

*fuel50*

# Hidden Talent, Broken Systems: A 2025 Research Report on Workforce Visibility





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CHAPTER

# 01

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## Executive Summary

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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.

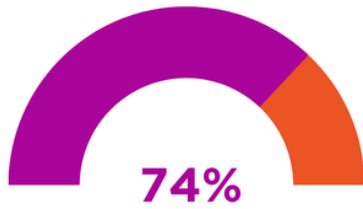
Nearly half of organizations list talent retention as their top priority for 2025.

That's understandable since, in a tight labor market, keeping good people is crucial. But these organizations are 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.

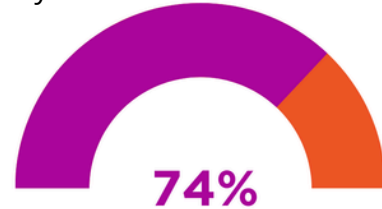
Their product manager also departs and thus carries away deep customer insights that took years to develop. As a result, the company spends 18%–20% more to hire externally, only to watch the new hires perform worse for two years and leave sooner.

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 skills 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 and beyond 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

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## Four Root Problems Driving the Skills Crisis

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Our research uncovered over two dozen distinct HR challenges that organizations face today. They range from reskilling and upskilling to diversity and inclusion, and from performance management to succession planning.

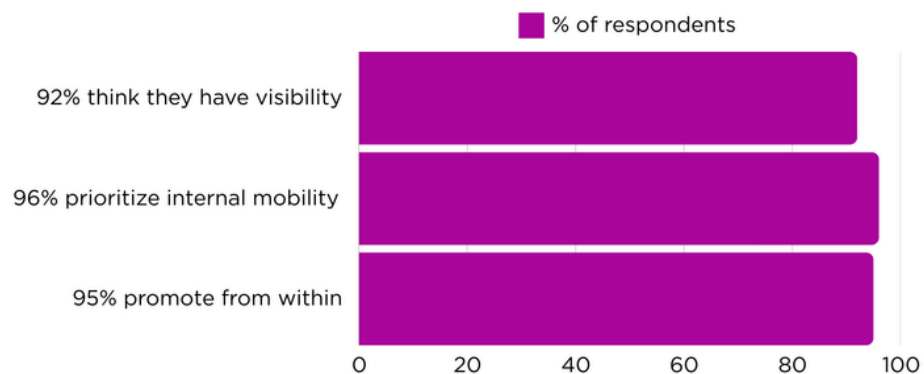
But when we analyzed the data patterns, four fundamental problems emerged that directly impact business outcomes.

# 01

## Most companies can't see their skills landscape

At first glance, organizations appear to have their talent well under control:

- 95% say they have a culture of promoting from within before hiring externally.
- 96% claim matching people to internal opportunities is an HR priority.
- 92% believe they have sufficient visibility into their workforce's skills.



This shows companies understand best practices in talent management, but there's a critical disconnect between perception and reality. The problem lies in how they interpret their HR information.

Most HR tools excel at generating reports and dashboards, which create an illusion of insight.

But having data isn't the same as having actionable intelligence. Modern talent, especially high performers, develop capabilities when multiple disciplines intersect, and traditional HR systems weren't built to capture this complexity.

For instance, a marketing manager may learn data visualization while collaborating with the analytics team, pick up basic coding through A/B testing projects, and develop project management expertise by leading cross-functional campaigns.

Traditional HR systems often create a gap between how skills are categorized and the actual capabilities employees possess.

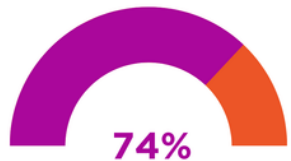
While a person may have a rich combination of marketing, technical, and analytical skills, the system might simply categorize them as having "marketing" skills.

This disconnect becomes problematic when:

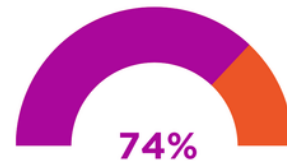
- The system sees only a "marketing specialist" classification
- In reality, the employee is a technical marketer with data analysis capabilities who can bridge between marketing, IT, and analytics teams

This visibility issue impacts organizational effectiveness in measurable ways:

- 74% of companies admit a lack of visibility into skills actively impedes their business objectives.
- 74% struggle to fill internal roles despite claiming to prioritize internal mobility.



