



# Global Trends in HR Technology & HR Transformation

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# Global Trends in HR Technology & HR Transformation



1 IN 3

HR LEADERS

THAT WE SURVEYED ARE  
ACTIVE PARTICIPANTS  
IN TRANSFORMATION  
CONVERSATIONS TODAY

## Introduction

The HR technology landscape continues to evolve, with AI-driven solutions and talent intelligence emerging as major themes. While these advancements create opportunities for growth and innovation, many companies are still uncertain about the future of HR transformation. Four years ago, HR played a central role in shaping organizational transformation through policies around remote work, mental health initiatives, and diversity, equity, and inclusion (DEI) strategies. However, today, HR is often excluded from key transformation conversations. **Only 1 in 3 HR leaders that we surveyed are active participants in transformation conversations today and 64% of companies are unclear about what their role will be in the future.**

Now is the time for HR to reclaim that role, not by chasing trends but by embracing what truly drives transformation and balancing innovation with foundational elements of HR Tech. Companies must invest in solutions with a mindset around integration, change management, and maximizing ROI.

This report, based on quantitative and qualitative research, explores the current state of Global HR Tech, key trends driving transformation, and recommendations for HR leaders to navigate these changes effectively.

## Research Methodology

We gathered over 5000 survey responses over the past year from HR leaders, director-level and above, across global companies of varying sizes, ranging from SMBs to large enterprises. In addition, we conducted 50+ interviews with HR leaders and spent over three to four hours in briefings with leading HR technology providers.

## HR's New Role: Managing An Ecosystem of People and Technology

In today's dynamic workplace, HR is no longer solely responsible for managing people—it is at the center of a broader ecosystem that integrates technology, AI, and data alongside people strategies. Modern HR leaders are tasked with overseeing both human capital and the digital tools that empower and optimize that capital. This shift highlights the evolution of HR into a strategic function responsible for driving business transformation and operational success.

To achieve this, HR must align its people strategies with the organization's technology roadmap. This involves adopting and managing tools like talent intelligence platforms, AI-driven solutions, and automation to streamline processes, enhance decision-making, and deliver greater value. HR leaders are increasingly at the forefront of selecting, implementing, and measuring the impact of these technologies, often in partnership with IT and finance teams.

At the same time, the integration of data into HR processes has made it essential for HR leaders to have a strong grasp of analytics. They are expected to harness workforce data to deliver actionable insights that influence hiring, development, engagement, and retention strategies. As a result, HR is not just managing employee experience but also ensuring the organization's digital transformation aligns with its culture and long-term business goals.

This convergence of people and technology requires HR leaders to adopt a dual mindset: strategic people management and digital innovation. Organizations that successfully build this ecosystem of people, technology, AI, and data will not only stay competitive but also create a work environment where employees thrive and the business excels. (see Figure 1 below)

Modern HR leaders are tasked with overseeing both human capital and the digital tools that empower and optimize that capital.



