HR Tech 2025
AI Redefines the Landscape

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Bringing both excitement and uncertainty, the world of AI has arrived—rapidly transforming HR technology at a rate never seen before.

As highlighted at this year's HR Technology Conference, AI technologies and platforms have permeated every area of HR, including recruitment, development, employee experience (EX), and career management. Generative AI tools are becoming embedded in learning systems, recruiting platforms, EX systems, call centers, and our daily roles as HR professionals. These powerful new tools excel at creating job descriptions, communications, emails, and lesson plans. And when we use AI-powered assistants like Galileo™, they can also generate behavioral interview guides, job-specific skills models, and provide deeper, more intelligent insights into your organization.

This briefing will walk you through some of the key changes happening in this space.

Core HR Platforms Are Evolving Quickly

In the core HR technology market, major vendors like Workday, Oracle, SAP, ADP, UKG, and Dayforce (formerly Ceridian) are building AI platforms into their core offerings. Smaller vendors like Lattice, Culture Amp, and HiBob are doing the same.

It's not as if they're replacing their core technology. Instead, these companies are using large language models in various applications to make their systems more productive and easier to use. SAP, for example, now has more than 50 AI use cases built into SuccessFactors. Workday offers a similar number.

Most of these human capital management (HCM) vendors are also developing chat-based front ends. Workday Assistant, for example, will become more intelligent, and the company is partnering with Salesforce to build more interactions between Workday data (employees and financials) and Salesforce data (customers, sales deals, product information). Galileo is now a Workday partner and will also integrate with Workday.

SAP's Joule, one of the most advanced conversational AI systems for enterprise resource planning (ERP), is quickly becoming more intelligent. With over 100+ transactions available, Joule can now answer questions and create transactions across the entire SAP suite. Imagine where this is going: employees and managers could use a single chatbot to inquire about employees, customers, sales, revenue, supply chains, and more.

ADP, which focuses on smaller organizations, is rolling out a similar system that includes access to labor market data and local tax laws. This allows payroll and HR managers in small companies to benchmark pay levels and turnover rates for key roles like nurses or salespeople. ADP's new Lyric HCM platform, coupled with the ADP Virtual Assistant, is an AI-first system at its core. It not only understands user behavior but also remembers user patterns; it then adapts to the usage and recommends personalized activities at log-in. The assistant automatically displays salary bands and other external information because Lyric HCM is connected to ADP's massive workforce data cloud.

These core HR systems, whether from a large or small vendor, will soon become much easier to use, preventing companies from having to write extensive training materials and courses on how to use their HR systems. And as generative AI matures, we'll see narrative-based capabilities that automatically generate job descriptions, learning plans, performance reviews, and other artifacts traditionally created by hand.

As AI innovations continue to expand, the market is entering a consolidation phase. Many AI startups, generously funded by investors, have seen significant growth (e.g., Beamery, Eightfold AI, Paradox, SeekOut, Gloat, Phenom). We anticipate many of these companies will soon become acquisition targets. While the major ERP vendors aim to build their own AI applications, many of these fast-growing specialists with "AI at the core" are likely to be acquired.

For example, Workday acquired HiredScore to offer an AI-based assessment and scoring system for recruiters. SAP, Oracle, and other major players will likely follow suit, acquiring smaller vendors to incorporate pure-play AI capabilities into their systems. Therefore, regardless of the platform being used, it's a good idea to ask the provider about its AI roadmap to better understand the investments it is making.

> **2025 Outlook:** Core HCM platforms will start incorporating intelligent agents into their user interfaces, with generative features embedded across many modules. Midmarket customers will be able to rely on their HCM "assistants" for employee self-service tasks.

Recruiting and Talent Acquisition Technology Is Red Hot

In many ways, AI in HR started in talent acquisition, with vendors scraping job market data to identify skills and experiences for sourcing. Today, vendors like SeekOut, Eightfold AI, Lightcast, and Draup have become highly sophisticated at data collection and model-building, making recruiting platforms increasingly smart at sourcing and selection.

However, the concept of "skills-based hiring" remains a challenge. While we can identify candidates with relevant skills, we still can't always determine if they are a culture fit or have the specific experience needed. For example, a master carpenter who can build cabinets may not know how to build a chair, piano, or trundle bed. While AI-based sourcing continues to advance, companies may also want to incorporate assessments from vendors like SHL, Heidrick & Struggles, or Korn Ferry to evaluate candidates more comprehensively. The future of AI-based sourcing is moving beyond single-minded skills inference to AI models that look at richer data sets.