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



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

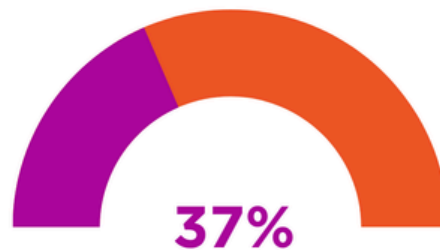
Organizations have data but lack meaningful insight. Their systems track discrete skills ("Marketing," "SQL," "Project Management") without capturing how these skills combine to create valuable cross-functional capabilities.

This false perception of visibility is particularly dangerous because organizations believe they understand their talent landscape when they actually don't.

As a result, opportunities for internal mobility are missed, external hiring costs increase unnecessarily, and organizations cannot develop talent strategically for future business needs. They aren't only flying blind — they're confidently navigating in the wrong direction.

## Most companies still struggle with basic talent retention

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.

But employees aren't looking any of that. In fact, 59% of millennials claim development opportunities are extremely important when deciding whether to apply for a position. Some would even be willing to get paid less in favor of skills development.

A whopping 74% of Gen Zs and millennials would quit a job that did not offer upskilling and development opportunities.

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.

## Most companies are bleeding talent while ignoring internal solutions

When faced with business challenges, organizations usually default on hiring more people.

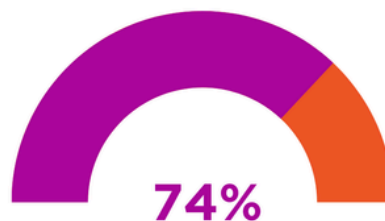
Revenue dropping? Hire more salespeople. Product development slow? Hire more engineers. Struggling with retention? Hire recruiters to backfill faster.

This reflexive response creates a vicious cycle wherein:

1. Limited visibility into internal capabilities leads to poor talent mobility.
2. Seeing no growth paths, talented employees leave.
3. Organizations hire externally to fill gaps.
4. New hires need time to adapt, which further reduces mobility.
5. Repeat.

Our data exposes how deeply embedded this sequence is:

- 74% of organizations fail to fill internal roles effectively.
- 70% struggle with talent retention.



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

Yet only 16% plan to prioritize internal mobility as a solution. The business impact of this cycle is severe but often insidious.



Of companies plan to prioritize internal mobility as a solution.

According to research by Matthew Bidwell at Wharton, external hires cost 18%–20% more than internal moves for the same role. But the real costs go deeper:

- External hires take two to three years to match the performance of internal promotions.
- They're 61% more likely to be laid off or fired.
- They're 21% more likely to leave voluntarily.

Let's take the example of a technology company that needs to build AI capabilities. While searching for outside candidates, they might have dozens of engineers already interested in AI.

Without both visibility into these emerging skills and clear pathways to develop them through mentoring and project opportunities, they default to expensive external hiring.

This approach isn't just expensive, it's actively detrimental to innovation and competitive advantage. While organizations cycle through the hire-adapt-repeat pattern, more agile competitors:

- Identify and develop internal talent faster
- Retain institutional knowledge
- Build cross-functional capabilities
- Ship products and features at a higher velocity

Concerningly, most companies don't recognize this as a systemic problem. With only 16% planning to address mobility, the majority will continue the costly cycle until market pressures force a change -- by then too late for many.



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**"External hires cost 18%–  
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moves for the same role."**

**- Matthew Bidwell,  
Professor at Wharton  
School**

## Most companies prioritize the wrong solutions

Our data reveals a critical misalignment between what organizations prioritize and what would actually solve their skills crisis. Looking ahead to 2025, HR departments are overwhelmingly focused on performance and productivity (34%), attracting top talent (34%), and retaining it (48%).



These priorities highlight a persistent focus on outcomes rather than root causes.

Even more telling is what organizations aren't prioritizing: Only 7% intend to implement a common skills taxonomy, while 16% are focused on succession and mobility. Yet these foundational elements enable effective talent management and development.

