SMARTER, NOT JUST MORE ADVANCED

What the Evidence Says About AI-Driven Training and Skill Development in the Public Sector Workforce

Evergreen Solutions, LLC - July 2026

The question facing public agencies is no longer whether to adopt AI in workforce training, but how to do so in a way that builds durable skills. Drawing on a survey of 441 federal, state, and local government employees, this paper distills what most reliably turns AI training investment into measurable workforce capability, and where the conventional "more sophisticated is better" assumption breaks down.

Executive Summary

Public agencies are investing heavily in artificial intelligence to modernize how their people learn and grow. Yet the return on that investment is uneven, and the reasons are not the ones most procurement processes assume. This analysis of 441 public employees across federal, state, and local government yields four findings that should reshape how agencies design and buy AI-enabled training.

> **The bottom line:** How employees *experience* training predicts skill gains far more powerfully than how advanced the tools are, and beyond a moderate level of sophistication, added complexity begins to *reduce* results.

In brief:

- **Satisfaction drives skill development.** Employee satisfaction with training was the strongest and most consistent predictor of new skill acquisition, competency formation, and retention, and stronger than tool sophistication itself.
- **Adaptive beats advanced.** Level 3 personalized/adaptive tools outperformed both simpler and more advanced systems on nearly every outcome, indicating a clear inverted-U pattern.
- **A capability gap persists.** Even the most AI-mature organizations rarely deploy the most advanced (predictive) training tools, pointing to governance and data barriers rather than technology readiness.
- **Context matters.** Benefit varied meaningfully by government type and by employee role, arguing against one-size-fits-all deployment.

Why This Matters

As AI reshapes public service delivery, the workforce must continuously acquire new skills to keep pace. Agencies are responding by purchasing AI-driven training platforms, from chatbots and automated feedback to adaptive learning modules, immersive simulations, and predictive skill-gap systems. These investments are significant, and they are frequently justified on the premise that more capable tools produce better-trained employees.

The evidence complicates that premise. Training is too often treated as a peripheral support function rather than a strategic capability deserving the same governance rigor, data discipline, and evaluation

that agencies apply to other mission-critical AI. The findings below show what separates training spend that builds real capacity from training spend that does not.

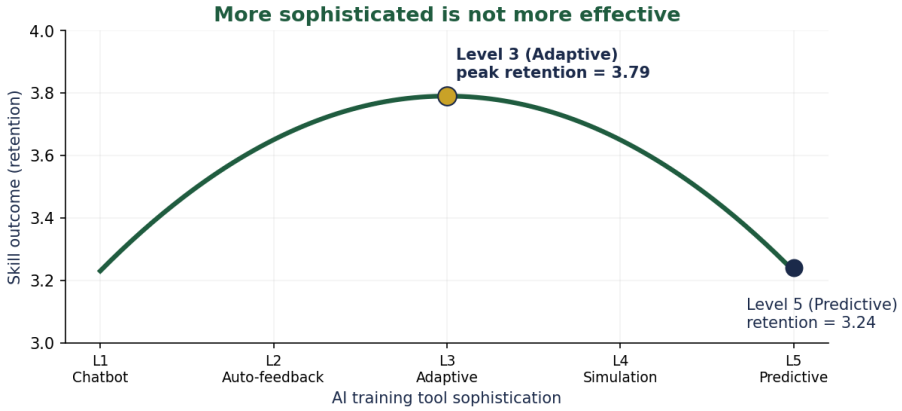
Key Findings

1. Satisfaction, not sophistication, is the strongest predictor of skill gains

Training satisfaction is the top predictor across all three skill outcomes ($p < .001$). Across regression models for new skill acquisition, reaching full competency, and knowledge retention, employee satisfaction with training was the strongest and most statistically significant predictor. The models explained a meaningful share of the variation in outcomes (R^2 values of 0.42, 0.39, and 0.34, respectively), and in every case, subjective training quality outweighed the tool's technical capability. Whether a training investment converts into durable skill depends first on whether employees find it relevant, usable, and worthwhile.

