



Overcoming Talent Stagnation: Enhancing Skills for Marketability

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Introduction

In 2024 University of Phoenix Career Institute* conducted its Career Optimism Index* study in multiple cities known as designated market areas (DMAs) to better understand the causes of talent stagnation, contributing factors, and how employees overcome the phenomenon. Rapid advances in technology and the way people work in a post-Covid world has presented challenges for both employers and employees. This paper provides an overview of the study and potential solutions, including upskilling and reskilling, through a combination of technological advancements and education.

Method

The purpose of this study was to identify strategies to help employers overcome talent stagnation. Talent stagnation occurs when employees' professional growth does not improve over time. Stagnated employee growth could occur because the employees may not have opportunities for growth or promotions. The Career Institute (2024) provides data from the perspective of the employee and employer, and the data is used to address the following research questions:

1. What are the causes of talent stagnation?
2. How can employees overcome talent stagnation and enhance their skills?

Index Sample

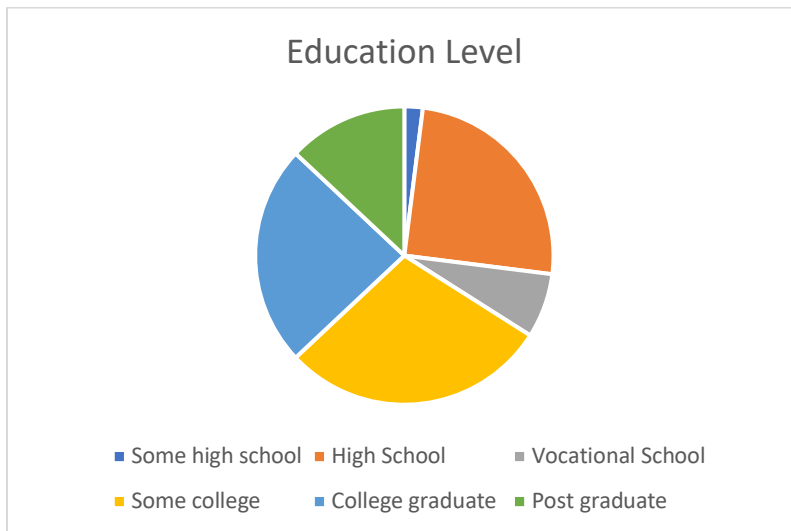
In 2024, University of Phoenix Career Institute* conducted its Career Optimism Index* study that explored workers' optimism regarding their careers, the economy, and challenges faced. The total workforce was comprised of 5000 adults (18 years old and older). The participants in the study included 300 adults and 501 employers from 20 designated market areas (DMAs). The 20 DMAs included Sacramento, Seattle, Cleveland, Tampa, San Francisco-

Oakland-San Jose, Orlando, Phoenix, Dallas, Denver, Atlanta, Philadelphia, Miami, Boston, Chicago, Minneapolis, Houston, Los Angeles, Detroit, Washington, and New York City. Data collection occurred between December 2023 and January 2024. The following paragraphs include the demographic information for the participants.

Fifty-three percent of the participants in the study self-identified as male and 47% identified as female. Approximately 36% of the participants were Millennial and 33% were in Generation X. Baby boomers and Generation Z comprised 16% and 15%, respectively. Figure 1 contains the educational levels of the participants. As shown in the chart, 29% of the participants completed some college and 13% of the participants obtained a graduate degree.

Figure 1

Education Level



Concerns of Employees and Employers

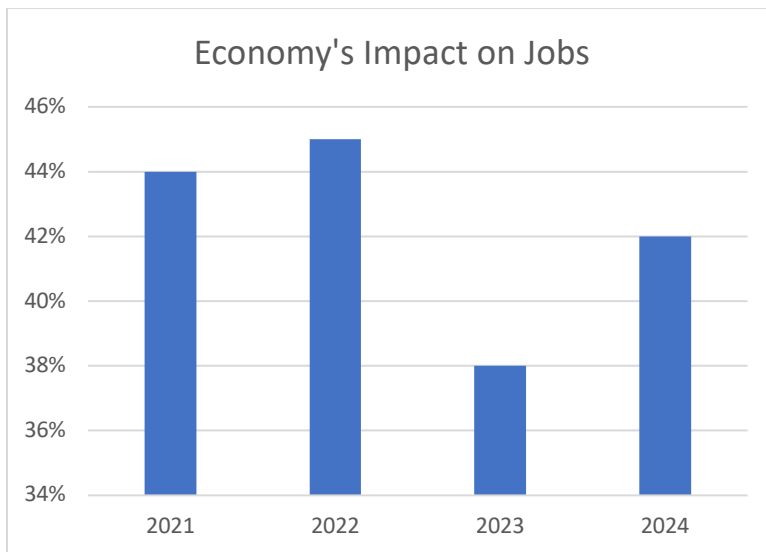
Various issues contribute to talent stagnation. Employers are hiring less employees. The employers are looking for employees with a certain skill set and are unable to find those employees. Employees believe they are being overlooked for promotions. Employees believe

that they are replaceable and fear losing their jobs. The paragraphs that follow contain the concerns of employers and employees based on the Career Optimism Index.