The disconnect isn't about awareness but understanding. Companies recognize they need better skills visibility and talent mobility, but misidentify the solution. Their actual challenges reveal the true barriers:

- Outdated job profiles (ranked as the top challenge)
- Manual skills mapping (second greatest challenge)
- Inconsistent, fragmented skills data

Without addressing these structural issues, organizations will continue investing in solutions that can't deliver the talent agility they need.

There is hope though. Almost 55% of organizations plan to increase their HR technology budget in 2025, and their tech wish lists indicate evolving priorities:

- 90% need tools that automate and validate skills mapping.
- 89% require an updated, validated skills library.
- 78% acknowledge their current skills mapping is outdated or nonexistent.

Organizations should resist the allure of quick-fix solutions that address symptoms rather than root causes.

While 34% are exploring AI-powered tools and 38% considering rapid deployment platforms, technology alone won't solve fundamental skills visibility challenges.

The highest-performing companies in our dataset take a more strategic approach by building an integrated talent infrastructure:

- Developing flexible, adaptable skills frameworks
- Implementing consistent skill assessment methodologies
- Creating systems that capture skill development in real-time
- Leveraging advanced technologies to accelerate and scale these capabilities

This isn't about moving slowly—it's about moving intelligently. Companies that build this foundation can implement new technologies more effectively and see immediate value, while those that skip these steps often replace their expensive new tools within 18–24 months due to poor results.

The most successful organizations aren't choosing between speed and substance—they're sequencing their efforts to achieve both.

CHAPTER

# 03

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**Why HR Tech Budgets Are  
Rising—But Workforce  
Challenges Remain**

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Our research reveals that 55% of companies are increasing their HR tech budget in 2025.

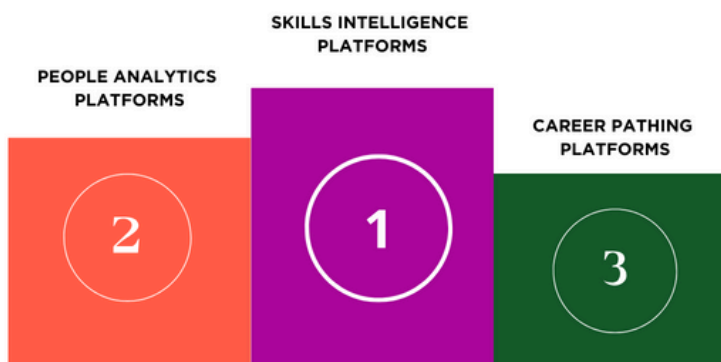
Organizations also now recognize the need for fundamental skills architecture solutions, but their purchasing priorities still show a concerning misalignment between problems and solutions.

Companies are prioritizing three categories of technological investments:

Skills foundation technologies lead the pack, with skills intelligence platforms (19%) topping the list. This represents a significant shift from traditional talent management tools toward technologies that promise to map skills across an organization. After years of flying blind, companies are finally investing in the radar systems needed to navigate the talent landscape.

People analytics tools (16%) follow closely behind, reflecting the growing recognition that workforce decisions require the same data-driven approach as other business functions. These investments represent a maturation of HR technology focus—moving beyond basic operational tools toward strategic decision support systems.

Career infrastructure rounds out the top priorities, with career pathing solutions (14%) and learning marketplaces (10%) gaining traction. These technologies address the growing recognition that internal mobility isn't just about retention—it's about deploying capabilities where they produce maximum value.



Particularly revealing is what's not on the priority list. Although there's a clear need for internal mobility solutions, only 4% emphasize project and gigs marketplaces—the very technologies that could immediately improve talent deployment. Similarly, coaching (5%) and mentoring (5%) platforms remain undervalued despite their proven impact on capability development.

The purchasing patterns suggest organizations recognize their problems but have yet to come to the appropriate solutions. That's especially evident when examining the strategic objectives driving these purchases:

Employee engagement (26%) is the objective organizations most hope to address with new technology, significantly outranking more concrete outcomes. This reflects a persistent belief that engagement tools can solve what are fundamentally structural talent issues.

