Inside the Minds of Global HR Leaders:

Top Talent and AI Priorities for 2025

Executive Summary

The technology landscape is moving faster than ever, and organizations are looking for ways to keep up with the pace of breakthroughs to stay ahead. Advances in artificial intelligence and technology automation are now leading to substantial changes in the HR technology stack on a timeline of months rather than years.

To get a clear perspective on how organizations are adapting to changes in technology and their own HR processes, UNLEASH partnered with Talent Tech Labs on a survey of HR leaders across a wide range of industries, organization sizes, and functions. The findings in the report that follows identify the most pressing current HR challenges, new trends of technology adoption—particularly with respect to artificial intelligence—and organizational priorities that impact talent acquisition, talent management, and core HR both now and in the months ahead.

Our survey analysis reveals the following key findings:

- Talent retention is the top challenge for organizations at any size (roughly 57% of respondents), but it's particularly critical for mid-to-large organizations.

- AI adoption is now mainstream. More than half of organizations in our survey provide their employees with access to Generative AI tools to support HR and roughly one-third use AI Agents for HR service delivery. Most organizations that do not currently use Generative AI or AI Agents plan to within the next two years.

- Most organizations expect AI to generate a positive ROI and create new jobs, roles, and skills, though many are still navigating how to use AI most effectively.

- While organizations believe that technology can help to automate HR work—whether core HR, talent acquisition, or talent management—they expect tools to support rather than replace HR workers. Most respondents reported they believe that less than 50% of HR tasks could be automated through technology.

- Organizations are prioritizing improving the productivity and skillsets of the workforce, retaining employees, and identifying top or hidden talents, and most feel that they have been successful in tackling these priorities thus far.

- To improve candidate and employee experiences, organizations are balancing technology improvements with process improvements. Half of respondents have invested in talent acquisition technology to improve the candidate experience, and nearly half have implemented new employee onboarding processes or gathered employee survey feedback to create better employee experiences.

We hope that HR leaders will use the data in this report to benchmark their own HR technologies and processes against the market, to identify current HR trends, and to help build HR strategies that will prepare them for the significant changes not only in 2025 but potentially for years to come.

Survey Demographics

UNLEASH and Talent Tech Labs distributed the survey to HR leaders at organizations in a wide range of industries and of any size. We received responses from 282 organizations.

Most organizations in the respondent group are headquartered in the United States (84%), with the remaining 16% of organizations headquartered in a wide range of countries in North America, Europe, Africa, Asia, and South America. Though the survey population is composed primarily of U.S.-headquartered organizations, many of them are large and multinational, so the survey nonetheless offers a diverse perspective on the current landscape.

