



## SKILLS-BASED HIRING FACT SHEET

# Making the Case for Skills-Based City Governments

In addition to providing critical public services, municipalities are themselves large employers, employing more than 2.4 million people nationwide.<sup>1</sup> However, many local governments struggle to recruit qualified candidates, and chronic vacancies and turnover in these critical roles can negatively impact public service delivery.<sup>2</sup>

Skills-based practices (SBPs) are one way cities can fill job vacancies and better reflect the demographics of the people they serve. By prioritizing skills, cities can expand talent pools and increase the number of qualified applicants.<sup>3</sup> Using SBPs for promotion and upskilling can enhance retention and employee satisfaction.<sup>4</sup> Companies who hire based on skills rather than credentials report higher employee success and fewer hiring mismatches.<sup>5</sup>

**Adoption of skills-based practices in the public sector is growing as these approaches address persistent pain points across all levels of government.**

For example, governors in 25 states and Puerto Rico have implemented skills-based hiring policies through executive orders, legislation, administrative directives or similar official actions aimed at changing public-sector hiring practices.<sup>6</sup>

## Defining Skills-Based Practices

SBPs **prioritize an individual's specific, observable and measurable skills relevant for a job** over traditional proxies (e.g., college degrees, job titles, years of experience). A SBP approach recognizes that skills can be acquired through a wide variety of pathways, and that the specific skills required for jobs are changing rapidly, making a static degree or job title less reliable as a predictor of performance.

**How do SBPs show up in practice? Take a look at the examples in the table on the following page.**

## Benefits of Skills-Based Practices<sup>7, 8</sup>

### For the City as an Employer

- ◆ Access to a wider talent pool
- ◆ Reductions in time-to-hire
- ◆ Improved employee retention

### For the Employee/Public Servant

- ◆ Access to job opportunities and internal mobility
- ◆ Clearer pathways for advancement

### For the Community

- ◆ More reliable response times and service delivery

## City Examples

In January 2024, the Mayor of **Philadelphia, PA** signed an executive order removing degree requirements for many city jobs, expanding eligibility to the 66% of residents without a bachelor's degree.

**Denver, CO** uses skills assessments during its hiring process to provide objective data on a candidate's ability to perform specific job-related tasks.

**Spencer, IA** expands its seasonal workforce by removing high school diploma requirements and instead uses interviews and reading exercises to gauge necessary skills.

Cities like **Charlotte, NC, Phoenix, AZ** and **San Francisco, CA** have registered apprenticeships, allowing residents to learn and develop skills while being paid.

**New Orleans, LA** is mapping specific competencies/KSAs to their city's core values, creating a more objective, skills-based performance management process.

Cities like **Garland, TX** and **Ames, IA** instituted skills-based pay which reward employees for increasing their knowledge, skills and competencies.

Develop compensation structures that are based on employees' proficiency in **mission critical skills**.

Offer **pay increases based on performance**.

De-emphasize and/or remove **degree requirements** in job descriptions.

Use **skills-matching** to help candidates find positions.

Create **skills-based job search** functions.



Structure performance reviews based on **skills required for a role**.

Offer promotions after demonstrating **skills proficiency**.

Use **skill-based assessments**, work samples, job simulations and **structured interviews** to make hiring decisions.

Develop an **inventory of employee skills** within the municipality.

Offer **targeted training programs** that address specific skill gaps (e.g., cross-training, upskilling, apprenticeship).

**Train hiring managers** and other decision makers on SBP.

Partner with community colleges, career and technical schools, and other training partners to **create career pathways**.

# Getting Started: Key Questions for Cities Considering a Skills-Based Approach

## 1 What are your city's main talent challenges, and based on those challenges, would a skills-based approach be appropriate?

Local leaders must be able to articulate a well-defined goal and vision for any skills-based effort, regardless of scale. Before taking any action, start by identifying your top talent challenges and gathering the necessary data to understand whether SBPs are an appropriate solution. Given there is no universally agreed upon SBP language, it is important to assess current activities to understand if there are SBPs in place already. Equally important, be sure to investigate if SBPs have already been considered or partially implemented to avoid duplication and potential pitfalls.