Leadership development (15%) and skills-augmented performance management (15%) share second place, indicating growing recognition that capability development requires both structural systems and human engagement.

Perhaps most tellingly, improved career path mobility (10%) ranks sixth among objectives, despite internal mobility being critical to both retention and capability deployment. This break between recognized challenges and investment priorities risks perpetuating rather than solving core workforce issues.

The pattern becomes clearer when examining budget trends: As previously stated, 55% of organizations plan to increase HR technology spending in 2025, while only 14% anticipate decreases. That willingness to invest signals recognition of the problems, yet the allocation of these investments suggests many organizations still haven't identified the most effective solutions to their skills and talent challenges.

For technology vendors and HR leaders alike, it's clear the market is primed for solutions that address fundamental skills architecture and internal mobility challenges but needs better guidance on aligning technology investments with strategic workforce objectives.

CHAPTER

# 04

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## **What Features Are HR Leaders Looking For in New Technology?**

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Quick deployment (38%) emerges as the foremost priority for HR leaders evaluating skills architecture solutions. After enduring countless implementation cycles that dragged on for months or years, organizations have little patience for technologies that promise future value without immediate impact. The desire for speed indicates a market shift toward solutions that deliver tangible results within weeks rather than months.

The ability to edit roles and structure easily (37%) ranks second, which underscores a change in how organizations view workforce architecture. Static, rarely updated systems are giving way to dynamic platforms that can evolve alongside business needs. This feature preference reflects hard-learned lessons from rigid legacy systems that couldn't adapt to changing organizational structures.

AI-assisted skills architecture (34%) secures the third position, which is notable for being outpaced by more practical implementation concerns. Despite vendor hype cycles centered on AI, HR leaders are choosing functionality over buzzwords. They want AI that serves specific purposes rather than vague promises of machine learning "magic."

Customizable roles (33%) and cloud-based delivery (31%) round out the top five, reinforcing that flexibility and accessibility remain core requirements. Organizations need technology that conforms to their unique contexts rather than forcing standardized approaches across disparate business models.

Of particular interest is what ranks at the bottom: automated architecture design at 8%. This suggests HR leaders remain skeptical of fully automated approaches to workforce structure. So, while automation is valued for routine tasks, human judgment is still considered essential for strategic workforce decisions.

These feature priorities align logically with the strategic objectives companies hope to address. For businesses focused on employee engagement, easily editable systems create responsive experiences that adapt to workforce needs. For those prioritizing skills-augmented performance, AI-assisted architecture provides the intelligence layer needed to connect capabilities to outcomes.

For HR technology vendors, the message is clear: Technical sophistication matters less than practical application. Organizations want solutions that deploy quickly, adapt continuously, and deliver immediate value, without requiring massive implementation projects or specialized data science teams to maintain.

These priorities also point to a market that's tired of overpromised and underdelivered HR technology. Rather than chasing the next AI breakthrough, companies want proven approaches that solve fundamental talent challenges while remaining flexible enough to evolve as those challenges change.

CHAPTER

# 05

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## **Beyond Tech: How Leading Companies Are Actually Solving Talent Gaps?**

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The skills crisis isn't a problem of training, technology, or even talent but, rather, of systems.

Forward-thinking organizations succeed by revamping how skills function in their business model.

Here are three things they're doing right.



## 1. Skills as an operating system

Most organizations treat skills as static assets (things people have or don't have). The breakthrough comes when they treat skills as an operating system that runs the business.

Third-party data shows companies that take this approach see three times higher innovation rates and two times faster time-to-market on new initiatives.

When skills steer operations, visibility and mobility happen organically because they're essential to how work is done.

## 2. Embedded learning instead of learning programs

Traditional approaches separate learning from work, but progressive organizations are embedding skill development into their daily operations.

Looking at our survey data, companies that adopt this systemic methodology show significantly higher rates of internal mobility and employee retention.

More importantly, they report stronger alignment between skills development and business outcomes.



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### **3. Value creation over role fulfillment**

Instead of matching people to roles, leading organizations are producing value streams based on skill combinations.