AI has also transformed other areas of recruiting. The eight-year-old company Paradox pioneered the end-to-end recruitment process through conversational AI. While many people view Paradox as just a chatbot for handling candidate inquiries, it actually goes much further. This system uses AI to engage candidates, assess their fit for a job, schedule interviews, and answer questions from candidates, managers, and interviewers about the job, the process, and the candidate. Paradox has reinvented how companies recruit, bringing time-to-hire from weeks to hours in many cases.

This is where talent acquisition tools are headed—deep into the domain itself, including sourcing, evaluating fit, and managing candidate relationships. Eightfold AI has launched an end-to-end applicant tracking system (ATS) solution; iCIMS and SmartRecruiters are enhancing their AI engines; and companies like Phenom are building comprehensive candidate portals, career sites, and chatbots—all powered by AI.

When Workday acquired HiredScore, it gained access not only to a world-class selection and scoring system but also to a team skilled in using AI in a transparent, explainable way. The HiredScore system is so user-friendly that recruiters often request it when moving to a new company.

Other innovations include interview intelligence, where products like Pillar help identify the best questions and interview team. New assessment technology from vendors like Skillable enables skills evaluation during the screening process. LinkedIn is also advancing its AI to provide easy access to internal candidates, skills inference, and increasingly more sophisticated analysis of the hiring process.

> **2025 Outlook:** Talent intelligence teams will become more crucial, and most of the ATS/recruitment tools will include AI agents and enhanced talent intelligence features. The big, advanced talent intelligence platforms like Eightfold AI, Gloat, and SeekOut will dominate, and major companies like Workday, SAP, and Oracle may acquire these vendors as they try to build out their own offerings.

New assessment technology from vendors will enable skills evaluation during the screening process.

Talent Marketplaces and Internal Mobility Platforms Are Expanding Rapidly

This brings us to an adjacent area: the talent marketplace or internal career system. While most companies have struggled to build a process to recruit internally, the emergence of AI-driven, skills-focused talent marketplaces has been transformative. For the first time, companies can enable internal mobility, gig work, project work, developmental assignments, and stretch assignments across the enterprise.

Vendors like Gloat (the leader), Eightfold AI, iCIMS, Cornerstone, Beamery, Fuel50, and now Workday SuccessFactors offer these platforms, which are expected to improve by adding development materials, resource management, and tools for performance and project management. Eightfold AI, for example, includes a resource management system that allows project leaders to staff projects on skill groups and people's availability.

We are also excited about our new offering, the HR Career Navigator that uses AI (powered by Eightfold AI). This platform enables HR professionals to plan and explore career options, evaluate new roles, identify missing skills, and find mentors for career coaching. The system includes 800-plus developmental resources and 27 in-depth certificate learning programs for HR professionals and HR teams, making it a comprehensive career exploration, coaching, and learning platform.

2025 Outlook: This market category will continue to grow, with specialized providers dominating their categories. Talent marketplace platforms will likely gain learning experience platform (LXP) capabilities to provide learning along with other gig work features. As HCM vendors strive to match this functionality, these platform companies may become acquisition targets.

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L&D Tools and Platforms Heating up Fast

The learning and development (L&D) area is on the brink of a massive transformation. While slightly behind recruiting in terms of AI adoption, L&D is poised for a revolution driven by generative AI. Similar to talent marketplaces, these tools will not only make training easier but also fundamentally change how it is delivered.

As discussed in the podcast "Revisit Your Learning Architecture in the Age of AI," L&D is a "content-centric" part of HR, and thus the roles and opportunities will change enormously. Simply explained, AI will change content development, content delivery, and the overall learning experience for employees.

In content development, tools like Sana, Arist, Docebo, Uplimit, and Synthesia are enabling dynamic content creation from documents, including synthetic voice and video. Soon, we'll have virtual people acting as coaches, teachers, or assistants. Systems like Replika and others in development will offer virtual coaches for those who need them.

For L&D teams, expertise in content management will become essential. As we've learned with Galileo, the process of locating, validating, tagging, and managing content is critical. These tools build course materials in near real time, so we can expect L&D to become far more sophisticated in knowledge management.

This shift is happening throughout the business. Call center teams, sales teams, product teams, and others will want validated content. In L&D, this content is essential for building onboarding programs, leadership development, and various training initiatives.

And as the podcast highlights, the problem is not just how to generate content quickly but rethinking the learning architecture and employee experience. Instructional designers will evolve into data managers, experience designers, and AI tool experts.