Roles that may be best suited to a skills-based approach share similar features including, but not limited to, high-volume, smaller candidate pools and job skills that can be assessed through selection (e.g., coding tests, portfolio submissions). For roles in which you are struggling to fill and retain, reflect on the following questions to determine if a skills-based approach could be a good fit:

- ◆ Is it a struggle to find talent for the role in question?
- ◆ Can a candidate be successful in this role without obtaining significant specialized knowledge?
- ◆ Can the skills needed to conduct tasks in this job be specified and measured?

**If you answered yes to all three, SBPs could be a good fit.**

## 2 Across your city, is there buy-in from key stakeholders and decisionmakers about adopting skills-based approaches?

Strong support from senior leadership, both political and non-political, from the outset is essential to ensure prioritization, resource allocation and cultural alignment across departments. Broad, cross-functional stakeholder buy-in from the start that includes department leaders, hiring managers, unions and legal teams is essential. Leadership must be both visible and sustained for effective SBP implementation.

## 3 Has your city mapped out the costs, resources and staff capacity needed to design and implement SBPs effectively?

Agencies must have sufficient capacity—both in terms of staffing and time—to engage in the planning, training and execution required for SBPs. Certain technologies, training and expertise are likely needed to successfully integrate new SBPs. Implementation leaders should ensure the appropriate staff and financial capabilities exist before getting too far down the road.

## 4 How will your city communicate new SBP policies and practices to current and potential employees?

Adoption and implementation of SBPs requires a fundamental, and ultimately cultural, shift in talent management. Two-way communication with department-level leaders and hiring managers as well as workers and relevant union leadership is critical. A thoughtful communications plan and structured support for hiring managers and staff are vital to ensure employees understand and embrace the shift toward skills-based talent management.

Learn more about how cities are using skills-based practices to strengthen municipal workforces by scanning the QR code below:



# Endnotes

- 1 National League of Cities. (2025, December 5). Cities 102: Understanding the role, impact and operations of local government. <https://www.nlc.org/resource/cities-102-understanding-the-role-impact-and-operations-of-local-government/>
- 2 Semuels, A. (2022, April 8). No clean water, unplowed streets: What the public sector's hiring problem means for all of us. TIME. <https://time.com/6165374/public-sector-job-vacancies/>
- 3 Rege, G. & Parsons, K. (2024). Same idea, different evolution: Skills-based practices and competency-based education: Connecting research perspectives (ED664059). American Institutes for Research. <https://files.eric.ed.gov/fulltext/ED664059.pdf>
- 4 Rege, G. & Parsons, K. (2024). Same idea, different evolution: Skills-based practices and competency-based education: Connecting research perspectives (ED664059). American Institutes for Research. <https://files.eric.ed.gov/fulltext/ED664059.pdf>
- 5 ADP Research. (2025). Unveiling The Next Anything: HR trends and priorities for 2025. <https://www.adp.com/-/media/adp/resourcehub/pdf/guidebooks/adp-mid-funnel-2025-hr-trends-guide-20241108.pdf?rev=e3666cb7e8364d93bb4e40d394f0cff4&hash=E6F18AE96ACB6828332E56A5B9112D2>
- 6 National Governors Association. (2025, February). Empowering progress: A playbook for expanding America's clean energy infrastructure. [https://www.nga.org/wp-content/uploads/2025/02/Empowering\\_Progress\\_2025Feb.pdf](https://www.nga.org/wp-content/uploads/2025/02/Empowering_Progress_2025Feb.pdf)
- 7 Rege, G., & Parsons, K. (2024). Same idea, different evolution: Skills-based practices and competency-based education: Connecting research perspectives (ED664059). American Institutes for Research. <https://files.eric.ed.gov/fulltext/ED664059.pdf>
- 8 National Governors Association. (2025, February 6). Empowering progress: Harnessing skills-based strategies to drive public sector excellence. <https://www.nga.org/publications/empowering-progress-harnessing-skills-based-strategies-to-drive-public-sector-excellence/>

## ABOUT THIS RESOURCE

This work is a collaboration between the National League of Cities (NLC) and the American Institutes for Research (AIR). We would like to take this opportunity to thank Walmart for their funding and support in conducting this work.

We would also like to thank the many representatives from city governments and national organizations that participated in this project and shared their experiences and insights into SBPs in city government.