They ask, "What unique value can we create with our current skill portfolio?" rather than, "How do we fill these positions?"

This shift from role-first to value-first thinking transforms how companies approach talent strategy.

It's no longer about filling seats—it's about maximizing the impact of your skill ecosystem.

CHAPTER

# 05

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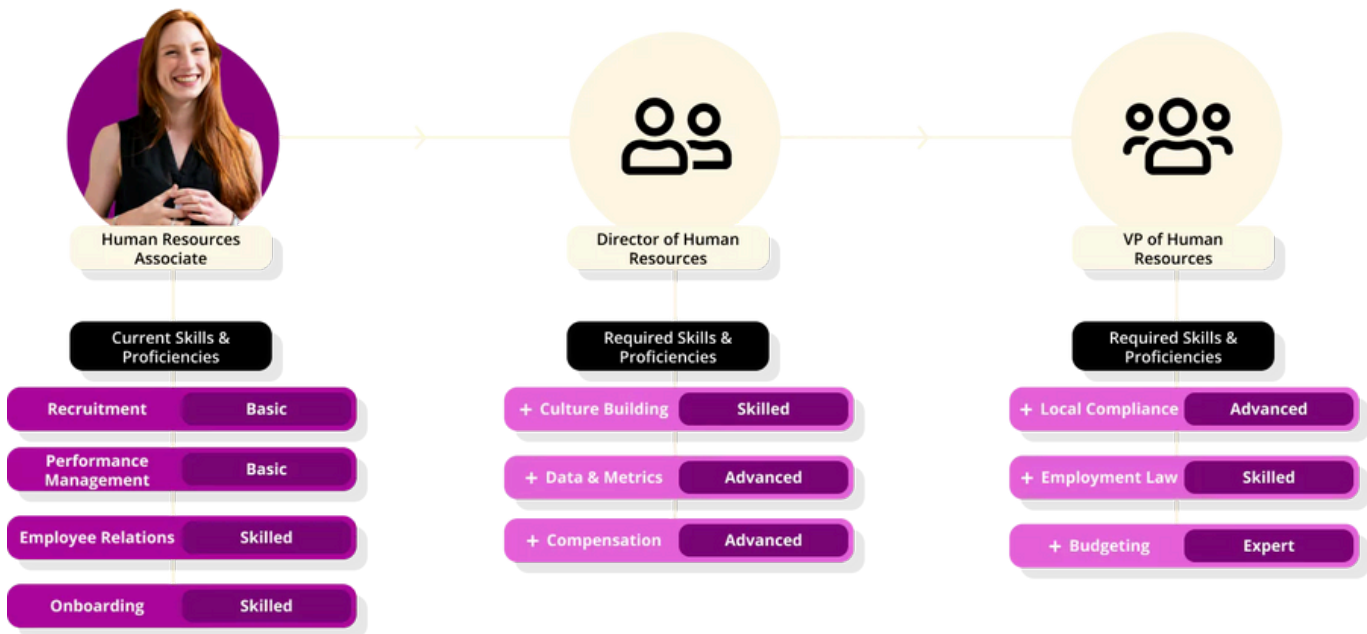
**How Fuel50 Stands Out And  
Caters to These Shifts**

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As organizations contend with retaining top talent while rapidly adapting their workforce to changing business needs, Fuel50 emerges as the comprehensive talent intelligence platform to help address these challenges.

Our AI-powered talent marketplace platform combines sophisticated skills intelligence with personalized talent marketplace, making it particularly effective for enterprises seeking to transform into skills-based organizations.

## Dynamic skills architecture and ontology



At the core of Fuel50's offering is its expert-driven skills ontology—a carefully curated framework of thousands of skills, capabilities, and competencies.



Specialist Skill

## Python Programming

Uses Python to develop and maintain applications and systems to meet business goals

Basic

Skilled

Advanced

Expert

Talent Growth

### Python Programming

We've lined up some actions that we think will help you achieve this goal.

Jan  
25



View a Python beginner's tutorial online. Share four critical learnings with my manager for feedback. Cement my knowledge by practicing the programming language often.



