



Fuel50 Research

Hidden Talent, Lost Potential: Solving the Retention and Skills Visibility Gap





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CHAPTER

01

Executive Summary



The way we think about talent is changing.

A decade ago, HR leaders focused on straightforward metrics like headcount, turnover rates, and time to hire. Success meant keeping these numbers in check while filling open roles. But the work landscape has altered dramatically, and with it, the very nature of talent management.

To understand this shift, we surveyed 330 HR leaders across the U.S. and the UK, spanning industries from tech to manufacturing.

Our study revealed a striking disparity between how organizations think about talent and how they manage it in practice.

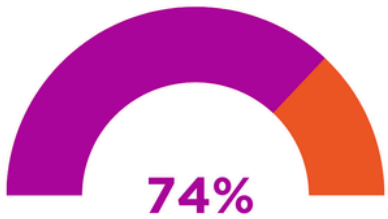
Nearly half of organizations list talent retention as their top priority for 2025.

That's understandable since, in a tight labor market, keeping good people is crucial. But they're falling into a fundamental trap: Organizations are investing millions in retention programs while lacking basic visibility into what they're trying to retain.



A striking ninety-two percent of HR leaders confidently claim they have sufficient visibility into their workforce's skills and capabilities.

While 92% of HR leaders claim they have "sufficient visibility" into their talent, 74% admit a lack of it is actively hurting their business objectives.



Seventy-four percent of HR leaders admit that a lack of talent visibility is actively impeding their ability to achieve business objectives.

This isn't just dissonance — it's an expensive impediment.

Consider a typical enterprise company: Say their senior engineer leaves, taking with them not only technical expertise but also years of systematic knowledge that isn't documented elsewhere.

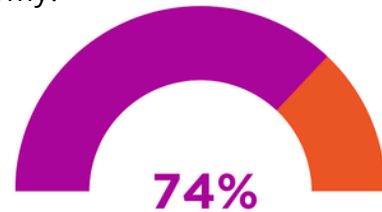
Their product manager also departs and thus carries away deep customer insights that took years to develop. As a result, the company spends 18%–20% more to hire externally, only to watch the new hires perform worse for two years and leave sooner.

This happens because businesses fail to address the root of the problem. We don't have a talent retention crisis; we have a skills visibility crisis.

Organizations can't retain what they can't see. They can't develop what they can't measure. They can't deploy what they don't understand.

The numbers make this clear:

- Only 20% have systems to track employee skills and capabilities.
- 74% struggle to fill internal roles.
- Just 8% have implemented a common skills taxonomy.



Seventy-four percent of HR leaders still struggle to fill internal roles.

The solution isn't simply to build better tracking systems, as the fundamental nature of skills has changed. Professional capabilities that once lasted 10 to 15 years now become outdated in five or less; by the time you've mapped your organization's skill sets, they've already started to morph.

The organizations that will win big in 2025 aren't those with the biggest retention budgets. It's the companies building dynamic systems that can see, develop, and deploy talent in real time that will reap the greatest rewards.

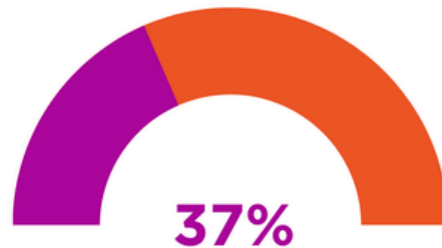
They're the ones who've realized that, in a world where skills expire twice as fast, the old way of managing talent is becoming obsolete. This report will show you the new approach they've adopted instead.

CHAPTER

02

Employee and workforce challenges

One might expect, in 2025, that the biggest HR challenge would be AI integration or managing hybrid workforces. Instead, our data shows something far more fundamental: 45% of organizations are struggling with talent retention, while 37% can't attract the talent they need.



Thirty-seven percent of HR leaders claim their organizations struggle to attract new talent.

Conventional wisdom says these are separate problems requiring different solutions. Better compensation packages for retention. More attractive benefits for recruitment. But data across big organizations reveals a different story.

AT&T uncovered this when they found 100,000 of their employees would be in obsolete roles within a decade.

Their response wasn't to throw money at retention or recruitment. Instead, they invested \$1 billion in reskilling their workforce. The result? Both retention and attraction improved.

This pattern reveals the real challenge facing organizations: they've built their talent strategies around static job titles rather than dynamic capabilities.

Only 31% of organizations in our research have recognized this shift and are actively investing in reskilling and upskilling their workforce.

Why does this matter? Professional skills now expire twice as fast as they did a decade ago - what once took 15 years to become outdated now takes just 5.

Those 31% of companies aren't struggling - they're adapting to this new reality. They understand that continuous skill development isn't a nice-to-have program anymore. It's survival.

