WGU

Workforce Decoded: AI, Skills and the Future of Hiring (2026)

TABLE OF CONTENTS

Executive Summary	**3**
Methodology	**4**
Employers as the New Arbiters: Degrees, Certificates and Skills	**5**
Skills that Matter Most to Employers	**9**

Executive summary: Employer expectations are widening — and strengthening the value of multiple readiness signals.

A new analysis from WGU's *Workforce Decoded* Report — spanning 3,147 employers nationwide — shows a labor market expanding the range of indicators it trusts when evaluating job-ready talent.

Why it matters: Employers continue to value degrees and are increasingly embracing additional signals of proven skills like hands-on experience and short-term credentials.

Driving the news:

68% of employers say degrees remain important.

86% view certificates as valuable indicators of readiness.

46% plan to increase their focus on skills-based hiring in the next year.

The readiness paradox:

Despite frequent headlines about a gap between higher ed and workforce needs, the data shows a more encouraging landscape about how employers view the ROI of a degree. A majority of employers (68%) said they view college degrees as important, with IT & technology and finance & professional services placing the highest importance on degrees compared to other industries.

However, **only 37% of employers** say higher ed institutions are preparing students with the skills needed to be successful in the workforce. Among employers who do believe higher ed is meeting the mark, **86%** consider degrees important — well above the national average.

The takeaway:

Confidence in workforce preparation and the perceived value of degrees rise together. Employers are not trading one signal for another; they are building a wider readiness portfolio where degrees, credentials, and competencies collectively strengthen hiring decisions.

METHODOLOGY

This report is based on findings from a national survey conducted by Centiment on behalf of WGU between September 30, 2025 – October 15, 2025. The survey was designed to capture employers' perspectives on workforce development, hiring practices and emerging talent needs.

A total of 3,147 U.S.-based respondents completed the online survey. Participants represented organizations of varying sizes across a range of industries and regions. To ensure relevance, respondents were screened to confirm that they are currently employed and have direct involvement in the hiring process. The sample was developed to provide a broad view of employer sentiment in today's labor market.

Employers as the New Arbiters: Degrees, Certificates and Skills

Employers continue to value degrees, but now almost half plan to increase focus on hiring for skills.

What Employers are Saying About Hiring:

QUICK TAKEAWAYS

86%
of employers see non-degree certificates as valuable for indicating job readiness.

78%
of employers say work experience is equal to or more valuable than a degree.

68%
view degrees as important.

37%
of employers say higher ed institutions are preparing students with the skills needed to be successful in the workforce.

Employers are playing an increasingly active role in defining what qualifies a candidate for a job outside of a diploma. Beyond viewing degrees as general indicators of preparedness, many are now seeking more specific evidence of a candidate's ability to perform in a given context. This shift has brought certificates, practical experience, and demonstrated skills to the forefront of hiring decisions.

Survey results indicate a shift toward multifaceted evaluation of candidate qualifications that combines broad foundational knowledge with role-specific competencies. This evolution is prompting questions about how learning in higher education is organized, how it is assessed, and how it maps to workforce expectations.

There is a growing need for clarity around what a credential represents and how it reflects actual capability. As more hiring decisions hinge on proof of skills and work relevance, educational programs will need to respond with greater transparency and alignment to the demands of work. Educational institutions must adapt their programs to meet changing employer demands by using flexible, evidence-based methods that support both student achievement and workforce relevance.

Key Facts

1. **Over 85% of employers see certificates as a credible way to demonstrate skills:** While more than half of employers (53%) indicate the biggest challenge to evaluate a candidate's skillset is validating their skill claims (see Figure 1.1), most employers see certificates as a key solution (see Figure 1.2).