Jan  
28



Request participation in a project using python programming language to build a web application. Obtain feedback from the manager on my performance. Record three best practices for future use of Python.

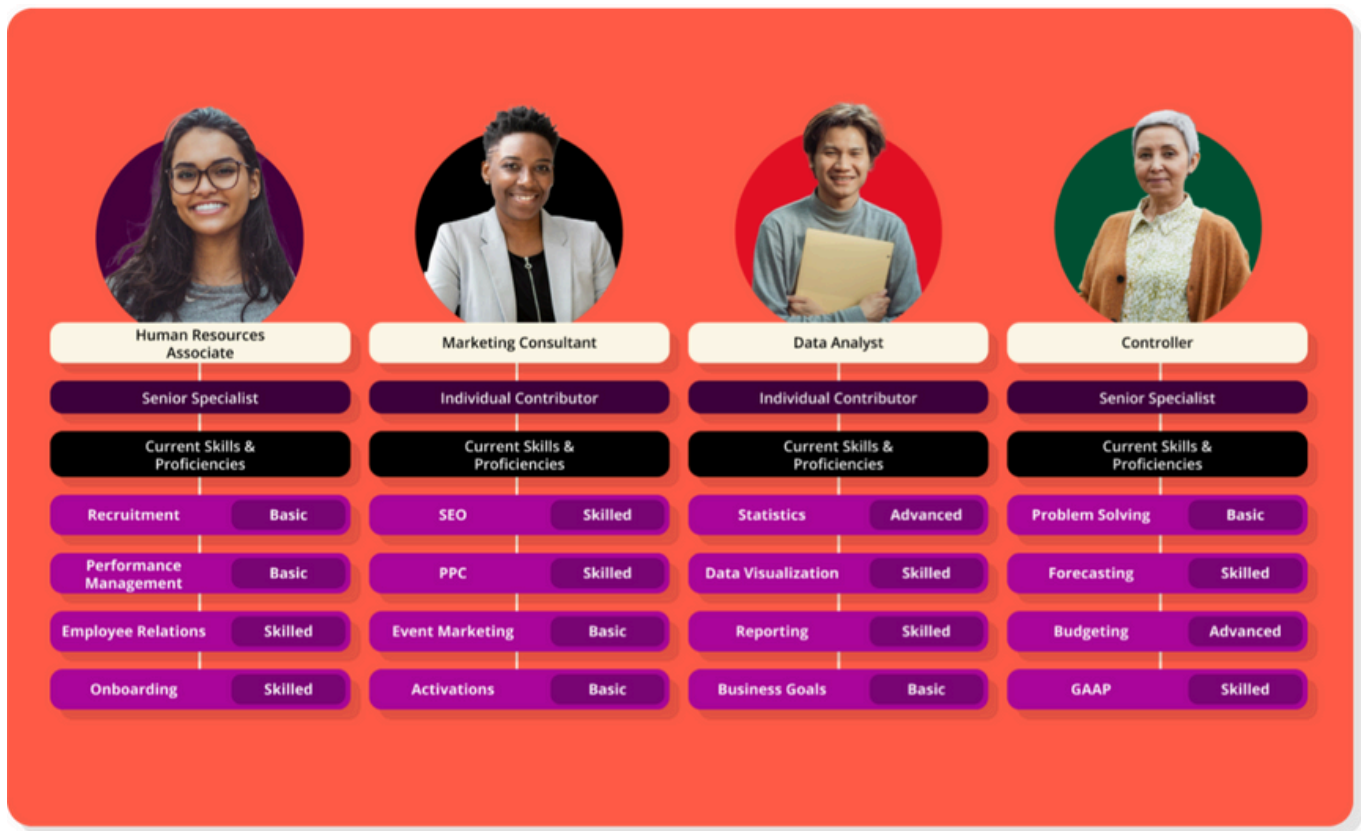


Unlike static taxonomies or overwhelmingly large skill libraries, Fuel50's ontology strikes a crucial balance between comprehensiveness and usability.

Each skill comes with detailed, proficiency-level descriptions and development actions designed by I/O psychologists to ensure consistency and eliminate bias. These reliably measure an employee's current standings in specific abilities.

