

LER TOOLKIT CASE STUDY COLLECTION

Enabling Skills Recognition and Career Mobility for Retail Workers

Prepared By:

Lacey Dobbs, Dave Karsten (Karsten's Ace Hardware), Holly Kurtz, Tennille Penaloza-Hagen (CFA), Marianna Milkis, Kate Giovacchini, Chandi Cumararatunge, Abhishek Singh (ASU), and Kelly Page (LWYL Studio).

September 2025

This case study explores how Karsten's Ace Hardware, in partnership with Center for the Future of Arizona and Arizona State University, piloted the issuance and use of Verifiable Credentials to recognize and validate the skills of retail workers in roles like BBQ Expert and Hardware Hero. By integrating Verifiable Credentials with their existing learning program and physical badge system, Karsten's Ace Hardware created a more portable and verifiable way for retail employees to showcase their expertise and support career mobility. The initiative offers a scalable model for small and mid-sized employers to invest in workforce recognition and skill visibility.

Case Study Details

Scope: Arizona

Sector: Workforce

Industry: Retail

Focus: Career Mobility

Citation: Dobbs, L., Karsten, D., Kurtz, H., Penaloza-Hagen, T., Milkis, M., Giovacchini, K., Cumararatunge, C., Singh, A., and Page, K (2025). Enabling Skills Recognition and Career Mobility for Retail Workers, LER Toolkit Case Study Collection, U.S. Chamber of Commerce Foundation (USCCF), September 2025.

Introduction

Retail workers possess valuable, experience-based skills that often go unrecognized beyond their immediate work environment. In 2024, Karsten's Ace Hardware, a privately owned cooperative with several locations in Arizona, partnered with Center for the Future of Arizona (CFA) and Arizona State University (ASU) to test an innovative approach to workforce recognition: pairing physical in-store badges with digital credentials that capture and validate the practical expertise of frontline retail workers.

The Retail Career Mobility Pilot

Karsten's Ace Hardware is a family-owned business and part of the larger Ace Hardware cooperative. Known for its strong customer service culture and deep product knowledge, Karsten's had already implemented a physical badge system and a robust national learning platform for all affiliates called Ace Learning Place.

Housing over 5,000 training courses covering everything from leadership skills to product-specific knowledge like paint brushes, along with required safety and compliance modules. Staff participated in the learning program design and provided feedback on how the physical badges reflected their actual work.

Employees can earn specialty badges through eight in-depth programs, including Electrical Expert, Paint Prodigy, and Plumbing Pro, that recognize core customer service competencies. Each badge typically requires around 40 hours of learning, split between coursework and supervised skill application, with employees encouraged to complete training during paid work hours.

My Skills Pocket, an initiative of Arizona State University and a learning and skills credentialing solution helped Karsten's Hardware to transform their existing physical badging system into more portable digital Verifiable Credentials.

Participant Engagement

The project team worked closely with Karsten's leadership and staff to identify high-value, existing roles that could be credentialed. Employees were nominated for credentials based on observable skill proficiency, peer recognition, and prior badge achievement. Staff members actively participated in the design of role criteria, helped refine the credential language, and provided feedback on how these recognitions reflected their actual work.

Eight initial digital credentials were developed:

- ❖ BBQ Expert
- ❖ Hardware Hero
- ❖ Tool Champ
- ❖ Electrical Expert
- ❖ Plumbing Pro
- ❖ Lawn & Garden Enthusiast
- ❖ Outdoor Equipment Powerhouse



Source: ACE Learning Place

A small group of staff with existing physical badges was invited to participate in the pilot and attend an informational session. After claiming the digital credentials to their My Skills Pocket, they provided feedback on the claiming experience, their potential use of these credentials, and how they might support their long-term career goals.

Technical Implementation

The pilot employed several key technical specifications to facilitate the translation of military experience into credentials recognized by the retail industry. Specifically, digital credentials were issued through the ASU Verifiable Credential issuing platform and sent to each participant's email to be received and claimed into their digital wallet. Each credential contained:

- ❖ A description of the role and associated skills
- ❖ Issuing organization and verification method
- ❖ Metadata for verification (e.g., date earned, criteria met, expiration)

Arizona State University supported data security, credential verification, and ecosystem interoperability. The implementation was lightweight, mobile-friendly, and aligned with Karsten's workplace tools; notably, the digital credentials complemented, rather than replaced, Karsten's physical badges. The product stack and credential model are outlined below.

Product Stack

Product Name	Role(s)
ASU Issuer Platform	Issuer
My Skills Pocket	Holder credential management
DCC VerifierPlus	Verifier

Credential Model

Category	Implementation
Verifiable Credential Data Model Version	VCDM 1.1
Credential Specification	Open Badges 3.0

Interoperability is critical for digital wallets and Verifiable Credential solutions to ensure that the credentials and data can be understood, trusted, and accepted across systems. We invited the project team to share a detailed interoperability profile of the technical specifications and protocol choices they made. A complete interoperability profile is available in the appendix.