**DATA**  
People Analytics  
Surveys  
Risk & Compliance

**PEOPLE**  
FTE  
Alumni  
Contingent Workers

**TECHNOLOGY**  
Core HR  
TA  
TM  
Payroll  
Learning & Development  
Workforce Management

**AI**  
Talent Intelligence  
Predictive Analytics  
Co-Pilots/Agents/Assistants



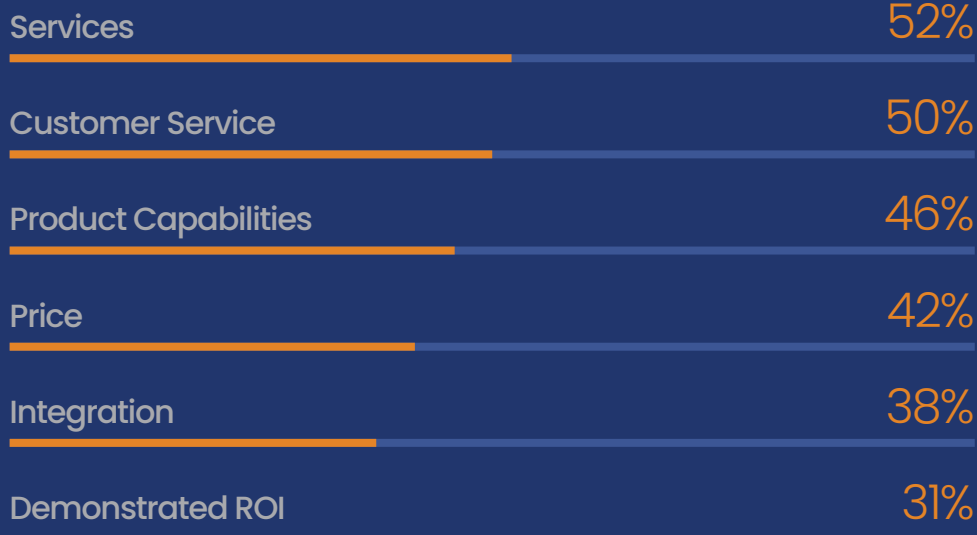
**New Roles and Responsibilities for HR**





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## Key Criteria for Vendor Selection



Strategic partnerships have emerged as a critical factor in distinguishing HR technology providers.

## Key Trends in Global HR Tech

The landscape of HR technology in 2024 has been shaped by significant trends and challenges that have redefined how organizations approach talent, technology, and transformation.

### 1 Partnership is a Differentiator

Strategic partnerships have emerged as a critical factor in distinguishing HR technology providers. Organizations are prioritizing vendors that can offer meaningful collaboration and drive long-term value rather than those offering one-off solutions. This shift underscores the importance of alignment between providers and client needs to achieve mutual success. When evaluating providers, 52% of companies stated that services were the most important criteria for vendor selection. (see Figure 2 above) This will be an interesting challenge as many tech providers are doing more with AI and requiring less employees to help them do it.

### 2 DEI: A Critical Reflection

Diversity, Equity, and Inclusion (DEI) efforts appear to have lost momentum, posing a significant challenge for organizations striving to create inclusive cultures. DEI was a top priority in 2020. Only 30% of companies identified it as a top priority for 2025. HR technology providers need to refocus on tools and strategies that can reignite DEI initiatives and support meaningful progress in this space.

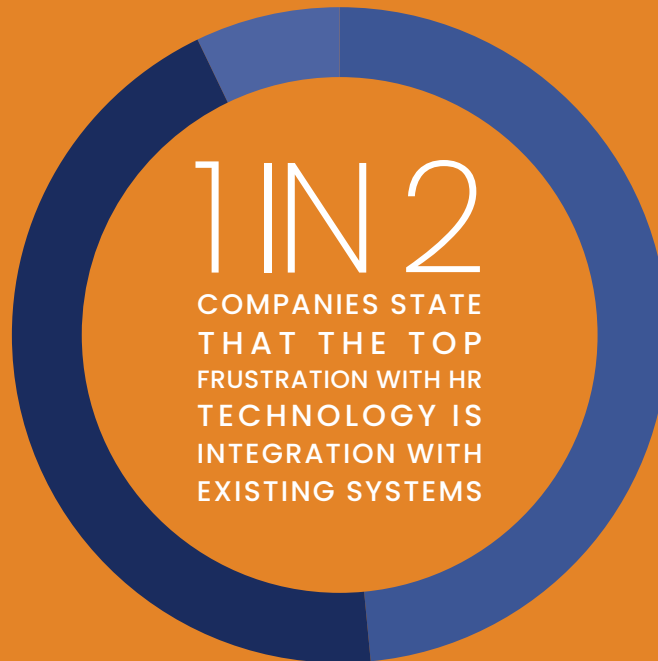
### 3 Integration Remains a Major Frustration

Integration continues to be a persistent pain point for HR leaders. The complexity of connecting disparate systems and ensuring seamless data flow hinders organizations from maximizing the value of their technology investments. Solving integration challenges remains a top priority for the industry.