What is the size of your organization? (Number of employees)
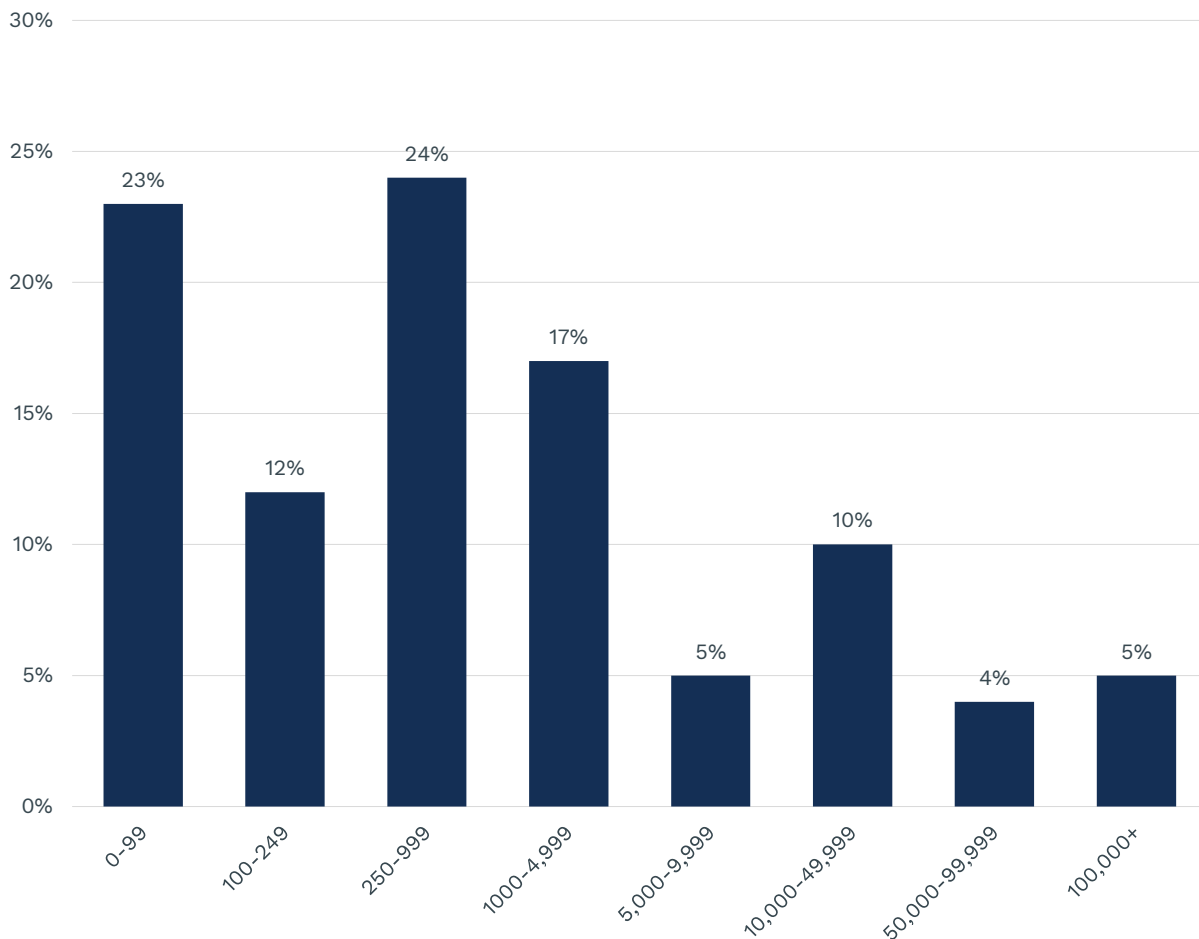
The survey group was also diverse in terms of organization size and primary industry. This allowed us to analyze key differences across organization demographics while still having a representative group for the HR and talent industry as a whole.
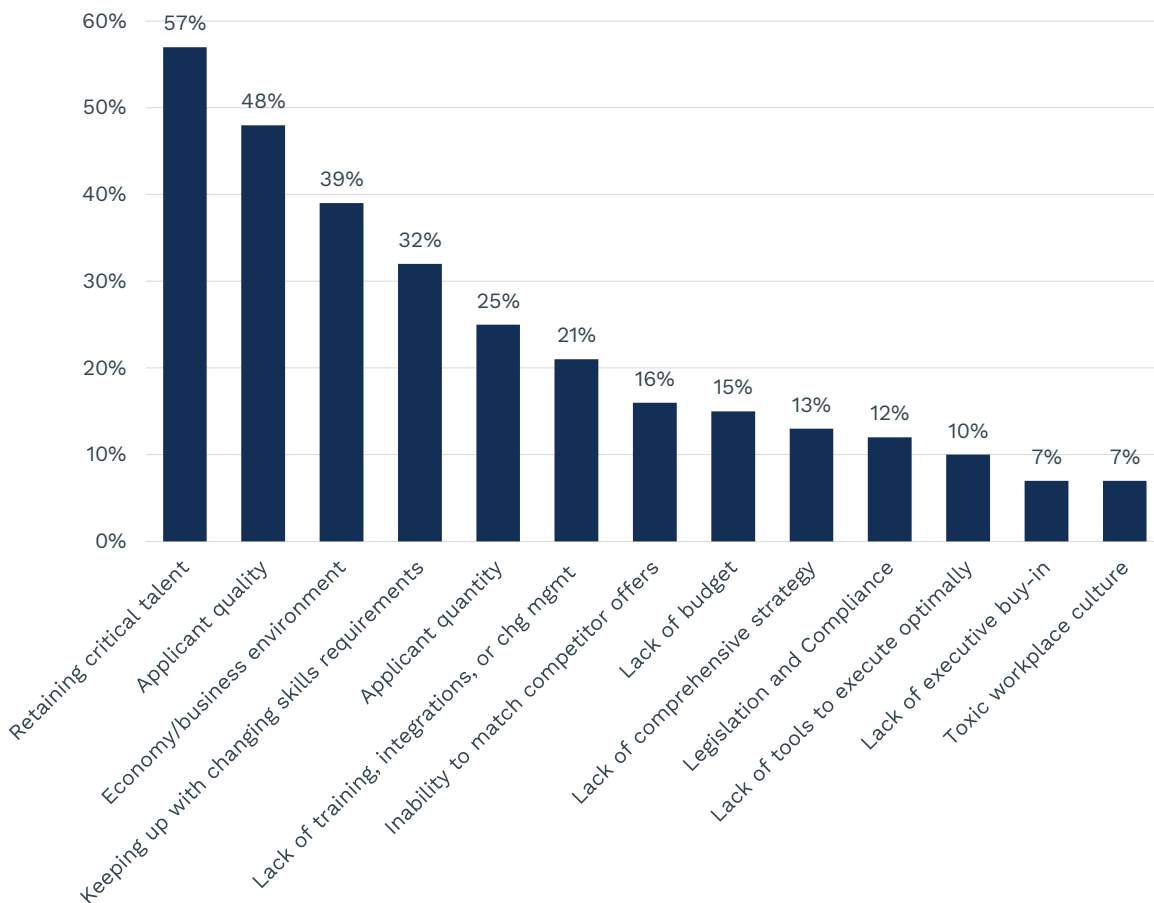
What is your role in the organization?
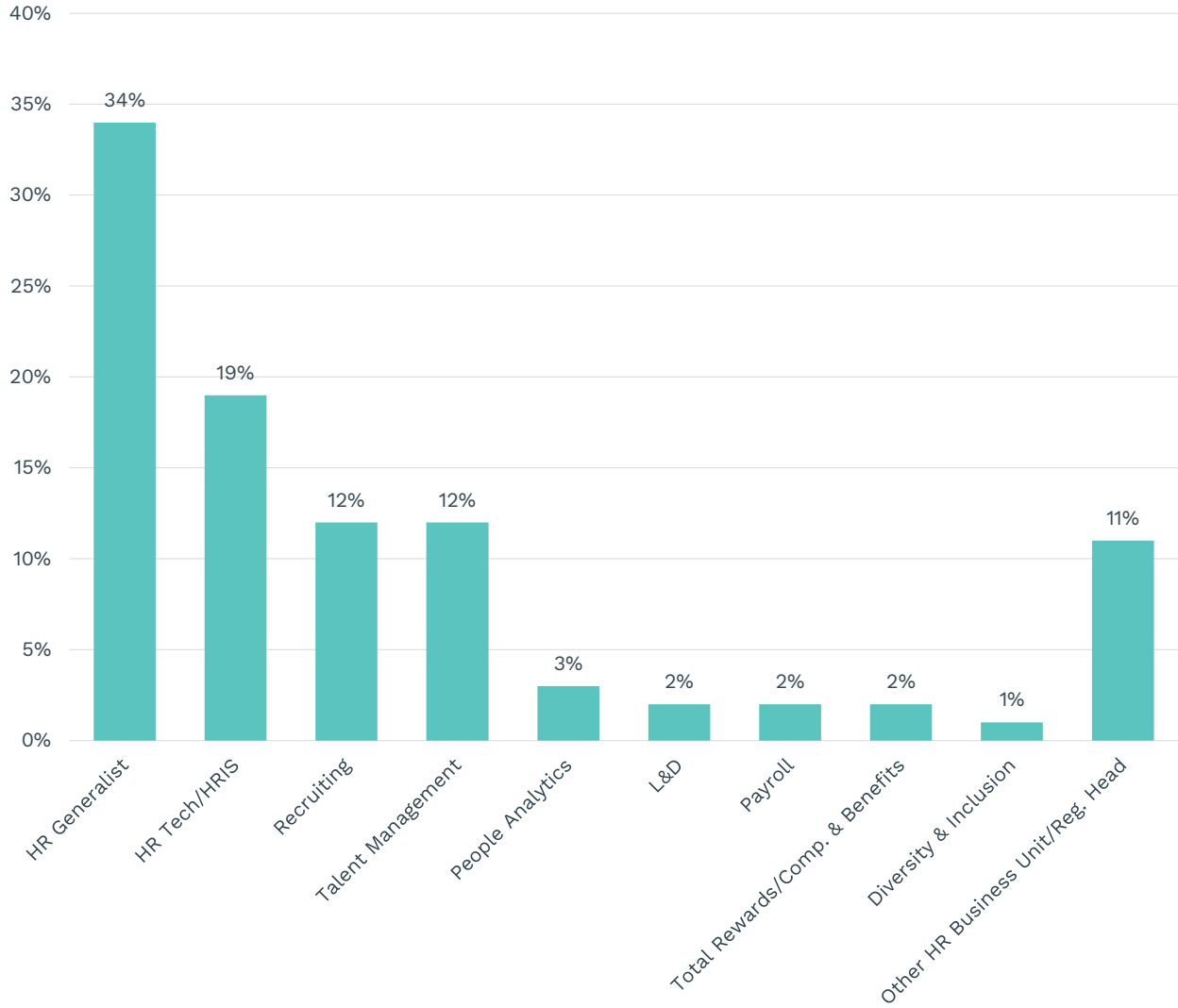
This analysis captures perspectives from strategic and operational HR leaders alike, as well as specialists in areas of Talent Acquisition and Talent Management.

Survey respondents were HR leaders from many functions, including HR generalists (34%), as well as individuals focused on HR technology like HRIS (19%), recruiting (12%), talent management (12%), and several other areas of HR like people analytics or payroll.

Top HR Challenges

HR leaders in our survey group identified several HR challenges, but the most prominent was retaining critical talent, with 57% of respondents citing it as one of their top three challenges. This comes even as cutbacks in labor demand and economic uncertainty have added some slack to the labor market, which in theory should make it easier to retain employees. (The more organizations that are looking to hire, the more likely employees might be to switch jobs, motivated by better offers of salary and benefits due to more competition among employers). The finding was consistent across organizations of almost any size.