Figure 1.1 Biggest Challenges to Evaluate Skillsets

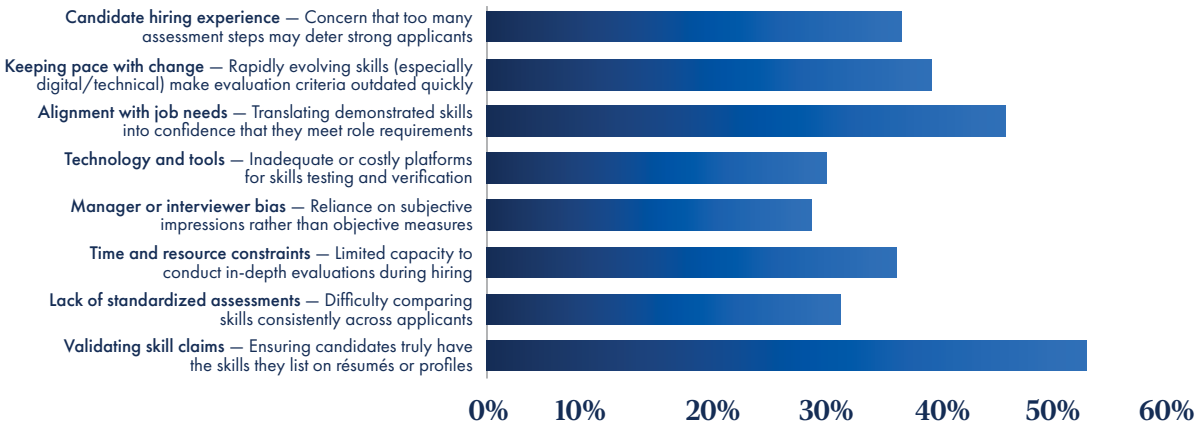


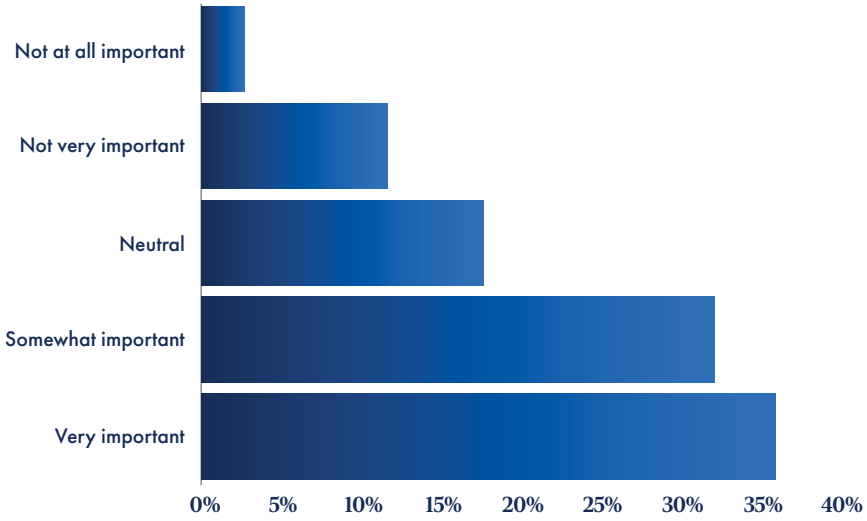
Figure 1.2. Certificate Value for Demonstrating Candidates' Skills

	Valuable	Not Valuable	Unknown	Grand Total
Information and Technology	17.83%	1.24%	0.25%	19.32%
Construction, Manufacturing & Trade	17.00%	3.43%	0.35%	20.78%
Healthcare	16.36%	2.29%	0.22%	18.88%
Consumer Goods & Retail	10.55%	2.41%	0.25%	13.22%
Finance and Professional Services	8.42%	0.70%	0.22%	9.34%
Education	6.07%	1.14%	0.19%	7.40%
Government and Public Sector	2.73%	0.38%	0.06%	3.18%
Transportation and Logistics	1.91%	0.22%	0.06%	2.19%
Marketing, Media & Communications	1.68%	0.19%	0.00%	1.87%
Hospitality	1.46%	0.48%	0.10%	2.03%
Energy, Agriculture & Natural Resources	1.05%	0.06%	0.00%	1.11%
Other	0.35%	0.06%	0.00%	0.41%
Legal	0.22%	0.03%	0.00%	0.25%
Grand Total	**85.64%**	**12.65%**	**1.72%**	**100.00%**

Employers overwhelmingly support the value of certificates as credible signals of a candidate's skills. A full 86% of employers view certificates as somewhat to extremely valuable (see Figure 1.2), with industries such as construction, IT, healthcare and finance leading the charge. This signals employer recognition that skills-verified credentials can meaningfully demonstrate job readiness, particularly when aligned with employer needs.

2. **Higher ed and workforce readiness paradox:** A majority of employers (68%) said they view college degrees as important (see Figure 1.3), with IT & technology and finance & professional services placing the highest importance on degrees compared to other industries.