The platform's Talent Blueprint feature allows organizations to map skills automatically to roles, creating a dynamic skills architecture that evolves with the business.

This approach has proven particularly valuable for enterprises undergoing digital transformation or rapid growth, as evidenced by [CarTrawler's successful implementation](#) that resulted in an 85% adoption rate.



# Hyper-personalized talent marketplace

Fuel50's marketplace goes beyond simple skill matching to create a unique "career DNA" for each employee; it considers not only their current skills but also their aspirations, values, and potential.

The sophisticated approach enables more meaningful opportunity matches, from full-time roles to gig work and mentorship opportunities.

Organizations like [KeyBank](#) have leveraged this capability to achieve impressive results, with 72% of users regularly returning to the platform, and over 9,800 skills assessed across their workforce.

The marketplace's ability to surface hidden talent and encourage internal mobility has proven particularly valuable in tight labor markets.

Medium Match

## CFO

### Opportunities For You

As our chief technology officer, you'll be the visionary leader shaping our technological landscape. Your approach will be application specific, meaning you can translate business goals into robust, scalable tech solutions that perfectly align with our industry and user base. You'll be responsible for drive innovation, overseeing software development, and ensuring our technology stack remains agile and future-proof.

### Your Skills

✓ Customer Centricity

✓ Business Savvy

✓ Lateral Leadership

### Required Skills

Financial Forecasting

Financial Reporting

Financial Risk Management

Finance and Accounting Platforms

Finance and Accounting Policies and Procedures

Finance and Accounting Trends

Strategic Cost Management

# AI-powered career development

Fuel50's career pathing capabilities stand out for their ability to craft personalized development journeys.

Unlike rigid career ladders, Fuel50 suggests both vertical and lateral moves based on an employee's unique profile. That flexibility has helped organizations like [UCI reduce attrition by 50%](#) while maintaining a remarkably low 4% turnover rate, compared to the industry average of 13%-15%.