What are your organization's top talent challenges?
(Select up to three)

Challenge	%
Retaining critical talent	57%
Applicant quality	48%
Economy/business environment	39%
Keeping up with changing skills requirements	32%
Applicant quantity	25%
Lack of training, integrations, or chg mgmt	21%
Inability to match competitor offers	16%
Lack of budget	15%
Lack of comprehensive strategy	13%
Legislation and Compliance	12%
Lack of tools to execute optimally	10%
Lack of executive buy-in	7%
Toxic workplace culture	7%

Talent retention challenges were most severe among mid-to-large organizations (1,000 to 50,000 employees), where two-thirds or more of organizations cited it as a top challenge. These organizations might face the greatest combination of pressures in terms of high competition for talent, promoting excellent employee experiences at scale, difficulty in establishing career pathing across the workforce, and stricter HR budgets relative to larger enterprises.

Nearly 40% of respondents cited the economy/business environment as a top HR challenge. This survey was distributed prior to the onset of U.S. tariffs, the resulting market selloffs, and the economic uncertainty it generated, so we expect that this might be an even bigger challenge for HR teams right now. While normally an economic downturn might make employees more likely to stay in their jobs given fewer opportunities available in the market, poor economic conditions could make it harder for organizations to retain critical employees due to cutbacks in workforce budget.

Further, many organizations have been operating in "productivity mode," with a focus on lean teams and hiring. While this can be operationally optimal, losing "critical" talent in an already lean operating environment can be more impactful. Our ongoing analysis of the broader labor market also indicates that "top talent" (the definition of which can vary by industry) remain very much in high demand, and so despite some possible "slack" in the labor market at large, certain categories of "critical" talent have options and seem to be taking advantage of the mobility available to them.

Talent acquisition remains a critical obstacle, with applicant quality a top challenge for roughly half of respondents. Applicant quantity is the fifth-most-common response—a top concern for 25% of respondents. With the rise of powerful and cheap candidate-focused "AI application assistants," this challenge is only likely to get worse.

Rise of AI Application Tools Fuels HR Concerns Over Candidate Quality

25%

25% of respondents report applicant quality is the top TA challenge. The rise of cheap candidate tools, "AI application assistants" is likely to only make this worse.

There are concerns with talent management outside of employee retention. Roughly one-third of respondents are finding it difficult to keep up with changing skills requirements for employees. The rapid pace of technological change is making it more difficult for organizations to identify the most critical skills across even relatively short timelines.

Technology itself is another top challenge. Around one-fifth of respondents identify a lack of training, integrations, or change management with technology upgrades to be a top challenge. HR technology stacks are quite large, even as technology vendors are consolidating products into larger, unified Talent Acquisition or Talent Management suites. It can be difficult particularly for smaller organizations to manage the training and IT support needed to build seamless workflows across many different HR platforms—especially the ATS, CRM, and HRIS—and from our discussions with HR leaders at enterprise organizations, many of the largest firms still fall short of providing sufficient training for HR employees to use technologies effectively. Employees fall back on manual processes that slow task work down and hinder collaboration.

Talent Tech Challenges:
Training, Integration and Change Management Outpace Tech Gaps
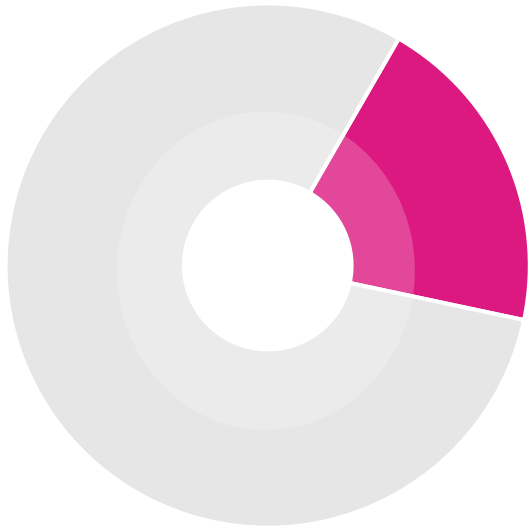
■ **Technology itself is seen by over 20% of respondents as another top challenge. Lack of integration, training or proper change management are top cited reasons.**

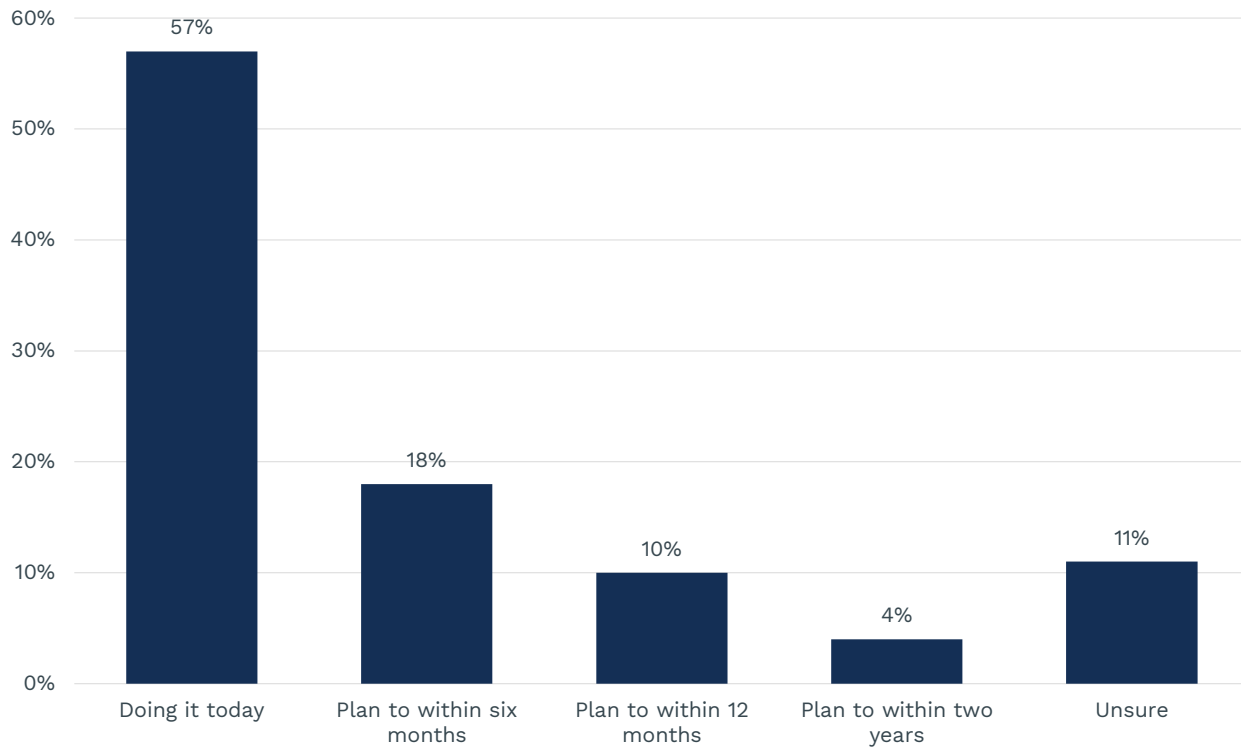■ **Yet only 10% of respondents believe that a lack of tools is a core challenge.**