Figure 1.3 Hiring Professionals Perspective on the Importance for Job Seekers to Hold a College Degree



While the value of a college degree remains significant, only 37% of employers say higher ed institutions are preparing students with the skills needed to be successful in the workforce (see Figure 1.4). Among employers who do feel that colleges and universities are meeting this goal, 86% of them consider degrees important, compared to the national average of 68% (see Figure 1.5).

Figure 1.4. Employer Perspective on Higher Ed Preparing Students with Skills for Workforce

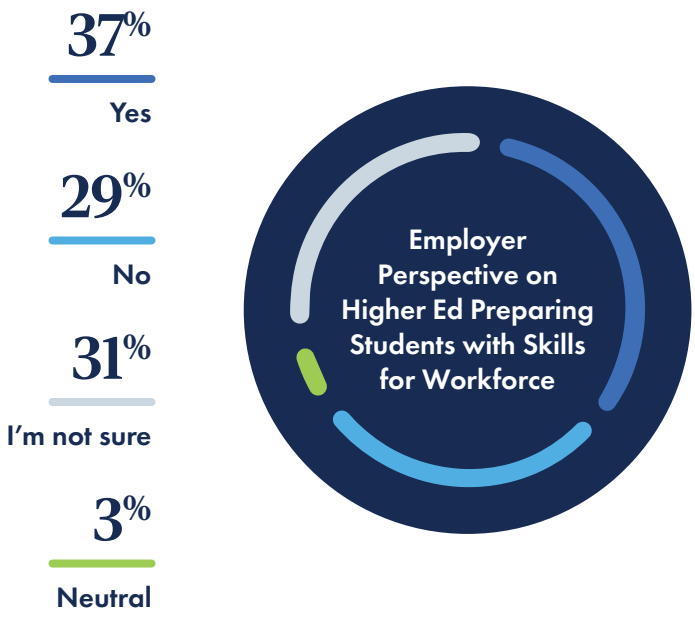
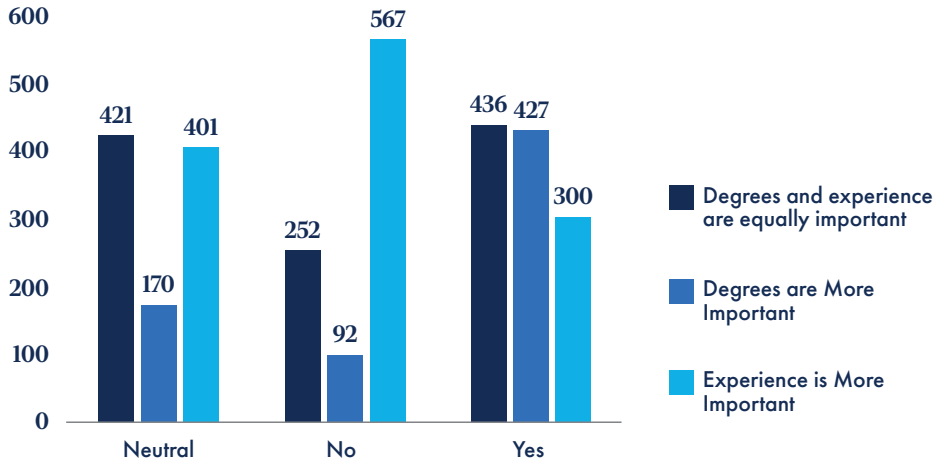
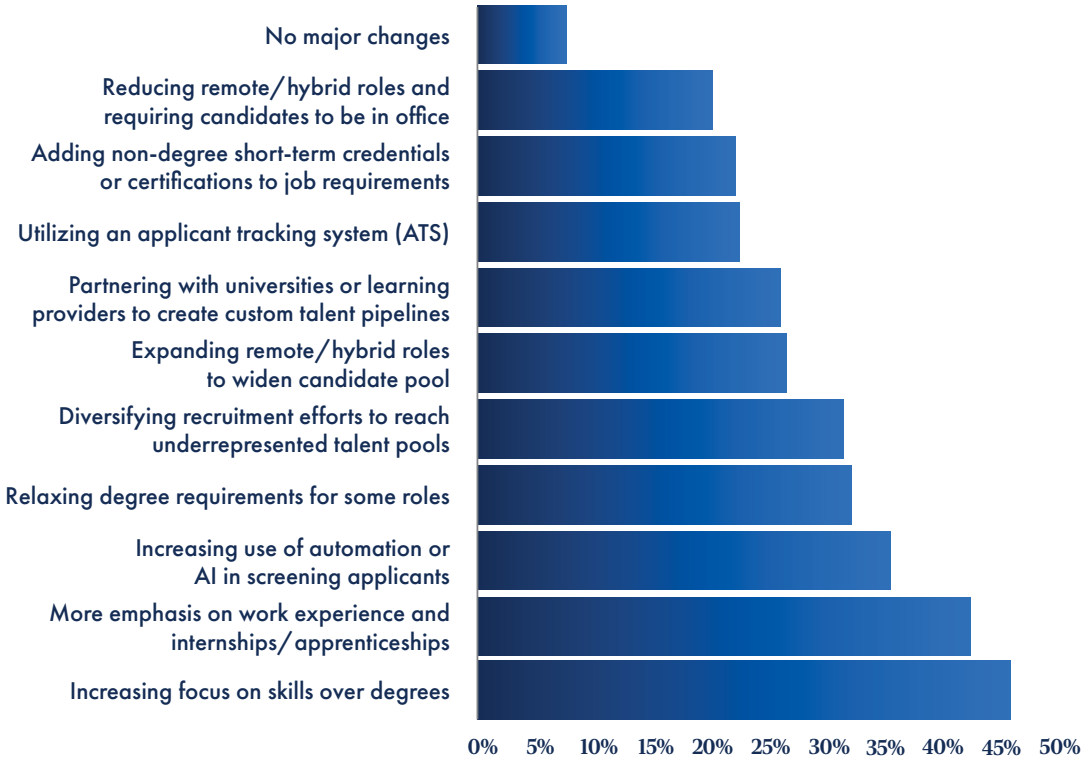


