How A Skills-First Hiring Strategy Transforms Organizational Performance for Local Governments

Smart Cities Dive | Blair Corcoran de Castillo and Bob Lavigna | February 23, 2026

The public sector can set a standard showing that capability matters more than pedigree and economic opportunity should be based on what a person can do, not just whether they have a college degree.



Organizations using skills-first approaches across their talent systems report that retention rates improved by 91% and hiring costs were reduced by 78%. Getty Images

A 2025 study from UKG, in partnership with the civic engagement firm Polco and the journalist team of Katherine Barrett and Richard Greene, found that resident satisfaction with government services and quality of life is significantly higher in municipalities with highly effective workforce practices. But local governments across the country are facing an unprecedented challenge: how to do more with dramatically less while maintaining the quality services residents expect.

The solution won't be found in spreadsheets or budget cuts, but in human resource departments that adopt a skills-first strategy to transform how the government identifies, develops and advances talent.

Modern HR technology platforms are making this transformation possible at scale. AI-powered skills-assessment tools can now parse resumés to identify transferable skills rather than filtering by degrees, while technology-based predictive analytics help governments forecast workforce needs and identify internal career-mobility opportunities. These digital tools are essential for efficiently implementing skills-first strategies across public sector work forces.

An impending perfect storm

Municipal leaders are grappling with what researchers call a ”demographic drought” thanks to massive looming retirements, plummeting childbirth rates and historically low labor force participation. Paired with federal spending cuts, this has created a perfect storm of reduced resources and a reduced local government workforce.

The public sector — America’s largest employment sector — can’t afford to wait. Governments must prepare and respond now.

The business case for responding with a skills-first strategy to fill vacancies and avoid bad hires is compelling and quantifiable. Organizations using skills-first approaches across their talent systems report that retention rates improved by 91% and hiring costs were reduced by 78%.

Yet many government organizations continue using outdated talent practices that artificially limit their talent pools. The most common is screening for college degrees, which excludes qualified candidates simply because they lack four-year degrees.

The more than 70 million workers Skilled Through Alternative Routes such as military service, community colleges, apprenticeships and on-the-job learning aren’t unskilled workers. They have an incredible depth and breadth of skills — and comprise half the active workforce.

To date, 32 states have eliminated unnecessary degree requirements for state government jobs, opening hundreds of thousands of jobs to STARs.

John Barrand, Utah’s executive director, department of human resource management, reported that Utah achieved a 14% increase in rural hiring when the state added skills-focused efforts to rural hiring efforts. “We’ve had strong economic growth 18 years in a row. While the jobs may be changing, the skills remain constant,” he said.

This state-level momentum is now cascading to cities and counties nationwide as municipalities prove that skills-first hiring delivers measurable results.

Chicago’s City Council approved a skills-based hiring ordinance that will open city jobs to the 45% of Chicagoans without bachelor’s degrees. Mayor Brandon Johnson reinforced and expanded the ordinance through an executive order that requires city job postings to clearly detail the job’s requirements.

When Winter Garden, Florida, was facing competitive recruiting challenges and rising wages for public safety jobs, the city transformed police hiring by emphasizing character over credentials. Based on its successful police cadet program, the city created a paid fire academy program that screens candidates based on behavioral interviews that assess integrity, teamwork and collaboration rather than traditional qualifications. This investment in skills-first hiring enabled the city to build talent pipelines within its own workforce and the community.

Philadelphia's City College for Municipal Employment removes degree requirements for dedicated career pathways in five critical areas including technology, healthcare and skilled trades. The program is showing promising results: The graduates from the first two cohorts in the electronic tech pathway filled high-need jobs for the city, and 55% have been promoted in under a year, seeing 28% increases in pay on average.

Building a skills-first talent system

This isn't just about filling positions. It's about adopting a skills-first strategy that builds more effective, representative work forces by spanning the entire employee experience — from hiring and onboarding to development, advancement and retention.

According to Indeed, skills-first strategies deliver operational improvements that make organizations more effective. This strategy expands candidate pools beyond traditional degree requirements, may reduce time-to-hire through efficient skills assessments and increases employee retention by ensuring better job-candidate fit.

HR directors from the top-rated municipalities in UKG's study reported that they adjusted qualifications for hard-to-fill jobs — allowing candidates without traditional credentials such as college degrees to compete, then training them on the job. As Jim Parrish, HR director for McKinney, Texas, noted in the study, "We can't always hire at the level we want, but if someone is good, we don't mind training them up."

A skills-first strategy extends well beyond initial hiring. Leading jurisdictions are using skills frameworks to create transparent career pathways, identify development opportunities and enable internal mobility – like when Winter Garden helped an employee in solid waste receive support from the city to carve out a path to becoming a firefighter.

The path forward

Here's how leaders can begin to adopt a skills-first strategy.

Start with hiring.

- Assess hiring practices to identify where degree requirements can be eliminated.
- Update classification systems so minimum qualifications for roles focus on competencies and demonstrated skills rather than credentials or years of experience.
- Build development and advancement systems.
- Build onboarding and development programs that help workers build skills over time and create clear, skills-based pathways for internal advancement.
- Use skills frameworks to show employees how their current capabilities can translate to new roles and promotional opportunities.
- Establish advancement and promotion criteria based on skill mastery rather than tenure or credentials, creating transparent career progression.
- Adopt and adapt technology.

- Use AI-powered platforms to screen candidates based on demonstrated skills, rather than degrees, to dramatically expand qualified talent pools.
- Implement skills-assessment technology that can identify transferable competencies — for example, recognizing that a retail supervisor's inventory management experience translates to high-demand operations and administrative roles in the public sector.
- Deploy predictive analytics to forecast talent gaps and proactively build talent pipelines before positions become vacant.
- Leverage digital-competency mapping tools that show employees clear pathways from their current skills to higher-wage positions.

Public service is a calling. People want purpose in their lives, and government roles offer stable work that enables public servants to deliver essential services to their friends, neighbors and their communities. A skills-first strategy not only opens the door to these careers, it creates clear growth and advancement pathways for current employees.