Meanwhile, the majority of organizations are still treating retention and attraction as separate challenges, failing to see the connection between skill development and talent stability. While they focus on traditional talent tactics, their employees' capabilities are quietly becoming obsolete.

CHAPTER

03

Strategic and operational challenges

As previously stated, according to our data, 74% of organizations say a lack of skills visibility actively impedes their business objectives. This is a fundamental breakdown in how organizations operate.

Microsoft learned this the hard way when they began their cloud transformation. They had the talent they needed but couldn't see it.

Engineers with crucial cloud capabilities were scattered across teams, their skills hidden in outdated job titles and departmental silos.

The company remedied the situation by building systems to understand the skills their talent already had.

This visibility problem ripples through organizations in predictable ways.

Our data shows 70% struggle with retaining key talent because they can't see the critical skills their people possess until those skills walk out the door.

Think about it: when an employee leaves, organizations suddenly discover they were the only person who understood a crucial system, or had built deep relationships with key clients, or had mastered a vital technical process.

These skills weren't documented anywhere; they were hidden behind generic job titles like "Senior Engineer" or "Account Manager."

The coaching gap aggravates this issue: Two-thirds (67%) of organizations report ineffective leader coaching, and the root cause is poor clarity on coaching goals.



Internal mobility suffers from the same blind spot, with 65% of organizations struggling with it, but not because they lack opportunities or willing talent.

PepsiCo exemplifies this hindrance, as they found they were hiring externally for roles they could have filled three times over with internal talent if they had known where to look.

These four problems are manifestations of the same critical issue, namely, that organizations have lost the ability to see, understand, and deploy their human capabilities effectively.

Although they're all but drowning in data, they're missing the insight gleaned from that wealth of information.

The few organizations that avoid this don't take an individual approach to problem-solving.

Rather, they rebuild their entire talent infrastructure around the simple principle that you can't develop what you can't see, and you can't deploy what you don't understand.

CHAPTER

03

**What this means for business
priorities**

HR PRIORITIES 2025



The data reveals a clear prioritization of talent challenges facing organizations in 2025. Talent retention emerges as the top priority, followed by talent attraction, employee career growth, upskilling & reskilling, and employee performance.

This strongly indicates leading organizations have realized these aren't separate challenges to solve one by one.

The most successful companies are rebuilding their approach as an integrated talent ecosystem that addresses these priorities holistically rather than as isolated issues.

Meanwhile, traditional metrics are falling out of favor; only 12% of organizations plan to prioritize hiring costs, and 14% say they'll pay close attention to job fill rates.

In practice, organizations are moving away from speed-based metrics like time-to-hire toward impact-based measurements like productivity gains. They're asking better questions, too, replacing, "How fast can we fill this role?" with "How can we build lasting capability?"

The implications leave no room for ambiguity in 2025: Organizations that build strong talent foundations will execute their priorities more effectively.

On the other hand, those that jump straight to programs without the proper groundwork will likely struggle, regardless of their intentions or level of investment.

CHAPTER

04

**What's next: Turning insight
into action**

A smooth path forward requires practical steps, not just strategic thinking.

First, map your skills visibility. Before launching any new retention programs or developmental initiatives, learn what capabilities your organization currently possesses. Start with a single department or function. Document not only official roles but actual skill sets used in day-to-day activities.

Second, identify your hidden talent flows. Where do people naturally move within your organization? Which transitions lead to the best outcomes? Which departments regularly share talent? This investigation reveals your company's natural talent pathways.

Third, measure what matters. Move beyond traditional metrics like time-to-hire and cost-per-hire and instead track:

- Skill development rates across teams
- Internal mobility success stories
- Hidden capabilities discovered and deployed
- Cross-functional project participation

Finally, align your talent initiatives:

- Your retention strategy should feed your development programs.
- Your performance metrics should inform your mobility opportunities.
- Your skills tracking should guide your hiring decisions.

Most importantly, don't wait for perfect conditions. The organizations succeeding today didn't start with a flawless talent infrastructure. They set out with a single department, learned what worked, and scaled from there.

Ready to begin? Fuel50's talent intelligence platform helps organizations map their talent landscape, unlock hidden capabilities, and build dynamic talent ecosystems that drive real business results. Some of our customers see an average 60% reduction in employee churn and significant improvements in internal mobility.

[Book a demo today](#) and see how we can help transform your talent strategy.

Contact

[+1 424 257 6863](tel:+14242576863)

[+64 9 356 9758](tel:+6493569758)

help@fuel50.com

www.fuel50.com

Fuel50 is a global leader in talent intelligence solutions, dedicated to solving the skills crisis with the industry's only expert-driven skills ontology. By offering curated skill development, career pathing, and actionable insights, Fuel50 helps organizations close skill gaps and build dynamic, successful teams.