Figure 1.5 Perspective on the Importance of Degrees and Whether Higher Education Institutions Are Preparing Students to be Successful



3. **Experience and skills growing in importance:** Looking ahead, 46% of employers plan to increase focus on hiring for skills over degrees and 43% of employers plan to place more emphasis on work experience and internships/apprenticeships as well as increased use of automation or AI in screening applicants (see Figure 1.6).

Figure 1.6 Changes to Hiring Practices in Next 12 Months



Skills that Matter Most to Employers:

QUICK TAKEAWAYS

TOP SKILLS: Critical Thinking, Time Management and Adaptability.

Must Haves: 50% of employers are assessing candidates' AI fluency through comfort with AI tools, AI skills & certs and an ability to integrate AI into their work.

Show Me: 52% of employers assess AI competency through technical or skills-based assessment and/or on-the-project evaluations.

As the talent economy adapts to AI-driven change, employers are moving away from traditional indicators of potential. There is a shift toward observable skills that align with job requirements. This includes both enduring human capabilities, such as critical thinking and adaptability, and technical fluency in areas like AI tools and platforms.

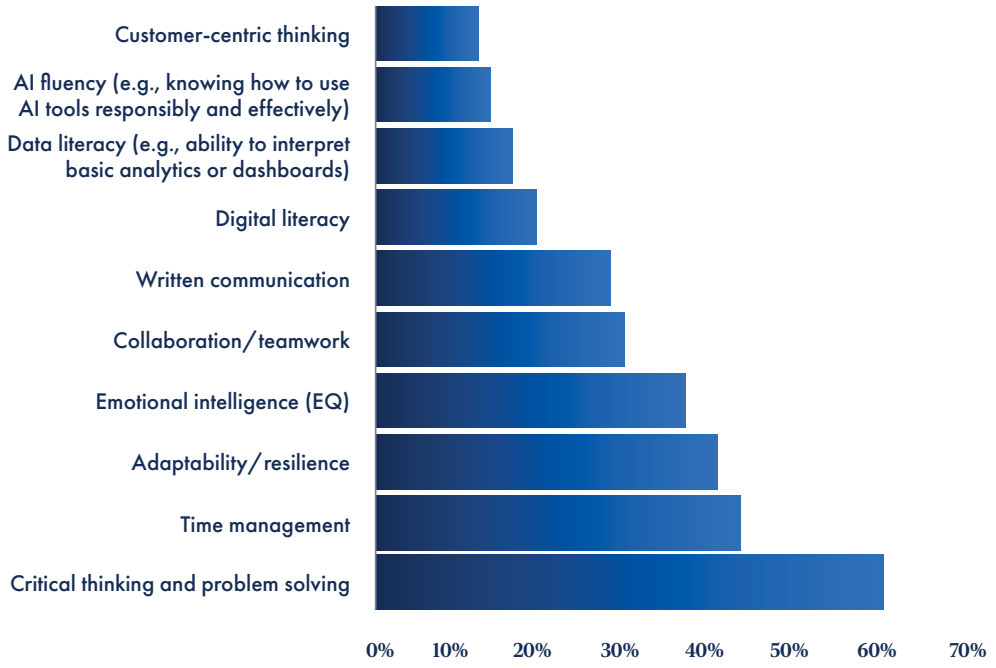
Recent data shows that employers are not only seeking candidates who list skills on a résumé, but those who can prove them through real-world experience, assessments and trial-based hiring. This shift is particularly important for Gen Z and other early-career professionals. Employers increasingly expect entry-level candidates to demonstrate job-relevant skills prior to hiring. Transferable skills that cannot be easily automated are viewed as essential, as is the ability to understand and apply emerging technologies.

