Economic Influence of Artificial Intelligence on Career Optimism

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Introduction

The modern multigenerational workforce faces unprecedented challenges and opportunities in an era of relentless technological advancements and evolving workplace expectations. Career optimism is at the heart of these dynamics—it is a critical driver of employee satisfaction, engagement, and overall well-being. The University of Phoenix Career Institute's 2024 Career Optimism Index® (COI) highlights significant gaps between employee perceptions and employer offerings, emphasizing the need for actionable solutions. The COI (University of Phoenix Career Institute, 2024) research reveals that employers overlook potential within their existing workforce. Employees express a strong interest in growing professionally and acquiring new skills; though, remain unclear about changes for development in their current positions. The resulting talent stagnation caused by these diverging interests affects employers and workers.

Technical analysis reveals savings potential for employers if this talent stagnation is addressed. It is possible to save up to $8,053 per year and increase their annual salary by up to $5,270 by investing in enhancing career optimism among employees (University of Phoenix Career Institute, 2024). Employers can develop the dynamic talent they need from within by providing clearer and more personalized professional development opportunities for workers to advance internally. One such area for personalized opportunities is developing worker competencies around industry or organization specific Artificial Intelligence (AI) skills. The economic influence of AI on career optimism warrants consideration as it is shaped by several key factors, including the potential for job displacement, the creation of new job categories, and the need for workforce reskilling.

Employees also place significant emphasis on a potential employer's career development policies when seeking employment opportunities. Sixty-five percent of workers consider how much a company invests in reskilling or upskilling its workers when looking at new opportunities (University of Phoenix Career Institute, 2024). Consequently, fostering a culture of continuous learning and career development is essential for maintaining a motivated, optimistic workforce, and attracting new talent. The focus on the economic influence of AI on career optimism presents potential for employees to be of more value to employers.

Providing professional development opportunities and support to learn AI skills may assist in addressing career concerns. For instance, 53% of employees express feelings of being easily replaceable demonstrating a 4% increase from 2023 wherein economic experiences including layoffs contributed to uncertainty (University of Phoenix Career Institute, 2024). Improving employee empowerment feelings from 27% and limited skill development opportunities offer additional areas to enhance career optimism (University of Phoenix Career Institute, 2024). Creating continuous learning options is instrumental to ensure employees are building a foundation for the competencies necessary for career advancement and progression. Supporting skill development with structured learning may help with the disconnect between workers with 23% versus the 55% employer perception (University of Phoenix Career Institute, 2024). Inspiring employers to determine development needs can contribute to discovering programs, education, and training to implement. Ultimately, promoting possibilities to strengthen skills is important in empowering employees.

AI integration into the normal workflow is expected to continue to increase with the rapid development and falling cost of AI technologies. Despite this increased adoption of AI, only 18% of employees report that their employer provides training on incorporating AI into their

careers, while 53% of employees require assistance in acquiring new skills or tools related to AI (University of Phoenix Career Institute, 2024). Enhancing career optimism through reskilling, upskilling, and providing learning support will improve human-AI collaboration, retain premium talent, and save employers the associated cost of employee turnover.

Reskilling, Upskilling

The increasing adoption of AI in organizations has a multifaceted impact on employee career optimism. On the one hand, AI integration can enhance efficiency and productivity, allowing professionals to focus on creative, strategic, and analytical tasks that are harder to automate, which can foster a sense of career optimism among those in higher-level positions or roles requiring creativity and decision-making skills (López Jiménez & Ouariachi, 2020). However, the rapid growth of AI-related vacancies and the subsequent reduction in non-AI positions can lead to a shift in skill requirements, potentially causing anxiety among workers whose tasks are more susceptible to automation (Acemoglu et al., 2022). Reskilling and upskilling employees on relevant AI technologies solves talent stagnation while enhancing their economic position.

Several factors, including job displacement, the creation of new job categories, and the need for workforce reskilling, shape AI's economic influence on career optimism. AI's ability to automate tasks and reduce cognitive workload leads to increased productivity and efficiency and potentially causes job losses (Morandini et al., 2023). However, Jadhav and Banubakode (2024) argue that this can be mitigated by reskilling initiatives and education to guide employees through the changing employment landscape. One important measure to prepare employees for the changes resulting from integrating AI into the workplace is to consider them critical stakeholders. This change in perspective can potentially increase employees' career optimism and

enthusiasm regarding upskilling and reskilling as they consider the personal advantages of AI integration.