Adoption of AI Tools for HR

The introduction of incredibly capable AI tools appears poised to create a revolution in how talent is acquired and managed, and how and what work gets done. Advances in large language models ("Generative AI") have democratized access to the best "general" AI that's ever existed, and new AI solutions focused on talent and work applications have exploded. That said, we wanted to understand how the talent teams as a whole were adopting (or not) such tools, as well as HR's perception of the ROI of AI investments and the long-term impact that mass adoption of such capabilities would have on the workforce.
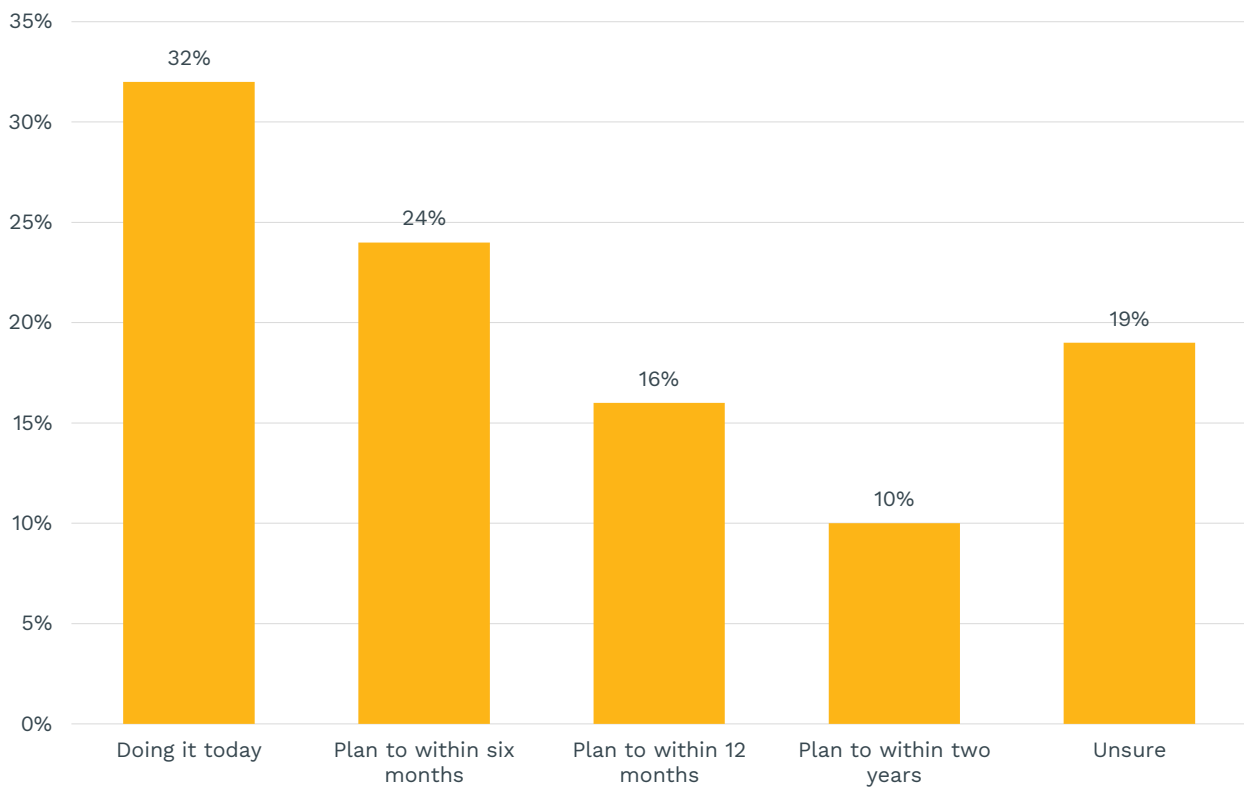
In our view, there are four kinds of AI applications for HR teams to consider. The first is general use of GenAI tools by employees, i.e., org-sanctioned individual Co-Pilots to help with day-to-day tasks. The second is the use of HR Service Delivery Agents (e.g., automated and conversationally enabled HR help desks). The third is "AI Talent Members," i.e., applications or agents that take on partial or large parts of a job formerly done by a talent team member (e.g., interviewing or sourcing). The final is "AI Workers," which are defined as AI agents that take on partial or large parts of a job formerly done by a human (e.g., customer success, sales, legal, marketing, finance, software development, research).

We asked about AI adoption across these four categories, providing us with a comprehensive view of how organizations have embraced AI, from supporting day-to-day tasks to automating large swaths of (previously human-delivered) work.

Our employees have access to GenAI tools to help them in day-to-day tasks (e.g. Co-pilot, Gemini or similar)
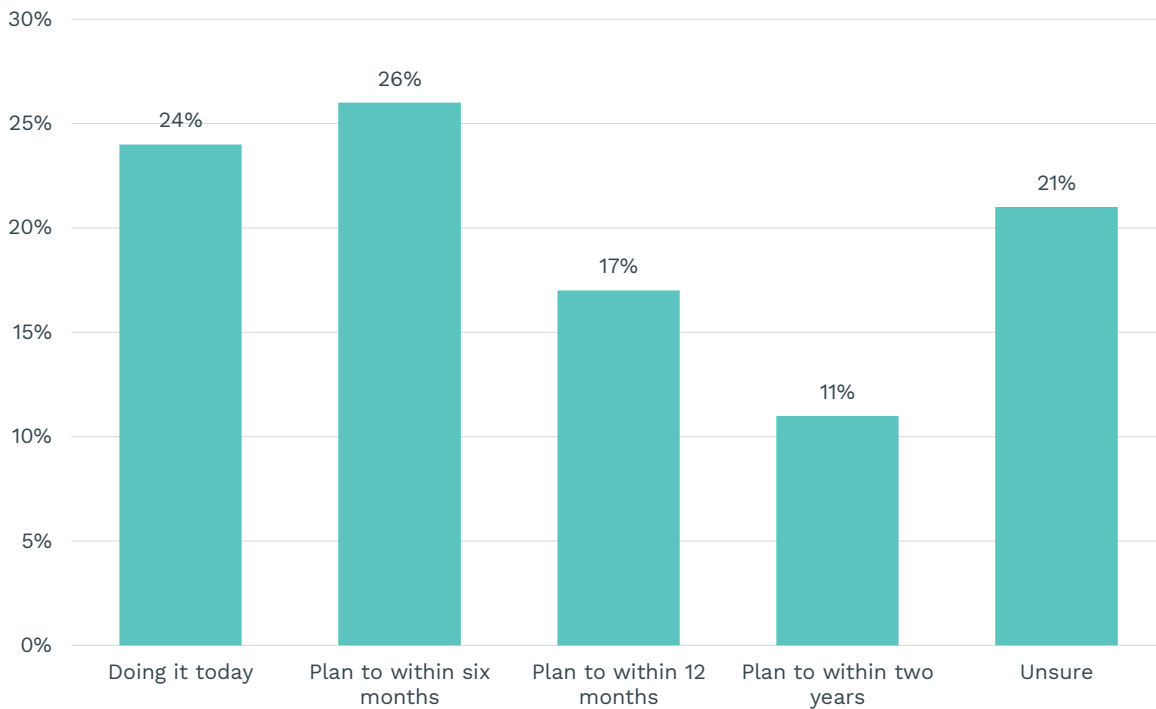
	Doing it today	Plan to within six months	Plan to within 12 months	Plan to within two years	Unsure
%	57%	18%	10%	4%	11%

We have AI Agents as part of our HR service delivery (e.g., AI agent help desk / self-service)

