



Leadership Imperatives to Overcome Talent Stagnation

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Table of Contents

Theoretical and Conceptual Frameworks	1
Employer/Employee Viewpoint.....	1
Addressing Talent Challenges	2
Leadership Imperatives.....	3
References.....	5

Talent or role stagnation, where one feels stuck in the same work role with no opportunity for career advancement, is a liability for both employer and employee (Kunte et al., 2017). Without growth, employees experience complacency and lack interest in innovation. It may also lead to turnover, which impedes organizational progress due to its negative impact on productivity, sustainability, competitiveness, and profitability (Dwidienawati et al., 2023). For the employee, role stagnation is negatively correlated with job satisfaction (Kunte et al., 2017). Leaders must not overlook talent stagnation as an organizational challenge that is detrimental to the organization if left without adequately addressing it.

Theoretical and Conceptual Frameworks

The theoretical and conceptual frameworks as a lens to view talent stagnation are Human Capital Theory, the Job Demands-Resource (JD-R) model, and Talent Management (Leontes & Hoole, 2024). Human Capital Theory contends that employees with special skills perform at a high level in their roles; thus, the greater the investment, the better the employee productivity levels. Work engagement is supported by the JD-R model. Job resources are intrinsic and extrinsic characteristics that are beneficial in achieving work goals, reducing job demands, and inspiring personal development and growth. Employees who are supported by their management demonstrate a reciprocal arrangement with the employees' willingness to perform their work effectively. Substantial evidence supports the argument that work engagement and job resources, such as rewards and learning opportunities, correlate. (Leontes & Hoole, 2024).

Employer/Employee Viewpoint

From the employee perspective, with recent layoffs, strikes, and economic uncertainty, workers are concerned about their job stability. 20% are dissatisfied with their job, and 42% are worried that, due to the economy, they will be laid off. And, because of inflation, 38% of

workers indicate their salaries have not kept pace, losing economic ground. In stark contrast to the year before, in 2024, 53% of employees feel they are easily replaceable, and 52% of employers think the same (University of Phoenix, 2024). While there may be less demand for employment, employers are still looking for talent that matches the skills they need. Still, it is a difficult task, as 56% of employers state it has been challenging to find new talent, and of those, 44% cite the top challenge is finding well-qualified applicants (University of Phoenix, 2024).

Addressing Talent Challenges

Talent Management is an integrated body of knowledge and processes designed to attract and retain productive and engaged employees. By deploying Talent Management, organizational leaders create and sustain a high-performance, stable, and sustainable business entity (Jain et al., 2018). Identifying and motivating stagnant employees, resulting in improved productivity and retention, is a Talent Management initiative. This approach is universally relevant to all organizations considering employees as valuable assets (Jain et al., 2018).

Developing a learning culture in the workplace is also essential for talent retention. It helps employees be more productive, take ownership of their development, and enable them to take on increased responsibilities, resulting in motivation and job satisfaction. In a recent LinkedIn study, companies found a nearly seven percent higher retention rate for employees who learned skills during a three-year period of employment. They also found that a strong learning culture in the workplace accounted for an increase of 57% in retention, a 23% increase in internal mobility, and a seven percent increase in promotions to management, as compared to those with a baseline learning culture (LinkedIn Learning, 2024). A learning culture not only retains talent but is equally important in building critical competencies needed by the employer. As part of the learning culture, incorporating learning objectives into job performance

requirements provides learning performance indicators that aid the employer and employee in measuring growth (Korkala & Welander, 2024).

Yet, it appears that employers are overlooking talent in their current workforce. Workers report a desire for career advancement and skills development, but, according to employees, employers are not utilizing the supply. Meanwhile, employers believe they are making opportunities known to their workforce. 62% of employers state they make positions available internally for worker mobility. However, only 36% of workers agree. Similarly, while 90% of employers say their company provides workers with opportunities for career development, only 69% of workers agree (University of Phoenix, 2024). This lack of mobility, career development, and economic inertia has led to talent stagnation. As indicated by the Human Capital theory, in this scenario, workers feel stuck, which promotes further dissatisfaction and reduced productivity (Leontes & Hoole, 2024). This is especially true when the organization provides no mentorship programs, skills development or internal mobility opportunities, or career path guidelines (University of Phoenix, 2024).

The key is providing these opportunities and making employees feel valued so they take advantage of them. When employees know of such opportunities, they report they are highly satisfied. For example, 82% are happy with opportunities presented for internal mobility, 86% are satisfied with career path conversations with managers, and 88% are pleased with the visibility they receive from upper management (University of Phoenix, 2024).

Leadership Imperatives

The leadership imperatives for retaining workers and increasing their skills and productivity are building a learning culture of growth and development by not only offering programs but integrating them into the workplace. A Human Capital Management Program

(HCMP) that recognizes work engagement as a prolonged and continuous process of extrinsic and intrinsic motivation should be constructed and maintained. Consistent job resources such as training, career opportunities, and rewards fulfill both short-term needs and foster commitment to the job, ensuring successful task and goal completion and long-term loyalty (Leontes & Hoole, 2024). Organizational culture qualities such as increased communication, vision sharing, and mission and vision adoption positively affect employees' organizational commitment (Applebaum et al., 2010).

Statistical modeling has shown that employers who do not solve the talent stagnation problem miss out on significant cost savings. When career optimism among workers increases, employers can benefit by \$8,053 per worker per year, and workers' salaries can increase by \$5,270 (University of Phoenix, 2024). This is the classic win-win scenario, but leaders will not succeed in talent management without integrating an organizational learning culture that demonstrates they value and appreciate their workers for what they contribute now and how they can contribute more to the organization's future.

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