Key Findings

Within the pilot, Karsten's Ace Hardware issued 228 credentials to 17 incumbent employees, aged 23 to 71¹. Post-experience surveys revealed several insights:

- ❖ **Increased Employee Confidence:** Workers felt proud to receive recognition that extended beyond the store environment and helped employees gain a better understanding of their learning.
- ❖ **Skill Portability:** Employees could now easily access and share their credentials.
- ❖ **Employer Differentiation:** Karsten's stood out as a retail employer investing in its staff's development.
- ❖ **Ease of Adoption:** Integration and ease of use by employees were smooth, requiring minimal technology onboarding.

Challenges and Opportunities

Despite positive feedback, challenges to widespread adoption were identified:

- ❖ **Limited initial awareness** of digital Verifiable Credentials among workers
- ❖ **More robust employer-facing language** about the value of verifiable credentialing and its use

Opportunities for the project and product teams include:

- ❖ **Consider other credential offerings** for additional roles (e.g., Paint Specialist, Customer Care Lead)
- ❖ **Explore pathways** for upward mobility based on stacked credentials
- ❖ **Align credential language** with broader industry-recognized frameworks for increased transferability to other retail contexts.

Recommendations

To enhance the adoption and effectiveness, the following strategies are recommended for future implementation:

- ❖ **Design with Staff:** Collaborate on the design of the verifiable credentials and the claim-wallet experience with input from staff to ensure relevance and buy-in.
- ❖ **Continue to Integrate Recognition Systems:** Pair digital credentials with existing physical or informal recognition and learning methods.
- ❖ **Continue to Promote Portability:** Educate workers on how to use digital credentials in career-building contexts and platforms.
- ❖ **Scale Thoughtfully:** Continue with a few high-visibility roles and expand across retail contexts based on employee and management feedback.

Conclusion

The Karsten's Ace Hardware pilot demonstrates that small to mid-size retail employers are excellent integration partners who can effectively implement digital credentialing to support worker development. By bridging physical recognition with digital credentials, the project created new opportunities for retail workers to gain skill and career visibility and opportunities for mobility and advancement while honoring the workplace culture.

This pilot serves as an example for other retailers looking to improve the recognition of employee skills and experiences, and improve the opportunities for worker mobility through accessible, inclusive and interoperable credentialing systems.

Sources

1. Glover, H. (2024). [Piloting Innovation: Launching LERs in Arizona](#). UpSkill America, The Aspen Institute, October 2024.
2. Anon. (2024) [My Skills Pocket app: Advancing career mobility for retail workers](#), ASU Trusted Learner Network, Blog Post.

3. [ASU Pocket](#) Digital Credentials Initiative.
4. [Karsten's Ace Hardware](#) and [Ace Hardware Retail Career Opportunities](#)
5. [Credential Engine](#) – Credential Transparency and Metadata Standard.

Attribution

We extend our gratitude and acknowledgement to the following people, organizations, and funders who contributed to the project.

People	Organizations
❖ Holly Kurtz ❖ Lacey Dobbs ❖ Dave Karsten ❖ Tennille Penaloza-Hagen ❖ Marianna Milkis ❖ Brooke Lipsitz ❖ Kate Giovacchini ❖ Chandi Cumaranatunge ❖ Abhishek Singh	❖ Center for the Future of Arizona ❖ Karsten's Ace Hardware ❖ Ace Learning Place ❖ Arizona State University

Appendix: Interoperability Profile

Project teams shared information about the open standards and protocols they used to support interoperability and integration of the end-to-end experience.

Category	Item	Implementation
Product Stack	Issuer Product(s)	ASU Issuer Platform
	Holder Credential Management Product(s)	My Skills Pocket
	Verifier Product(s)	DCC VerifierPlus
Identifiers	Issuer Identifier Type	did:key
	Holder Identifier Type	did:key
	Verifier Identifier Type	None
Credential Model	VC Data Model Version	VCDM 1.1
	Credential Specification	Open Badges 3.0
	Skill Alignment	Role-based credentials contain a description of the role and associated skills
	Metadata Extensions (e.g., CTDL)	None
	Skills Library or Framework Used	Ace Hardware Badging Program
Security	VC Proof Type / Cryptosuite	Data Integrity Proof (EdDSA cryptosuite)
	Credential Status Method	Bitstring Status List 1.0
	Credential Expiration	None
	Credential Refresh Method	None
	Issuer Authority Confirmation	None
Authentication	Holder Authentication Method	Email authentication & DID Auth via VCALM Exchange

Category	Item	Implementation
Delivery	Delivery Protocol to Holder	Holder receives the My Skills Pocket deep link to claim VC and then accepts the badge via VCALM exchanges.
	VC Export Options	Download JSON-LD
	Presentation Protocol Supported	VCALM Exchanges, CHAPI
Registries & Discovery	Issuer Registry	DCC Community Registry
	Verifier Registry	None

Source: This Interoperability Profile Template was developed by LWYL Studio from interoperability frameworks developed by Project Unicorn, 2023; CBEN, 2022; SkillsFWD, 2024; EDL, 2024; and LWYL Studio, 2025.