Mitigating the adverse effects of career optimism brought on by AI requires comprehensive reskilling initiatives. This investment will benefit both employer and employee significantly. The University of Phoenix Career Institute (2024) COI reveals a savings of around $8,053 per worker per year for employers, with 49% needing new skills to maintain their current position and 53% needing support learning AI-related skills and tools. Focusing on developing their internal pool also saves employers the cost of turnover while providing employees with the necessary skills to function more efficiently. This upskilling and reskilling initiative requires broad collaboration to develop effective programs and robust policy frameworks that support displaced workers, promote fair labor practices, and ensure transparency and accountability in AI deployment (Morandini et al., 2023). It is recognized that while workers will need to acquire new technical skills related to AI, they also need training in soft skills such as problem solving and creativity, which are less susceptible to automation.

Fostering a growth mindset among employees is the most effective way to ensure that the integration of AI has a positive economic influence on career optimism. Zirar et al. (2023) argue that workers' distrust of AI stems from the technology's perceived threat to jobs, which can be mitigated by ongoing reskilling and upskilling initiatives. Employees trained in advanced technology will be more open to viewing its benefits for the workforce augmentation potential rather than worker replacement. By encouraging a growth mindset and creating opportunities for cross-functional collaboration, companies can cultivate a dynamic environment where employees feel supported in their professional development and equipped to confidently navigate the changing landscape of work.

Support for Learning AI Skills

As technology continues advancing, providing proactive support for learning AI skills is increasingly important. The value of AI knowledge is reflected in career benefits. For instance, 54% of employees indicate a career advantage, 46% imply more opportunities to move up, and 44% suggest valuable information in knowing how to use AI (University of Phoenix Career Institute, 2024). An area offering opportunities to improve career optimism involves the use of automating activities. Researchers highlight how AI automation can contribute to potentially reducing hours and/or work weekdays while allowing employees to focus further on higher value work activities (Walsh et al., 2019). One strategy includes involving employees in identifying automation activities. Encouraging employees to critically reflect on job functions that may benefit from automation promotes a collaborative process. Advocating employers to support skill development is a proactive practice to apply looking ahead to the future workplace. Ensuring employees build a foundation for AI literacy may help to support career optimism. AI literacy requires purposeful proficiency to support efficient and ethical technology use while effectively using AI for task delegation (Bankins et al., 2024). Promoting AI literacy skills is a strategic approach to providing practical preparation for career changes. Supporting the development of critical collaboration skills to work with AI is equally essential for employers.

In combination with learning AI, prioritizing soft skills is another area of consideration. With the continued AI advances, researchers reveal the relevant role of attributes that technology is unable to replicate holistically including critical thinking, problem-solving, empathy, emotional intelligence, interpersonal, and social skills (Bankins et al., 2024; Dumitru & Halpern, 2023). Fostering skills in creativity, communication, and collaboration are also in demand with

the rapid rise of AI in the workforce (Kumar, 2023). Balancing skill development enables employees to focus on tasks requiring soft skills versus emerging automation areas.

Stakeholder collaboration between businesses and educational institutions can help support skill development. Providing employees with education and training is instrumental to ensure lifelong learners obtain the "necessary competencies to effectively navigate both work and society in the era of AI" (Kumar, 2023, p. 12). The collaborative partnership consists of curriculum alignment to industry needs while providing practical career relevant AI and soft skills (Bankins et al., 2024; Dumitru & Halpern, 2023). Engaging educational and industry stakeholders supports a seamless transition to the workforce with learning program investments that help to strengthen employee understanding and AI technology application (Bankins et al., 2024; Dumitru & Halpern, 2023). As the reliance on AI increases in the future workforce, ensuring employees are prepared to demonstrate the critical competencies needed is expected. Empowering employees with supportive structures to learn emerging skills is vital for the continued use of AI in the workforce.

Conclusion

Investing in employee training programs focusing on developing digital skills and AI literacy can help organizations build a future-ready workforce capable of driving sustainable innovative growth. Encouraging employees to engage in ongoing professional developing is suggested to support learning AI and applicable soft skills. Establishing opportunities for employees to explore, experiment, experience, and learn from AI applications is recommended to further foster effective technology use (Kumar, 2023). To capitalize on optimism opportunities, employers are encouraged to provide upskilling options monthly while enabling flexible skillset growth (University of Phoenix Career Institute, 2024). Promoting a culture of

continuous learning and adaptation can empower employees to embrace change, stay agile in their roles, and contribute meaningfully to the company's overall success. Addressing the gaps in career optimism through targeted reskilling and upskilling initiatives is essential for fostering an inclusive and resilient workforce capable of thriving in an AI-driven future. By implementing these strategies, employers can enhance employee engagement, retention, and career optimism while positioning themselves as leaders in leveraging technology for strategic advantage in the marketplace.

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