9%  
Don't know

48%  
We use  
disparate  
solutions

43%  
We use an  
integrated  
solution



3

#### 4 **Generative AI: Co-Pilots, Agents, and Assistants— oh my!**

Generative AI is dominating the conversation. S&P Global named it their top HR tech priority for 2024, and vendors across the board—Eightfold, Crosschq, SmartRecruiters, LinkedIn, Visier, ServiceNow, One Model, and more—have unveiled new generative AI solutions. But with new tech come new questions: What distinguishes an agent from a copilot? Should companies build their own agent or choose a provider? How do we set expectations for AI in HR, especially around privacy and data use? And what role will Microsoft play in integrating these copilots, if any? The real question is whether companies will be willing to invest in these tools—and how much they're willing to spend. Or is the expectation that it will be included in the product? Either way, the potential is tremendous with providing a better experience, better decision-making, and seamless integration across systems. 64% of companies stated that the top benefit is improved user experience.

#### 5 **Doing More with Less**

Every company is tasked to do more with less. HR is no exception. Companies are thinking critically about integrated platforms vs. best of breed and disparate solutions. We found that 43% of companies are using integrated solutions over best of breed— a 15% increase from 2023. (see Figure 3 above) The overwhelming feedback from organizations shows frustration with disjointed systems and fragmented technology stacks. Companies are increasingly seeking consolidated solutions that integrate seamlessly across multiple functions, reducing complexity and improving efficiency. This trend shows the importance of user-friendly interfaces and accessible data for HR teams, as many struggle with cumbersome workflows and a lack of actionable insights. The advancement of generative AI will help companies overcome many of these challenges.



How do we set expectations for AI in HR, especially around privacy and data use?





*Though investment levels have stabilized compared to the surge in 2020 and 2021, HR leaders are now making more strategic and informed decisions regarding technology.*

## Current State of Global HR Tech

### Investment in HR Tech Remains Strong

2024 has been a challenging year for HR professionals, with workloads doubling or even tripling. Despite the significant efforts being made in HR, leaders and partitioners often struggle to maintain an active role in business transformation conversations. Regardless of HR's role in transformation, companies continue to invest in HR technology in a significant way, with 95% of organizations either maintaining or increasing their HR tech spend. Aptitude Research found that 51% of companies are increasing their investment in HR Tech and 44% of companies continue to invest the same for 2025.

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Investment in HR Tech

2024

5%  
Decreased

51%  
Increased

44%  
Remained the same



Consolidation of Providers

32%

Preference for AI-Driven Solutions

21%

Data Dissatisfaction

18%

Price Considerations

15%

Key Drivers for Investing in HR Tech Providers

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## Key Drivers for HR Tech Investments

### Consolidation of Providers : 32%

Organizations are streamlining their technology stacks by reducing the number of providers they partner with. This trend reflects a growing demand for integrated solutions that simplify workflows, improve data management, and reduce administrative overhead. Consolidation also addresses the frustration of navigating disparate systems, offering a more cohesive experience for HR teams.

### Preference for AI-Driven Solutions : 21%

The rapid advancement of artificial intelligence is transforming HR technology. AI-driven solutions are enabling organizations to improve efficiency, enhance decision-making, and deliver personalized experiences for candidates and employees. From talent acquisition to workforce management, AI is becoming a cornerstone of HR tech strategy.

### Data Dissatisfaction : 18%

Many organizations remain dissatisfied with the quality, accessibility, and actionable insights provided by their current systems. Poor data integration and limited analytics capabilities are motivating companies to seek technologies that offer robust data visualization, reporting, and predictive insights to support strategic decision-making.

### Price Considerations : 15%

While price is still a factor, it has taken a back seat to considerations like functionality, integration, and ROI. Companies are prioritizing solutions that align with their long-term goals, recognizing that the cheapest option may not always deliver the desired outcomes.



In 2024, several key factors have emerged as the main drivers behind HR tech investments, shaping decisions and influencing budgets.





**72%**  
REDUCED  
INVESTMENT  
DUE TO LACK OF  
MEASURABLE ROI



## Decreased Investment is a Result of Lack of ROI

*Despite overall interest in HR tech, the leading cause for reduced investment (72%) is the inability to demonstrate ROI. This challenge highlights the need for HR leaders to better quantify the value of their tech purchases, ensuring alignment with broader organizational goals and financial expectations.*

In the current economic climate, organizations are scrutinizing every dollar spent on HR technology. With 72% of companies citing a lack of measurable ROI as the primary reason for reduced investment, the ability to quantify the value of HR tech has never been more important. Companies must prioritize ROI measurement not just to justify spending but to demonstrate the strategic impact of these investments on business outcomes. At the same time, vendors play a crucial role in supporting this effort by providing tools and frameworks that make ROI measurement more accessible and actionable.