First, employers and employees reported that they are worried about how the state of the economy impacts their job. Approximately 62% of employers stated growth as declined and will hire fewer people this year (Career Institute, 2024). As seen in Figure 2, the percentage of employees concerned about the state of the economy increased from the previous period. More employees were concerned about their jobs in 2022; however, employees were more optimistic about the economy's impact in 2023 (Career Institute, 2024).

Figure 2

Economy's Impact on Jobs

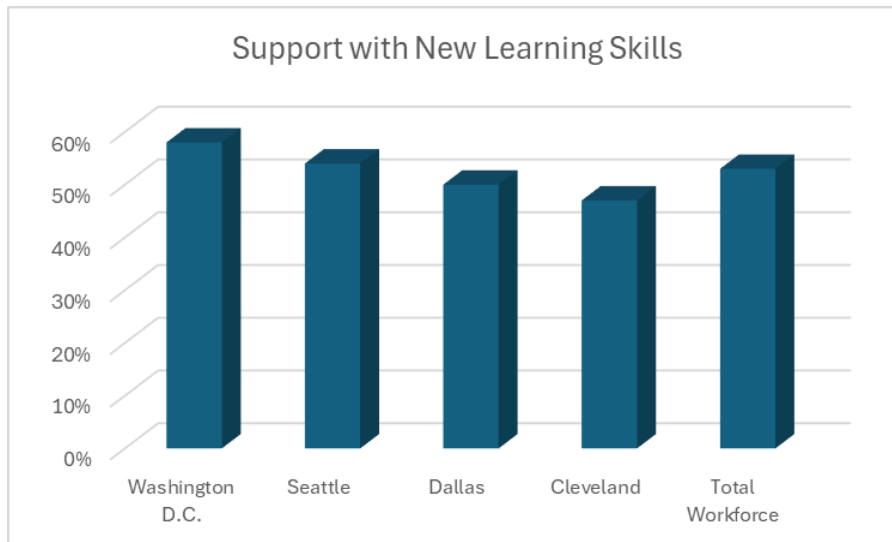


Employers mentioned various hiring challenges when looking for new applicants. Approximately 56% of the employers surveyed stated they have a tough time finding new talent, and 44% stated their greatest challenge was finding well-qualified applicants (Career Institute, 2024). Employers stated that the number one challenge faced was the lack of well-qualified applicants. Additionally, half of the employers surveyed stated that it takes over a month to fill an empty position.

While employers reported challenges when looking for new applicants, employees reported challenges with internal mobility. The Career Institute (2024) reported that 36% of employees stated their current job offers opportunities for internal mobility whereas 62% of employers reported the company offers opportunities for internal mobility. Twenty-six percent of employees stated that communication regarding internal mobility is poor within the organization.

Another concern addressed by employees was the lack of training opportunities provided by employers. According to the Career Institute (2024), approximately 55% of the employees stated their employer does not provide skill development opportunities while 23% reported that their employer does provide skill development opportunities. Additionally, 53% reported that their employer does not provide career path guidelines; however, 19% stated their employers provide the guidelines. The manager can stifle skill development opportunities by creating barriers for employees who want to move up in the organization. An example of a barrier is keeping a good employee in his/her department to accomplish departmental goals at the expense of the employee's career goals.

Approximately 44% of workers believe that having knowledge on how to use AI is valuable to their careers; however, only 18% reported that their employers offer training on how to use AI (Career Institute, 2024). Figure 3 shows the percentage of Americans who want more support from employers regarding learning new skills and tools related to artificial intelligence. As shown in the chart, 53% of workers in the total workforce want support with learning new skills and tools related to AI. The highest percentage of workers requesting support reside in Washington D.C.

Figure 3*Support with New Learning Skills***Solutions to Talent Stagnation**

Several solutions exist to combat the problem of employee stagnation. The first solution is forming a partnership with a community college. Community colleges offer technical programs for students to increase their marketability and to meet the needs of the workforce. West Georgia Technical College formed partnerships with organizations to meet regional workforce needs. The goals of the program include the following:

1. Create advisory boards. The advisory board contains industry leaders who meet with community college leaders to discuss critical skills needed. Advisory board members provide recommendations for what colleges should include in curriculum based on industry needs. Advisory board members connect students with employers within the industry. Additionally, advisory members help community colleges perform labor market assessments to help determine what programs meet the needs of the labor market.

