, which fuels credential theatre and could erode the access and flexibility benefits micro-credentials promise.

Our conclusion is simple: the degree will not disappear, but it may certainly lose its monopoly position. The question of the future will not be whether someone has a degree, but whether they have a validated, flexibly expandable skill portfolio that truly matches the expectations of the labour market. The traditional degree will not become worthless in this environment, but its function will be transformed. It will increasingly need to provide basic, broad-based background knowledge, while micro-credentials and other skills certifications will provide the evidence of meeting specific workplace expectations. The question is therefore not whether it is a degree or a micro-credential, but rather which one proves what. The answer is increasingly clear: a degree is more about having gone through a training system; a micro-credential is about having been able to acquire and use a specific skill (Galindo, 2026; ICDL, 2025; Acreditta, 2025).

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Ethics Statement

For studies involving human participants, the authors confirm that the research complied with relevant institutional and national ethical standards. Ethical approval was obtained where required, and informed consent was secured from all participants prior to data collection. If ethical approval was not required, the authors confirm that the study adhered to applicable ethical guidelines.

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