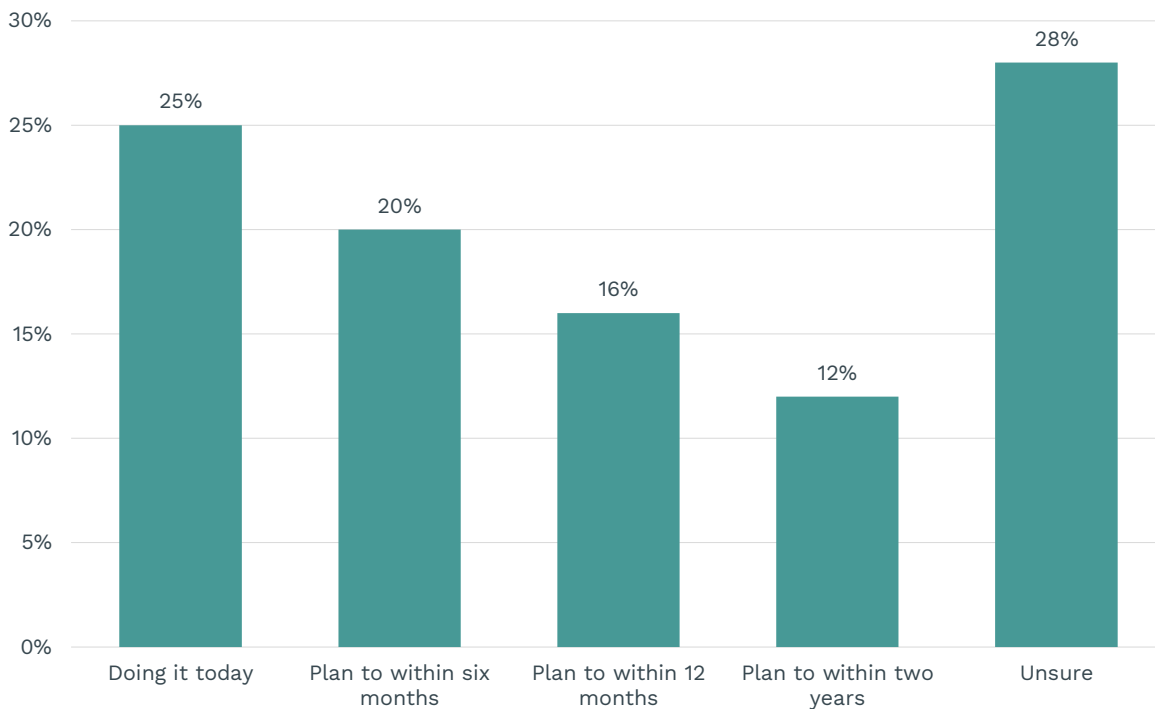|	Doing it today	Plan to within six months	Plan to within 12 months	Plan to within two years	Unsure
%	32%	24%	16%	10%	19%

We have AI agents that do work formerly done (in whole or in part) by HR or Talent Acquisition staff (e.g. recruiting)

Category	Percentage
Doing it today	24%
Plan to within six months	26%
Plan to within 12 months	17%
Plan to within two years	11%
Unsure	21%

We have AI agents that do work formerly done (in whole or in part) by employees (e.g. customer success, sales)

Category	Percentage
Doing it today	25%
Plan to within six months	20%
Plan to within 12 months	16%
Plan to within two years	12%
Unsure	28%

Roughly 57% of organizations provide employees access to Generative AI today. Most of the remaining organizations plan to offer employee access within six months. Only 11% are unsure about whether they will do so in the next two years. Although it is not stated whether HR employees are actively using generative AI in the day-to-day, organizations are prioritizing its use to take on the manual work that slows HR teams down—whether through help with sourcing, drafting job descriptions, employee learning, or administrative support for core HR.

AI Agents—which go a step further than AI Assistants/Co-Pilots and can take on entire work functions (and have only been available in the market for the past ~12 months or so)—are seemingly becoming more common in HR. Roughly one-third of organizations reported currently using AI Agents to provide help desk support or as part of self-service. One-fourth of organizations are currently using AI Agents for day-to-day recruitment, which might include sourcing for candidates or managing candidate information or communication. Roughly the same proportion are using AI Agents to manage other critical business areas, such as customer success or sales.

Long-term plans with agents are less clear. One-fifth or more are unsure whether they will adopt these tools in the next two years. Nearly 30% are unsure about the use of AI Agents to manage business functions like Customer Success. Clearly there is motivation to bring AI into day-to-day HR work, but it is not yet clear how deeply organizations will do so.

Impacts of AI Across HR

The elephant in the room when it comes to Agentic AI in a workforce context is the extent to which work will be automated, and how organizations will manage that change. This applies to the talent function specifically, but also to the broader workforce.

We thus asked a series of questions about the impact of automation and AI on the workforce over the next two years. Roughly three-quarters of organizations intend to make investments in AI Agents to automate work. Around half of organizations (47%) believe that the use and investment in AI Agents and other AI applications will result in a decrease in the size of the workforce—as the ability to automate key tasks will help them to reallocate existing HR employees or scale back on hiring (though organizations also see limits in the amount of automation through AI). However, two-thirds of organizations expect AI to introduce new jobs, roles, and skills that will help the organization to grow.

More than half of respondents reported that employees are worried about the impact of AI workers on their job. Employee perception of AI risk will likely be an area of continuing development for HR teams in the coming years.

AI's Mixed Impact on the Workforce

47%

47% of organizations believe that AI Agents and other AI applications will reduce headcount

66%

66% expect AI to introduce new job roles needed for growth

Regarding the impact of automation and AI workers / agents on your organization's workforce over the next two years, please indicate to what extent you agree or disagree.

Sentiment	Our organization will invest in AI agents to automate work	AI and AI agents will result in a decrease in the level of the workforce (business demand staying equal) at my organization	AI and AI agents will take over the management / operations of certain parts of my organization	AI and AI agents will create new jobs, roles and skillsets at my organization	The IT department is primarily responsible for the organisation's AI agent/worker strategy	The HR department is primarily responsible for the organization's AI agent/worker strategy
Strongly Agree	31%	18%	13%	18%	19%	20%
Agree	42%	29%	22%	48%	37%	28%
Neither Agree nor Disagree	12%	20%	17%	16%	17%	25%
Disagree	5%	19%	27%	6%	16%	17%
Strongly Disagree	5%	6%	15%	6%	6%	5%
Unsure	6%	7%	6%	6%	4%	5%

Sentiment	Employees are worried about the impact of AI workers / agents and how it will impact their job	Our organization HR and Talent Acquisition functions are already highly automated	Our investments have had a positive ROI	Our organization is still navigating its AI strategy	Our organization does not believe that the use of AI will generate positive impacts	Our organization is not planning to implement any AI investment over the next two years
Strongly Agree	20%	14%	16%	22%	11%	9%
Agree	38%	21%	33%	51%	13%	11%
Neither Agree nor Disagree	19%	26%	27%	12%	16%	14%
Disagree	11%	25%	7%	7%	31%	25%
Strongly Disagree	7%	10%	5%	3%	22%	31%
Unsure	6%	5%	12%	6%	8%	10%

For organizations already using AI, roughly half reported positive ROI. Only 12% reported negative ROI. Most organizations are not yet highly automated in their HR operations (only 35% agree with the sentiment), but AI offers an excellent opportunity to take the next step.