Most L&D teams are experimenting with these systems, including virtual reality (VR) and augmented reality (AR). The coming years will see a move away from learning management systems (LMSs) and learning experience platforms (LXPs) toward AI-powered tools, enabling a complete reimagining of learning that extends far beyond the traditional course catalog.

We plan to integrate the Josh Bersin Academy into Galileo so users can ask any question about management and HR, receive answers, and get follow-up prompts like "Would you like to learn more about this topic?" or "Would you like to see a video example?" or "Would you like to become certified in this area?" Imagine the possibilities across our organizations.

> **2025 Outlook:** AI tools and platforms for L&D will transform traditional LMSs, LXPs, and other development tools. L&D teams will increasingly integrate knowledge management into their employee-facing systems. Functional academies will continue to grow, and chief learning officers (CLOs) and their teams will work closely with other teams building AI agents that support them as content producers. L&D teams will partner with business units to integrate learning into the flow of their business processes through these agents. AI-driven simulations, voice, video, and virtual characters will become more common, with VR continuing to grow in importance.

L&D is poised for a revolution driven by generative AI.

Skills Systems, Assessments, and Taxonomies Are All Advancing Quickly

As companies push harder toward skills-based recruiting, learning, career development, and leadership, the tools and content vendors will adapt. Today's "skills market" is quite complex, with skills inference embedded into talent intelligence systems, skills assessment handled by many specialized firms, personality and psychographic assessments growing (e.g., SHL, Plum), and skills data companies thriving (e.g., Lightcast, Draup, Revelio Labs, TalentNeuron).

Despite the market expansion, companies remain confused by the overwhelming options. Many have tried to "boil the ocean" by creating extensive skills taxonomies only to realize these efforts add little value unless they're focused on specific challenges (e.g., hiring engineers, sourcing new operations, identifying development needs, creating internal growth). Buyers are becoming pragmatic at last.

Some vendors tell customers their systems are "universal" skills tools, but the reality is different. The vast and ever-growing taxonomies highlight the importance of data providers, leading many platform companies to partner with these data providers to enhance their systems with real-time intelligence.

Skills assessment is still a company-specific area, and it makes sense in high-stakes positions. Companies are likely to shop around for assessment tools with vendors like Skillable or Pluralsight, depending on their particular needs. HCM vendors, which have sometimes oversold their skills platforms, are continuing to advance and build stronger interoperability with skills data companies that update skills in real time from the job market. Additionally, "raw skills by job" will increasingly be complemented by data on how these skills are applied, or what Draup calls "workloads."

Skills tools for power skills and leadership will emerge, but these models most likely will continue to use 360s and traditional assessments. However, this data can now be integrated into AI-powered talent intelligence platforms (Heidrick Navigator, for example). By 2025, we will see greater use of AI to identify hidden leaders, specialist leaders, and technical and project leaders by skill.

> **2025 Outlook:** Companies will continue to be confused by this evolving landscape, but it's essential to be pragmatic. HR leaders should not assume that recruitment, L&D, and leadership tools must all share the same skills models. While it would be ideal, it's more practical to focus on the "skills that matter" and enable these independent domains to flourish in their own ways.

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Employee Experience Turbocharged but Fragmented

In the area of employee experience, the opportunities are endless. The most obvious use case is an employee chatbot to answer questions. Providence Health, for example, has built an employee chatbot that provides access to almost all HR information for employees and clinicians. This chatbot has become the primary way employees access services and support, and it plays a key part in rolling out any new program.

A variety of vendors are competing in this space, including Microsoft Copilot, ServiceNow, SAP Joule, and many specialized systems like Galileo, Workday Assistant, and assistants in every HR application. With assistants integrated into platforms like LinkedIn Learning and Paradox (for recruiters, managers, and applicants), managing these diverse user experiences, each one with varying levels of information and intelligence, will be a challenge.

Currently, these AI agents only excel at specific tasks they are trained for. For example, Paradox is a leader in recruitment bots, and Galileo excels in HR and management information. HR tech leaders will need to rationalize and integrate these specialized agents.

Today's solutions are specialized. We don't have (and may never have) one "orchestration" bot that can stitch all these specialized agents together. While Microsoft envisions Copilot orchestrating communications between different agents, this approach is still in its early stages. Time will tell how effective it will be, but Microsoft will undoubtedly continue to work on it.

Other AI applications in EX are also emerging. Products like Firstup (communications platform), Workvivo from Zoom, and Simpplr are using AI to personalize employee experiences tailored to each role. ServiceNow, with its vast array of service automation solutions and Now Assist, could become the standard for large companies.