Looking ahead, hiring decisions are trending toward evidence-based skill verification: how well individuals can signal what they know and how effectively they can apply it. Institutions that align learning outcomes with workforce expectations will be more relevant in preparing learners for this new hiring landscape.

Key Facts

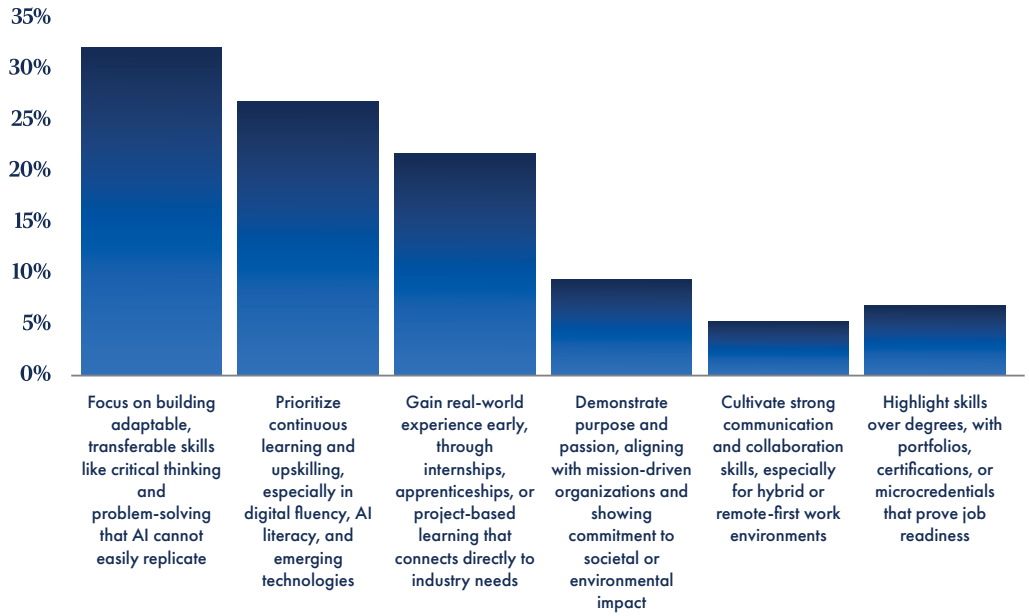
1. **Key skills to focus on:** Employers identify critical thinking and problem solving, time management and adaptability/resilience as the three most critically important skillsets for job success in the next 12 months (see Figure 1.7).

Figure 1.7 Top Important Skills In the Next 12 Months For Job Success



For Gen Z job seekers, employers emphasize the importance of developing transferable skills – particularly those that AI cannot easily replicate, such as critical thinking and problem solving. They also highlight the need for continuous learning and upskilling, especially in areas like digital fluency, AI literacy and emerging technologies (see Figure 1.8).