Importantly, despite all the activity and investment around AI, 73% of organizations reported they are still "navigating their AI strategy." This is perhaps unsurprising given the recency of these capabilities to market but is strongly indicative that this is a still immature market and capability. Organizations looking for the well-established "case studies" will likely find themselves wanting.

If AI Agents begin to proliferate in HR or other business areas, it's still an open question where its management, governance, and overall strategy will sit within the organization. Around 56% of organizations believe that the IT department is primarily responsible for the AI Agent strategy, while 48% believe that that responsibility sits within HR (the fact the number is greater than 100% suggests respondents believe that both functions have a role to play).

Like AI adoption, AI impacts are mostly consistent across organization size, though the biggest proponents seem to come among smaller organizations. They are observing some of the strongest positive ROI from AI and see AI Agents as most capable of owning entire parts of the organization, even as they are the organizations most likely to still be navigating their AI strategies. These organizations may see AI as a cost-effective way to help scale HR and keep up with the fast pace of talent acquisition and talent management with comparatively smaller budgets. They may also lack the compliance constraints of larger organizations in terms of adopting AI across the HR function.

AI in HR: Adoption Outpaces Strategy

50%

More than half of companies surveyed provide HR employees with Generative AI tools.

1/3

1/3 report using AI agents for HR service delivery today.

73%

Yet 73% say they are still "navigating" their AI strategy.

Depth of Automation of HR Tasks

Automation happens at the task level, and we wanted to understand HR's perception of how much work across the talent function could be automated. Thus, we asked respondents to estimate the percentage of tasks that could be automated at their organization in Core HR, Talent Management, and Talent Acquisition.

While there is a wide distribution of estimates (and some bullish/bearish outliers on both ends of the spectrum), most organizations believe that less than half of HR tasks can be automated through technology. These organizations see automation as a support for the HR workforce, rather than a wholesale replacement.

To what extent do you believe current tasks can be automated by technology?
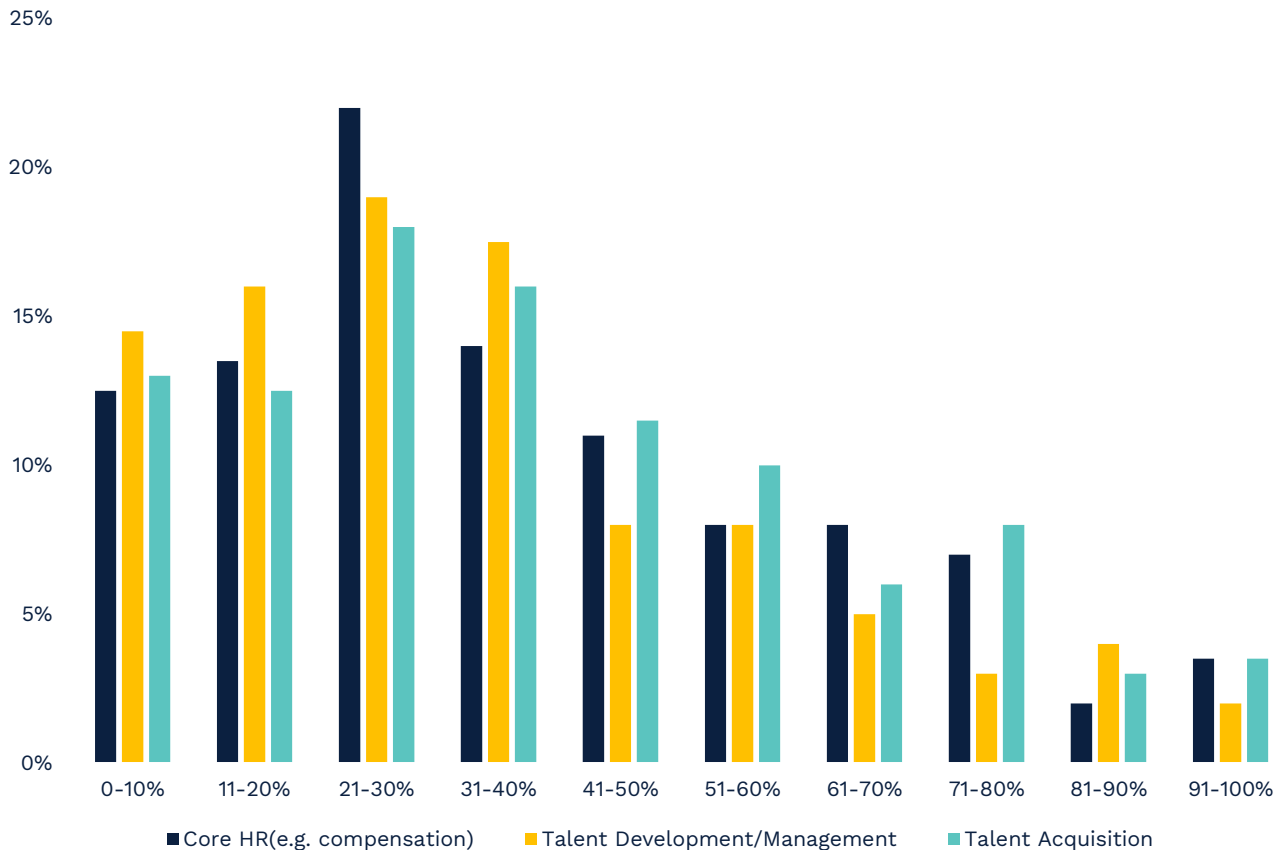

Organizations are more confident that technology will automate talent acquisition tasks or core HR tasks than talent management tasks. Recent technology trends seem to back up their views. We are already seeing tools in the HR market to help automate sourcing, candidate screening, and interview scheduling for talent acquisition. Vendors are starting to take on automation of more complex TA processes like interviewing, as well. There are also increasing examples of tools helping to automate tasks in the core HR space like compensation planning—such as management of bonuses and raises—leveraging very large compensation datasets in a way that helps organizations to benchmark various types of compensation more precisely against their competitors locally or nationally. We might see organizations become more optimistic about the prospects of automating HR tasks as these types of tools become more popular, particularly to support smaller organizations rather than just enterprises.

The largest organizational demographic in the survey group—organizations with 100,000 or more employees—stood out as the most optimistic about the potential for technology to automate all three areas of HR. One in five organizations with more than 100,000 employees expected technology to be able to automate 70% or more of HR tasks. These are the "super bulls" of automation. Organizations of this size may have access to enterprise-grade technologies or infrastructure that makes them more optimistic about the potential for HR tech automation.