## Why ROI Measurement is Important for HR Tech Buyers

### 1 : Securing Executive Buy-In

CFOs and other business leaders demand clear evidence of value before approving or expanding budgets for HR technology. ROI metrics provide tangible proof that the technology is not just a cost center but a driver of efficiency, productivity, and revenue growth.

### 2 : Building Confidence in Future Investments

By showing measurable outcomes such as time-to-hire reductions, improved retention, or enhanced productivity, HR leaders can make a stronger case for additional investments in areas like AI-driven recruitment or workforce planning tools.

### 3 : Shifting from Cost to Value Conversations

Without ROI data, HR technology decisions often focus solely on price, limiting innovation. A robust ROI framework shifts the narrative from cost minimization to value creation, enabling organizations to invest in transformative solutions rather than incremental fixes.



## How Vendors Can Support ROI Measurement

### 1 Integrated Analytics and Reporting Tools

Vendors must offer built-in tools that track key performance indicators (KPIs) like hiring efficiency, engagement scores, and retention rates. These tools should tie directly to financial metrics, such as cost savings and revenue impact, to create a clear ROI narrative.

### 2 Tailored ROI Frameworks

Different organizations measure success differently. Vendors should work collaboratively with customers to create customized ROI frameworks that align with their specific goals, such as reducing attrition, improving DEI metrics, or scaling hiring for high-growth business units.

### 3 Customer Success Teams Focused on Outcomes

Vendors need to go beyond implementation and maintenance by providing ongoing support to help customers extract value from their solutions. Customer success teams should proactively help organizations measure outcomes and identify optimization opportunities.

### 4 Case Studies and Benchmarks

By providing industry-specific benchmarks and success stories, vendors can help HR leaders compare their results against peers and identify areas for improvement. This contextualizes ROI and fosters trust in the vendor's expertise.

Vendors need to go beyond implementation and maintenance by providing ongoing support to help customers extract value from their solutions.

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## Types of Organizational Transformation

Digital Transformation	44%
Cultural Transformation	22%
Organizational Restructuring	41%
Productor Service Innovation	25%
Strategic Alignment	38%
Merger and Acquisition	12%



OF COMPANIES STATE THAT THEY ARE NOT GOING THROUGH ANY TRANSFORMATION

## HR's Role in Driving Organizational Transformation

For HR to be active in organizational transformation, ROI needs to be a priority. As businesses navigate rapid change, HR must step into a more prominent role in shaping organizational strategy.

Most companies are going through some type of transformation right now. Only 12% of companies are not going through some type of transformation (see Figure 5 above). Regardless of what type of transformation, HR needs to play a role in driving this change.

HR should not just support transformation but actively lead it. Only 32% of HR leaders stated that they are active participants in transformation (see Figure 6). By leveraging emerging trends like talent intelligence, AI and automation, and a renewed focus on skills, HR can position itself as a strategic driver of innovation and growth. However, achieving this requires HR leaders to shift from traditional, reactive practices to more proactive, data-driven approaches. Below are three trends to help HR be more proactive.

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## HR's Role in Transformation



1%	<b>INHIBITING:</b> HR's actions are hindering or slowing down the progress of the transformation.
9%	<b>NOT APPLICABLE:</b> I am unsure of HR's involvement in the transformation process.
11%	<b>LIMITED:</b> HR involvement is minimal, with occasional contributions to specific aspects of the transformation
32%	<b>PROACTIVE:</b> HR is actively leading and driving the transformation efforts.
47%	<b>SUPPORTIVE:</b> HR is providing necessary support and resources for the transformation initiatives.

What initiatives will have the greatest impact for transformation?