2. The inverted-U: adaptive (Level 3) training outperforms more advanced tools

Skill outcomes did not rise steadily with tool sophistication. Instead, they followed an inverted-U: Level 3 personalized/adaptive training consistently produced the highest scores for skill acquisition, competency, retention, adaptability, and ongoing learning support, then outcomes declined at higher tool levels. Skill retention, for example, peaked at Level 3 (mean 3.79) and fell to 3.24 at Level 5. Both tool rating and overall, AI level showed statistically significant curvilinear effects, confirming that moderate, well-matched complexity optimizes learning while maximal sophistication can overwhelm it.



Illustrative of the observed inverted-U pattern; anchored to reported Level 3 and Level 5 retention means.

> **Design implication:** Personalization of content and pacing, not predictive analytics or immersive simulation, appears to be the active ingredient in effective AI-enabled training. Optimal complexity should be the goal, not maximum capability.

3. A persistent gap between AI maturity and training capability

Six percent of organizations deploy the most advanced (Level 5 predictive) training tools, while 45 percent cluster at Level 4 simulation. General organizational AI maturity did not translate into training-specific sophistication. Level 4 simulation tools were the modal category sector-wide, while predictive Level 5 tools remained rare, even among the most AI-mature organizations. This points to an adoption ceiling driven by structural barriers: data-integration complexity, governance uncertainty, cost, and institutional concerns about algorithmic transparency and fairness. Advancing past this ceiling will require deliberate governance and trust-building, not simply more technology.

4. Benefit varies by government type and employee role

Training capability and satisfaction differed across the sector. Federal agencies posted the highest AI maturity (3.50) and training capability (3.47), and constitutional offices scored high on training capability (3.62). Municipal and county governments invested in training ahead of their overall AI maturity, while state governments showed the reverse, with AI maturity (2.94) outpacing training capability (2.86), indicating that AI investment is not yet reaching the training function. Role mattered too: managers derived comparatively fewer direct skill gains from AI training, and satisfaction patterns between managers and line staff inverted between federal and state/local settings. Uniform deployment leaves value on the table.

What This Means for Public Sector Leaders

For administrators and HR officers weighing AI training investments, the evidence points to five practical priorities:

1. **Treat satisfaction as a leading performance indicator.** Build training satisfaction measurement into routine evaluation and treat low scores as an early warning of downstream skill-development failure, not as a soft metric.
2. **Target Level 3 adaptive tools for maximum impact.** Prioritize personalized, competency-aligned training over advanced predictive features. Organizations at any AI maturity level can benefit from adaptive modules, particularly those with limited data infrastructure.
3. **Build governance before advancing to predictive tools.** Establish robust data integration, ethical oversight, and employee trust-building mechanisms before adopting Level 5 systems. Premature deployment without governance can suppress rather than enhance outcomes.
4. **Differentiate by role and sector context.** Replace one-size-fits-all rollouts with targeted strategies that reflect the different ways managers and line staff experience AI training.
5. **Monitor for training saturation.** For intensive or high-frequency AI training, watch for early signs of cognitive overload, fatigue, and disengagement, and adjust cadence and complexity accordingly.

The Bottom Line

> The decisive factor in whether AI delivers on its workforce-development promise is not the sophistication of the tools deployed, but the institutional willingness to build training as a strategic capability that is relevant to employees, manageable in complexity, aligned to individual competency, and governed with the same rigor as any other mission-critical AI application.

About This Analysis

This white paper summarizes findings from a study of AI-driven training and skill development across U.S. public sector organizations, based on survey responses from 441 federal, state, and local government employees. Skill outcomes were modeled using ordinary least squares regression with controls for organizational type, managerial role, and tenure. Findings are associational and drawn from cross-sectional survey data.

About Evergreen Solutions

Evergreen Solutions, LLC is a public sector human resources and management consulting firm headquartered in Tallahassee, Florida. The firm partners with local governments, school districts, water utilities, and higher education institutions on classification and compensation, organizational review, workforce planning, and AI utilization strategy — helping agencies translate insight into resilient, high-performing organizations.

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