How Organizations View HR Automation Potential
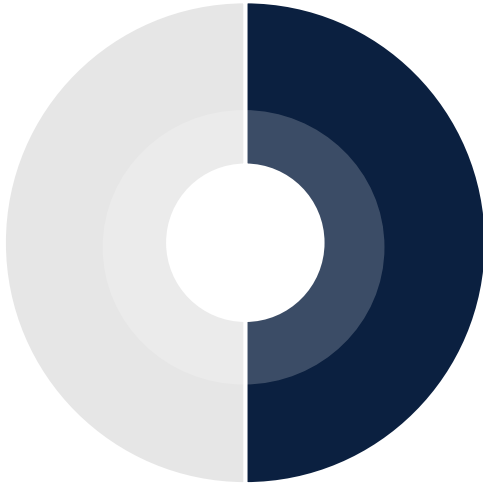
■ **Most respondents believe that less than 50% of HR tasks can be automated.**
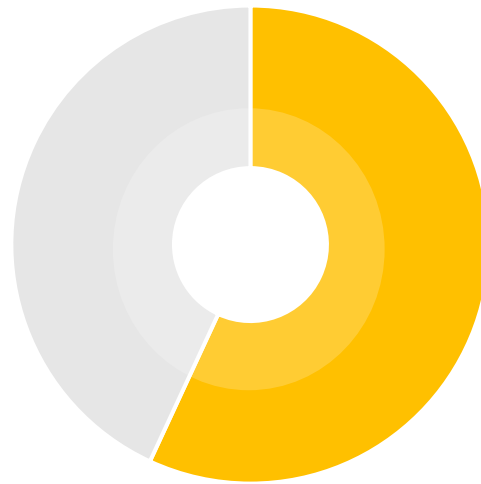
■ **20% of the largest companies (>100,000 employees) project 70% or more of HR tasks can be automated.**

Employee Skills and Mobility

We asked the survey group to evaluate their organization's goals in the areas of skills development and internal mobility, two areas of organizational focus over the past few years. Nearly two-thirds of respondents say that improving productivity and the skillset of the workforce is a top priority. Thirty-nine percent of respondents are also looking to find hidden skills or employee talents that have not yet "surfaced" in day-to-day work.

An equal number of respondents want to support their employees' growth through better learning and development programs (39%), with the goal of retaining employees over the longer term (38%). On the other hand, around one-quarter are looking for ways to help employees to power their own growth and development, whether by making those employees better people managers (26%) or by helping them to take ownership of their career paths (25%).
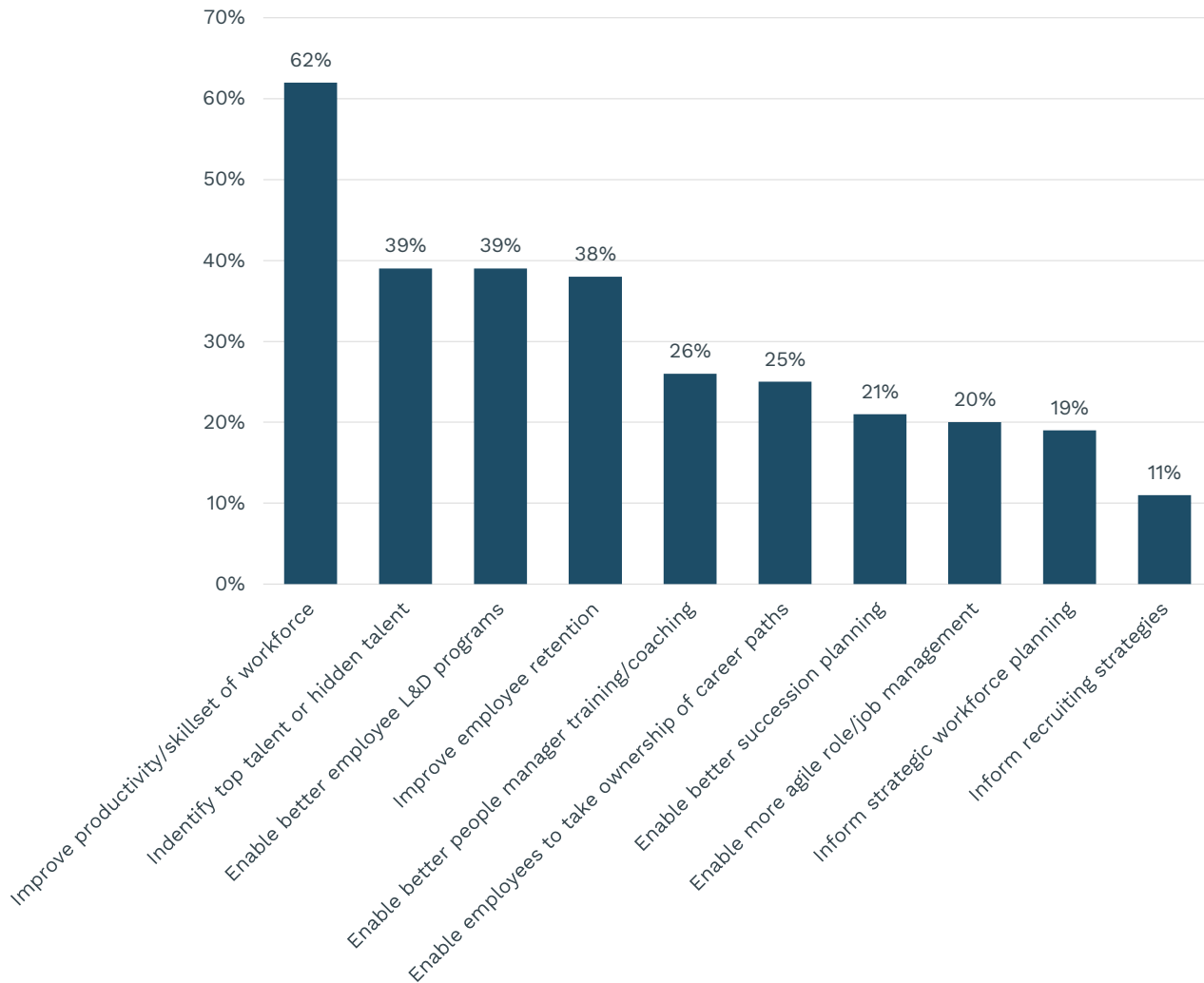
Today's Talent Agenda

66%

66% are prioritizing improved productivity and skill sets

39%

39% looking to find hidden skills or employee talents that have not yet "surfaced" in day-to-day work

What are the primary goals of your organization's skills strategy /internal mobility/ upskilling program?(Select up to three)
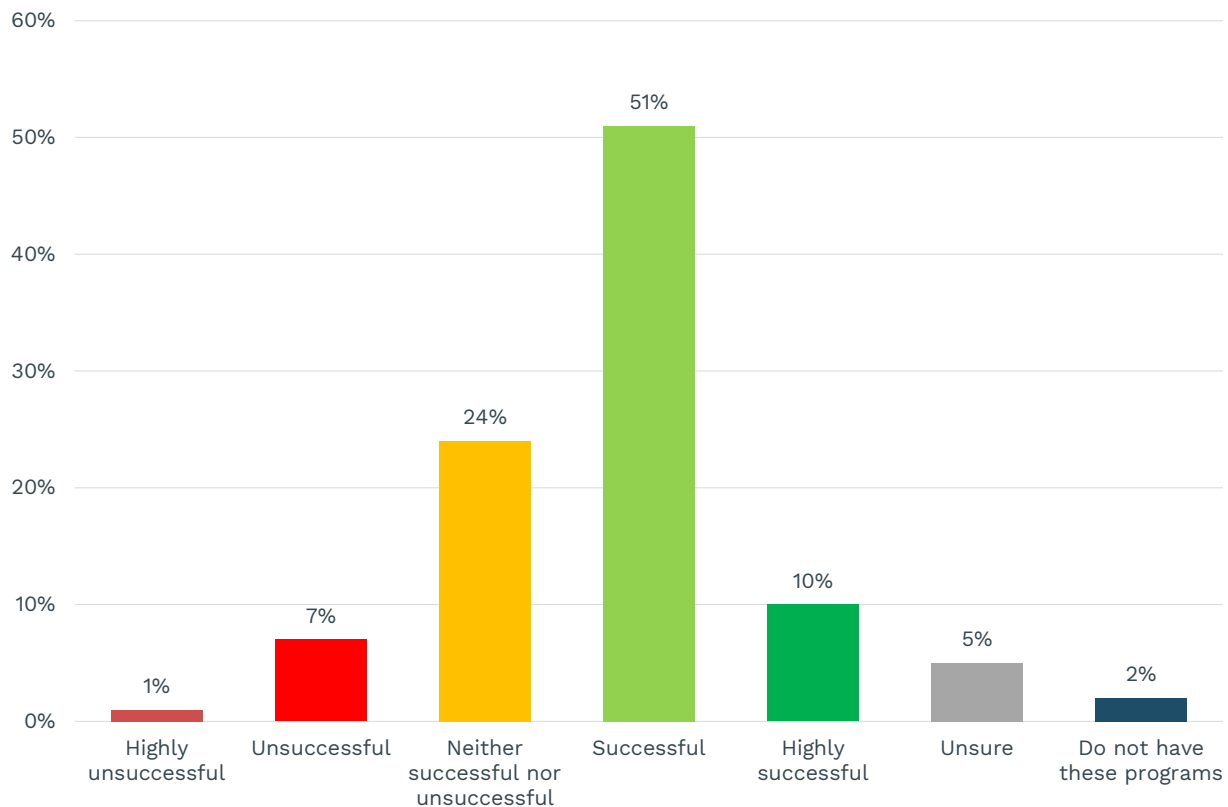