AI

SKILLS

TALENT INTELLIGENCE

STRATEGIC WORKFORCE

PLANNING

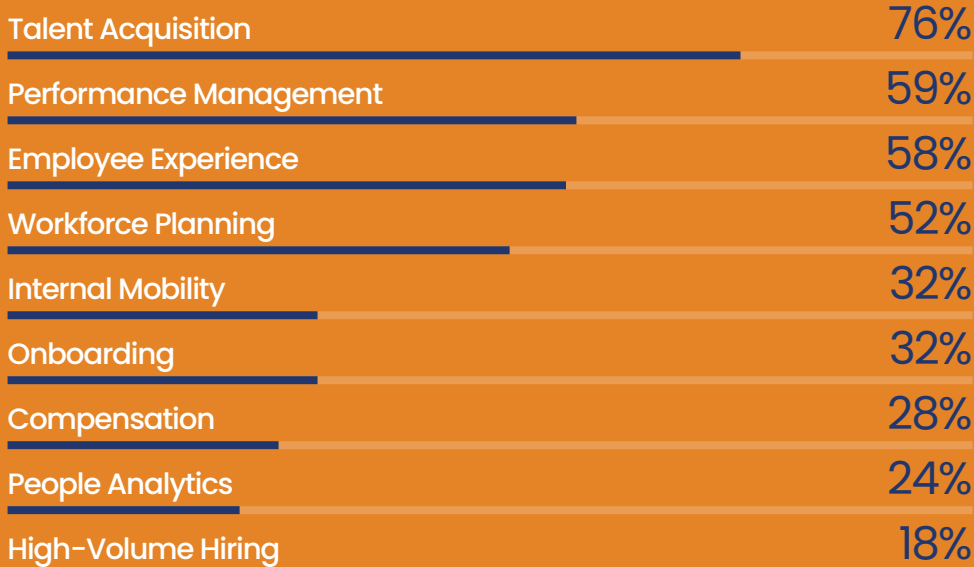


## Key Trends to Empower HR to Be Proactive in Transformation

### Talent Intelligence: The Foundation for Better Decisions

Talent intelligence is emerging as a cornerstone of transformation, providing HR teams with the insights they need to make smarter decisions. It allows companies to take internal data and combine it with external market data to get a better and more equitable view of their workforce. By integrating talent intelligence platforms, HR can identify skills gaps, forecast workforce needs, and align talent strategies with broader business goals. In a competitive landscape, companies that leverage talent intelligence are better equipped to build agile workforces and stay ahead of industry disruptions. Talent intelligence is not just used for talent acquisition. Yet, most companies view it as a TA use case (see *Figure 7*). It strengthens TA, TM, and strategic workforce planning initiatives.

By integrating talent intelligence platforms, HR can identify skills gaps, forecast workforce needs, and align talent strategies with broader business goals.



Use Cases for Talent Intelligence

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## AI Maturity

15%

We are utilizing AI to automate many tasks across multiple platforms and/or augment our HR and talent professionals across many use cases.

16%

We do not plan to use an AI in HR at this time.

17%

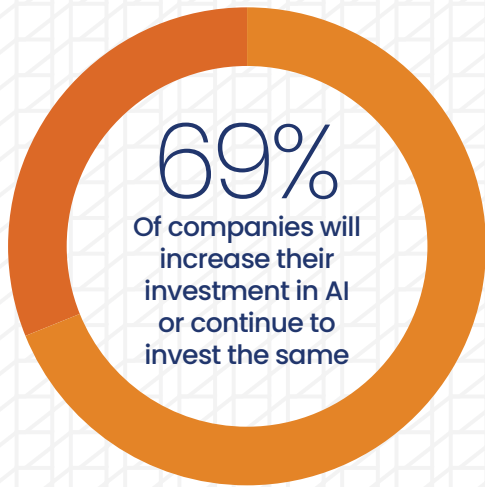
We are utilizing AI to automate simple tasks and/or streamline or enhance some processes.

18%

We've deployed AI across our entire HR Operation model and are constantly exploring new use case to further enhance the employee experience.

34%

We are currently evaluating and/or testing use cases for AI in HR.