2. Provide in-demand training to upskill and reskill students so help them advance in their careers. In-demand training programs allow the learners to take control of the skills acquired and stay relevant in the job market (Ramasamy & Pilz, 2020).
3. Offer micro-credentials. Micro-credentialing consists of short, stackable courses that students can take which enhances their skills. Micro-credentials are offered in a short time and usually in an online setting (Pollard & Vincent, 2022). Individuals can complete a micro-credential course in 10-12 weeks, and some of those courses offer credits or certificates. Hunt et al. (2020) contended that micro-credentials increase the knowledge and skills and increase the marketability of employees.
4. Target underrepresented populations to train and introduce to the workforce (Alvarado & Blochinger, 2024).

Another solution is to embrace internal mobility programs. Embracing internal mobility programs fosters a sustainable workforce. Additionally, using internal mobility allows the employers to learn more about the skills existing employees possess, and enables the employers to communicate promotion opportunities to employees so that they can use those skills. Internal mobility programs encourage employers to have the employee-first mindset. The employee-first mindset means instead of laying off workers, employers work hard to move employees into new roles.

Employers who use an internal mobility program may experience several benefits. First, employers may experience lower recruitment costs. When hiring internally, employers do not have to post costly external job posting or use third party hiring agencies. Second, internal promotions foster increased employee loyalty. Third, internal promotions lead to increased

productivity and retention. Internal candidates already know the culture of the institution and the risk of a bad cultural fit is lower. Lastly, internal promotions enhance the institution's reputation.

Another solution to employee stagnation is upskilling and reskilling. Upskilling occurs when employees expand on an existing skill set. Reskilling occurs when employees develop new skills. Employees may pursue a different career path because of upskilling and reskilling. Employees should consider upskilling and reskilling in technology.

A vital skill needed is navigating through new technological systems for a hybrid work environment (Herman & Paris, 2020; Hughes & Davis, 2024). Technology is one of the main drivers changing the way we work. The COVID-19 pandemic showed employers that employees can work in a hybrid environment. The issue is that employees may not know how to seamlessly transition between the home and work environments (Thambar & Hughes, 2023). Research studies have shown that Generation Z is well-equipped to work in a hybrid setting (Donald et al., 2022; Schroth, 2019). Areas for reskilling and upskilling in the technology realm of the hybrid environment include creating quality videos, e-commerce, and solving problems in digital environments. In digital environments the online learning platform (OLP); also known as professional skilling program on educational technology platform (PSPETP), is not constricted by time or location. Upskilling and reskilling using this method of learning can help employers retain talent and remain competitive while employees enhance skills and acquire new knowledge.

Research has shown a positive relationship exists between knowledge sharing and technology innovations (Jones III, 2017). Industrial technology innovation strategic alliances (ITSAs) set the stage for collaboration between universities, researchers, and other institutions. The intentions of ITSAs are to create strategic alliances that share research, knowledge, and

build trust to implement changes to knowledge management and innovation through interactive communication. A solid relationship between ISTAs advances the transfer and sharing of knowledge.

Skills are outdated and not keeping pace with unprecedented change (Patre et. al., 2024; Lang & Triantoro, 2022). Technological skills in demand include artificial intelligence (AI) (Behki, 2023), blockchain (BC), and Internet of Things (IOT). Artificial intelligence is not a new concept; it can be traced back to the 1950s (Haigh, 2023). AI is the process of machines learning to perform human tasks. However, rapid advances in technology have increased machine learning and automation; complimenting human skills as well as strengthening productivity and innovation (O'Doherty, 2024). Increased use of AI means an increase in demand for talent in areas ranging from agriculture to supply chain. There has been a rise in demand over the last several years for skilled AI engineers (Doyle, 2024); which supports the case for increased upskilling and training. Companies like Amazon, CVS, and Walmart. Fruits are taking advantage of advances in technology, particularly AI, to benefit sellers and customers (Jackson, 2024; Law 2024).

Blockchain enhances decision-making and creates transparency in systems. Researchers showed that blockchain has transformed logistics, food supply chains, finance, and healthcare through the generation of secure, tamper-proof transactions (Cui & Gaur, 2023; Kamilaris et al., 2019). The evolution and adoption of this technology will create a niche that will increase the need for training and upskilling desired by 53% of the workforce.

Internet of Things (IOT) includes a network of physical devices and other objects equipped with sensors, software, and connectivity for the collection and exchange of data over the internet. Kitcharoen et al. (2024) recommend that a combination of the two known as

artificial intelligence Internet of things professional development (AIoT-PD) start with educating and preparing teachers to integrate AI education into the classroom therefore providing more support for the demand in upskilling and to help answer the question: How can employees overcome talent stagnation and enhance their skills?

Conclusion

With an unprecedented shift anticipated in the labor pool by 2030 (mass retirement), understanding demographic data and employer/employee perspectives in times of rapid change can provide insight into new leadership approaches, strategic innovation, continuous improvement, and skills that are in demand. Technology plays a role in the way we learn and work and further research and discussion on upskilling and reskilling can set the stage for employee retention and competitive advantage.

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