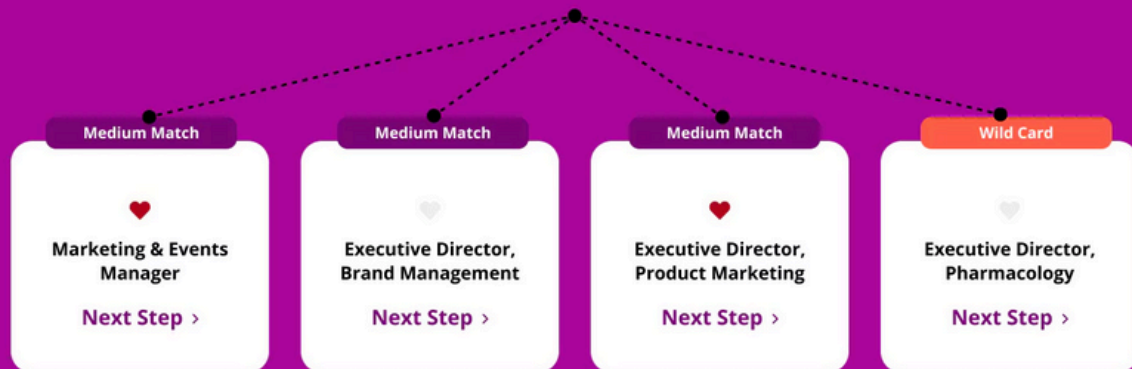
Journeys

## Explore Future Moves



Brand Marketing  
Manager

Future Moves > Find Journey >

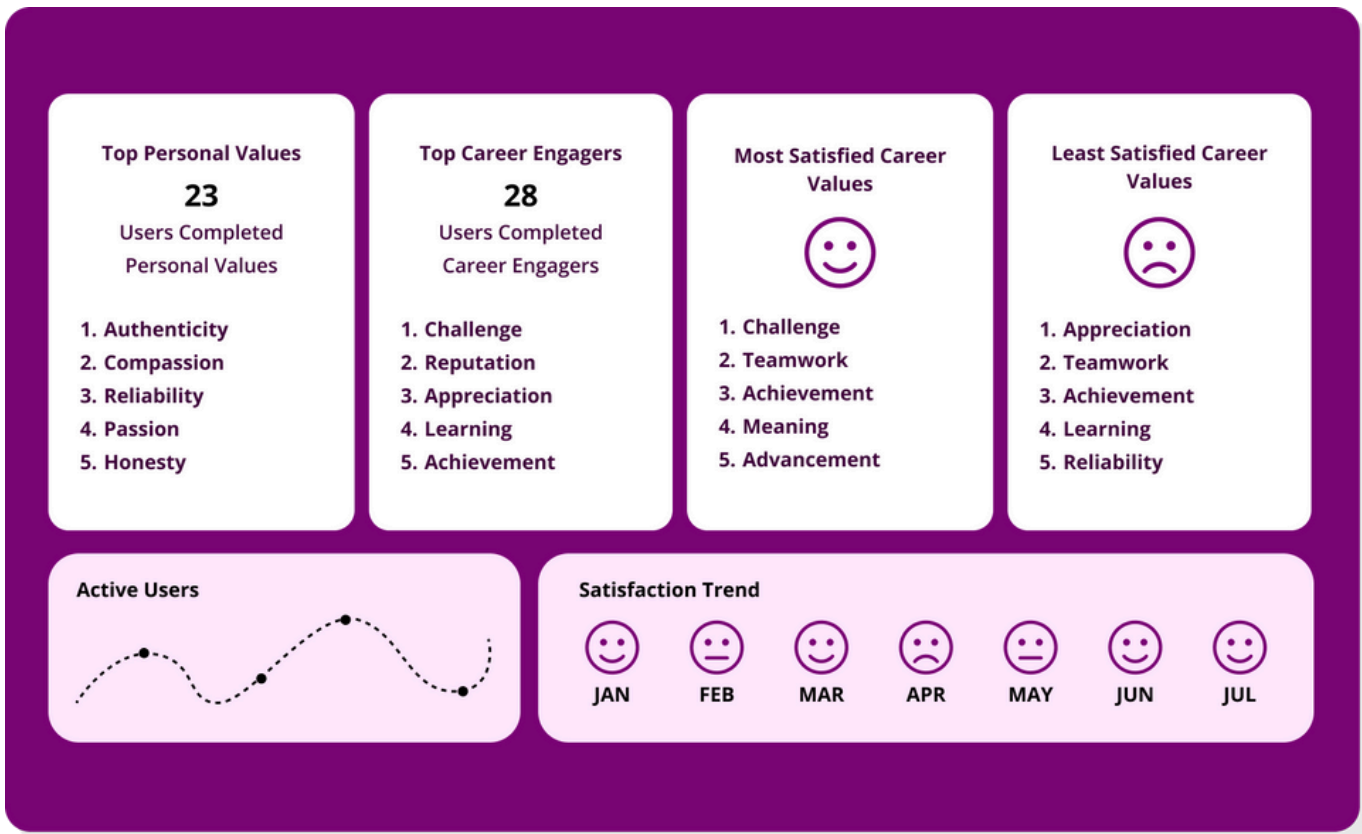


# Real-time workforce intelligence

Fuel50 provides rich insights into organizational skills through its skills-based approach and analytical capabilities.

The platform offers reports that track everything from skill gaps to mobility patterns, supporting data-driven decisions about workforce development.

Organizations can easily monitor the ROI of their talent initiatives through metrics like internal mobility rates and skill development progress.



# Ethical AI and bias prevention

A distinctive feature of Fuel50’s platform is its commitment to ethical AI and diversity.

The system incorporates multiple layers of bias checks in its algorithms, and all content undergoes thorough internal and external reviews to eliminate unwanted stereotypes.

This comprehensive scrutiny ensures fair opportunity distribution while helping organizations meet their DEI objectives.

The background of the entire page is a photograph of several hands holding up large, colorful paper rings. The rings are in shades of red, pink, and purple, and they have circular cutouts in the center. The hands are positioned around the rings, with some fingers pointing towards the camera. The overall scene is bright and colorful, suggesting a creative or collaborative environment.

## Leverage Fuel50 to future-proof your workforce

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](#)

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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.