69%

Of companies will increase their investment in AI or continue to invest the same



33%

Of companies believe AI has the potential to make the process more human

## AI: Streamlining Operations and Driving Impact

AI and automation are transforming HR operations, enabling teams to work faster and more effectively. These technologies are particularly impactful in areas like recruitment, where AI can automate resume screening and candidate outreach, and in workforce management, where intelligent scheduling tools optimize productivity. By adopting AI-driven solutions, HR teams can reduce administrative burdens and redirect their focus toward strategic initiatives. Moreover, AI's ability to deliver actionable insights empowers HR to make data-backed decisions, from improving employee engagement to addressing diversity and inclusion challenges. Companies are maturing in their adoption and use of AI. Generative AI offers new use cases and a better experience for managers, recruiters, candidates and employees. We found that 1 in 3 companies believe AI can make the process more human (see Figure 8 above).



<u>We don't have a change management strategy</u>	43%
<u>We don't have a way to access the skills within our organization</u>	38%
<u>We don't have a system in place to deliver a skills-based approach</u>	37%
<u>We face challenges aligning on a skills taxonomy</u>	32%
<u>We don't have the budget</u>	28%
<u>We don't have access to external marketing data</u>	22%
<u>We don't know where to start</u>	13%
<u>We don't have support from senior leader</u>	13%

## Challenges with Skills-Based Approach

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## Skills: The Currency of the Future Workforce

The emphasis on skills is reshaping workforce planning and development. As businesses adapt to digital transformation and new market demands, they are increasingly prioritizing skills over roles. HR must lead this shift by building robust upskilling and reskilling programs, fostering a culture of continuous learning, and aligning skills strategies with organizational goals. Skills-based hiring and internal mobility initiatives not only future-proof the workforce but also enhance employee satisfaction and retention.

The challenge with skills is companies take a disjointed approach to their strategy, tech and change management. Change management is at the heart of the challenges surrounding skills strategies in today's organizations. As companies pivot to meet the demands of a rapidly evolving workforce, implementing a robust skills strategy requires a cultural and operational shift. This process often encounters resistance, as employees and leaders alike may struggle to adapt to new frameworks for assessing, developing, and deploying skills. Additionally, the fragmented nature of many HR tech stacks makes it difficult to centralize skills data, leading to inconsistencies and inefficiencies. Organizations also face the challenge of defining what skills are most critical for future success while balancing immediate talent needs. Without clear alignment between business objectives and skills initiatives, efforts often falter. To succeed, companies must invest in technologies that integrate seamlessly across systems, leverage AI for predictive insights, and provide transparent communication to guide employees through the transition. Change management, supported by clear goals and the right tools, is essential to overcoming these obstacles and unlocking the full potential of a skills-driven workforce.



**Without clear alignment between business objectives and skills initiatives, efforts often falter.**





Ultimately, HR's ability to align technology investments with strategic goals will determine its impact on business outcomes.

By focusing on these key trends, HR can play a critical role in driving transformation and delivering measurable value to the organization. Talent intelligence provides the data foundation for informed decisions, AI and automation streamline operations for greater efficiency, and skills-focused strategies ensure the workforce is prepared for future challenges. To capitalize on these trends, HR must position itself as a strategic partner to the business, collaborating with leadership to align talent initiatives with long-term objectives. Through this proactive approach, HR can shift from being a supporting function to a key architect of transformation.

## Conclusion

HR transformation is no longer a choice but a necessity for organizations seeking to thrive in a rapidly changing business landscape. Today's HR leaders are tasked with more than managing people—they are responsible for driving strategic initiatives through an interconnected ecosystem of technology, AI, data, and human capital. Success in this new era requires HR to embrace its expanded role by adopting innovative solutions, building resilient skills strategies, and fostering a culture of adaptability and inclusion.

Integration, ROI measurement, and change management are critical challenges that must be addressed to unlock the full potential of HR technology. Vendors play a vital role in this journey, providing tools and support that enable seamless operations, predictive insights, and a unified employee experience.

Ultimately, HR's ability to align technology investments with strategic goals will determine its impact on business outcomes. By leading with purpose, leveraging emerging trends such as talent intelligence and AI, and prioritizing employee experience, HR can become a driving force for organizational transformation and long-term success.