There are also new possibilities for employee surveys. Instead of traditional platforms, AI agents could regularly collect information on sentiment, benefits, culture, and safety.

In people analytics, systems like Vee from Visier, coupled with Galileo, enable employees to ask questions about data and reduce the time spent to find reports, create spreadsheets, and aggregate data across systems.

Consider the diverse range of questions an employee might ask—about benefits, time cards, vacation policies, bonuses, filing a harassment claim, exploring development opportunities, or looking into the talent marketplace for new roles. This shift to a conversational, AI-powered employee experience demands a "systemic HR approach," requiring close collaboration between the EX team and IT.

Providence's HR team has been working with IT for more than three years, and while its technology is a little dated, it has learned that this represents an important new dimension to productivity and employee services. Ultimately, it will compel HR to operate in a more systemic way, aligning with the direction that many pacesetter organizations are already headed.

Accuracy is sacrosanct in this area. We cannot implement a new AI agent that provides incorrect policies or misleads employees about career opportunities. This is why specialized, highly trained agents will work behind the scenes as we gradually replace our large SharePoint HR portals over time.

Additionally, human oversight remains essential. We need humans to monitor inquiry patterns, fine-tune responses, and train the EX systems to get smarter. Even Waymo, the successful driverless car company, relies on a large team of humans behind the scenes to assist when the system encounters traffic challenges. Similarly, call centers and support teams will take on very different roles.

> **2025 Outlook:** The EX and employee assistant space will be red hot in 2025, with Microsoft, ServiceNow, and others launching increasingly more assistants. Now is a good time to develop a strategy and build a team to manage these agents. IT must be involved, since the EX agent will likely be used across many other applications, including IT help, security, and facilities. It's also an opportunity to rethink employee portals.

HR Professional Development: Leveraging AI

Amid all these new technologies, one critical question arises: how do we, as HR leaders, consultants, and tech professionals, keep up?

While most of you won't become software engineers, our conversations with many companies reveal there's much to learn. Here are some guiding questions to get you started on the fundamentals.

- **What is AI, and how does it work?** What's happening under the covers, and how does AI differ from our traditional computing systems?

- **What causes hallucination, drift, and other incorrect answers?** How does the corpus create content, and how should we organize and curate it for optimal results? Unlike content on the internet, we can label and arrange our content to enhance AI performance.

- **How does prompting work?** How can we create effective AI identities, profiles, and prompts for ourselves and our users to achieve the best results from these algorithmic systems?

- **How do we manage the quality, governance, and real-time updating of content?** Continuously feeding these systems requires a basic understanding of data management and data integration. Do we have the right IT people and standards in place to support this?

- **How will we manage security?** How do we ensure that employees asking sensitive questions to our AI don't receive information like salaries of other employees or information they are not authorized to see?

- **How do we train and monitor our systems for bias?** As required by the European Union's AI Act, we must regularly test and validate results. What does this entail, and how do we get vendors to assist? How do we build explainability into our systems?

- **How do we create "orchestration" or "transactions" from our AI systems?** While generative AI is designed to create content, how can we teach our AI systems to generate transactions, pull data from live systems, and become useful tools for action?

- **How do we connect AI agents?** What, if any, protocols or tools are available or emerging for this purpose?

- **How do we organize our HR and IT teams to innovate and scale?** We need to learn and share ideas across the AI systems in HR and stay aligned with AI projects within our functional teams. Who will lead, coordinate, and manage these efforts?

- **What are the best tools and vendors to rely on?** Should we rely on our core vendors for most of our AI applications, and when should we consider specialized systems like Galileo, Paradox, or others?

Our AI in HR curriculum in the Josh Bersin Academy covers many of these topics, and we are happy to offer workshops to help. However, you likely already have people within your company with deep knowledge in these areas. Thus, we suggest you build a SWAT team of emerging experts and let them be the pathfinders in helping others learn.

AI is transforming every part of HR, and it's all for the good. Your role is to lean into this, learn quickly, and not be intimidated by the technology. Understand the emerging use cases—the launch of Galileo is proving that the opportunities to add value in HR through AI are exceptional.

If you need further details or have additional questions, feel free to ask at info@bersinpartners.com.

About the Author

Josh Bersin

Josh founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Josh sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Josh founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisors who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. He is frequently featured in publications such as *Forbes*, *Harvard Business Review*, *HR Executive*, *The Wall Street Journal*, and *CLO Magazine*. He is a popular blogger and has more than 800,000 followers on LinkedIn.