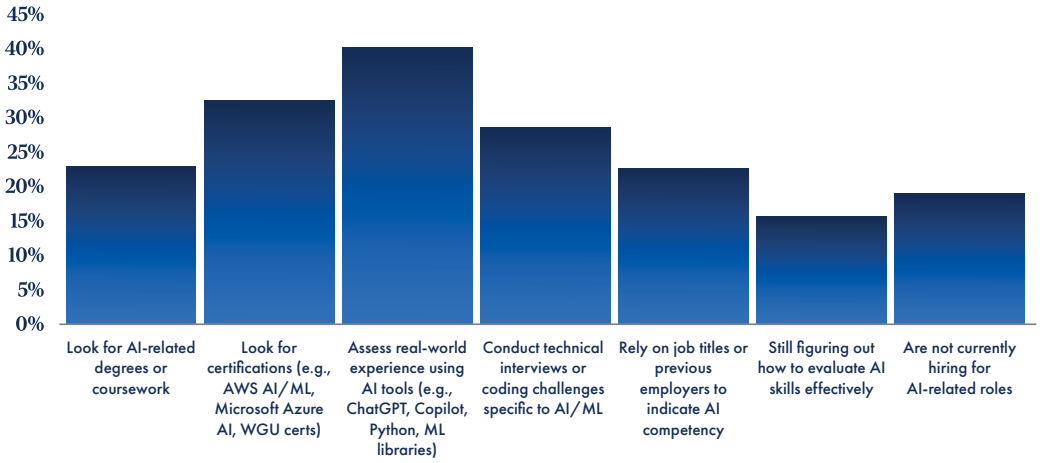
Figure 1.8 Advice to Gen Z Job Seekers Entering Today's Workforce



2. **Prioritize AI fluency:** Employers are using various methods (see Figure 1.9) to evaluate a candidate's AI skills:

    - 39% of employers are evaluating candidates' competency in AI through assessing real-world experience using AI tools (e.g. ChatGPT, Copilot, Python and ML libraries).
    - 32% of employers are looking for certificates.
    - 29% of employers conduct technical interviews or coding challenges specific to AI/ML.

Figure 1.9 How Hiring Professionals Evaluate Candidate Competency in AI



3. **Skill assessments:** When assessing whether a candidate has the skills required to succeed in the role they are hiring for, employers are focusing on whether a candidate can demonstrate skills on the job. 41% of employers said "on-the-job evaluations during probationary/trial periods" are top methods for evaluating skills (see Figure 1.10).

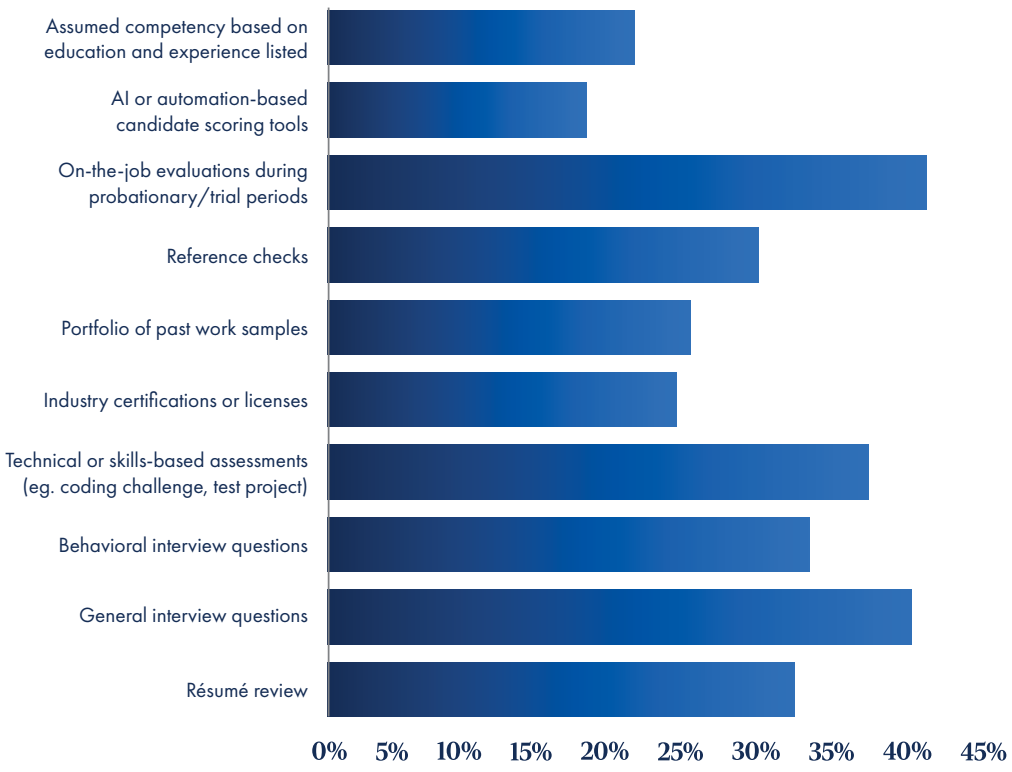



Figure 1.10 Top Methods for Assessing Candidate Skills