A growing number of organizations are shifting toward a skills-based approach to hiring and managing talent, and technologies are emerging to help identify skills within both the workforce and the broader labor market. These insights are then shared with employees to support more effective learning and development programs, and to empower workers to discover and acquire the skills needed to pursue their ideal career paths. Some of the organizations in the survey group are working to add more agility to jobs/roles to help support growth (20%) or to bolster internal mobility to help develop workers rather than hire from outside (19%). Depending on the nature of the job market over the next couple of years, we might expect organizations to make a bigger push to retain and develop the existing workforce, including doing more with less by building up skills.

Organizations reported a surprisingly rosy picture of the success of their skills strategy/internal mobility programs (roughly 61% said it was "successful" or "very successful"). Our conversations and work with HR and talent teams paint a different picture. (We have yet to meet the CHRO who can confidently say, "our skills program is very successful." If you are out there, please get in touch.)

As it relates to skills strategy, improving productivity and the skillset of the workforce is the top goal for organizations of every size, with half or more of organizations in every category rating it a top goal—as high as 79% of organizations with 100,000+ employees. In contrast, enabling better learning and development programs is a more common goal among small organizations than among large organizations. Enterprises already likely have the budgets and resources to implement more robust L&D programs. Employees at small organizations often must be more versatile and adaptive in their work, taking on more non-traditional roles due to resource limitations, and there may be less room for traditional learning opportunities amid other tasks.

Succession planning is a higher priority among organizations with 50,000 or more employees, and it is a much lower priority among SMBs. Smaller organizations may be more likely to have clearer lines of succession in executive roles than large organizations, and the planning timeline might be much longer for large organizations, looking to find leaders prepared to oversee many business units in all parts of the world.

How successful do you feel that your skills strategy/internal mobility/upskilling program has been in accomplishing its goals?

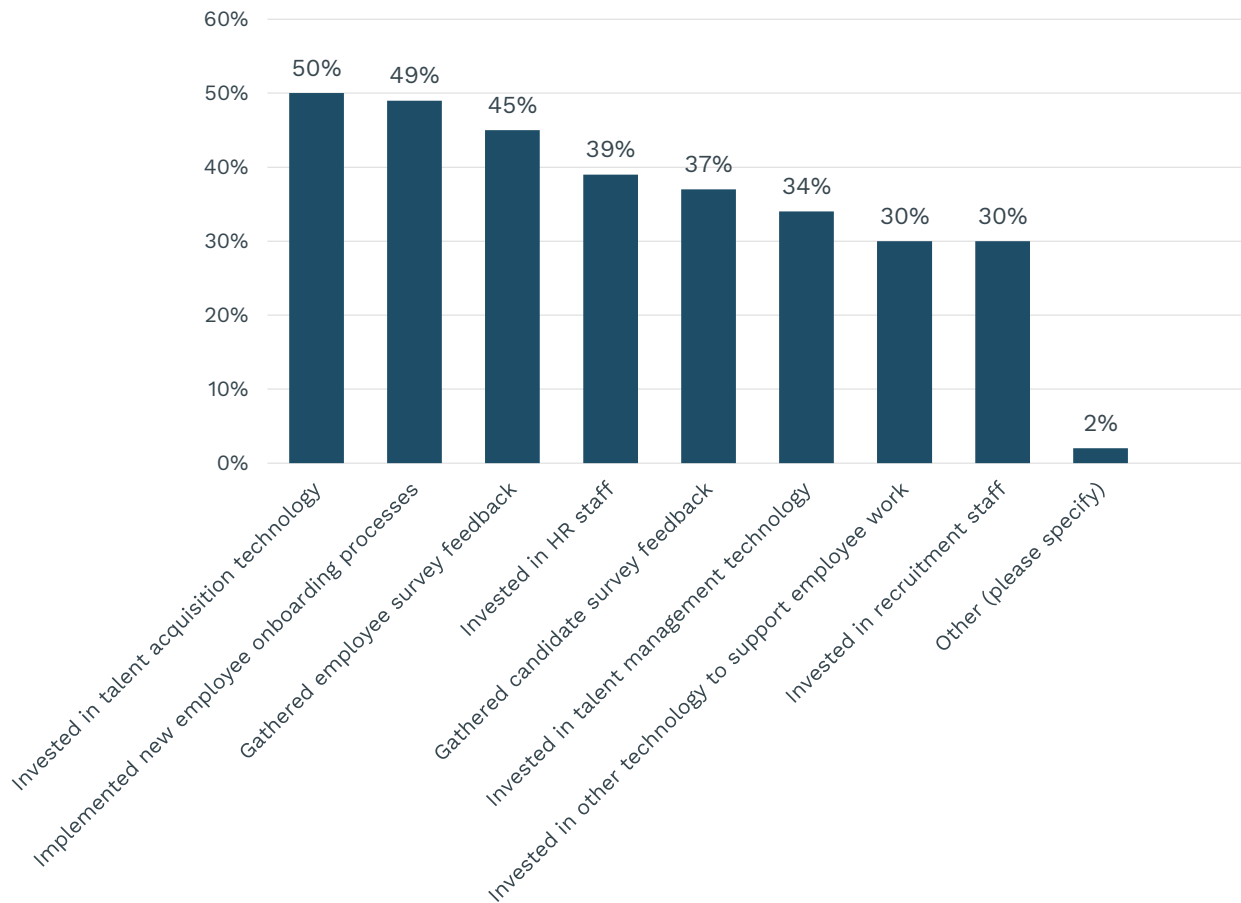| Category	Percentage
Highly unsuccessful	1%
Unsuccessful	7%
Neither successful nor unsuccessful	24%
Successful	51%
Highly successful	10%
Unsure	5%
Do not have these programs	2%

Improving the Candidate and Employee Experience

To close the survey, we asked respondents to identify the steps that their organizations have taken to improve the candidate or employee experience. A good deal of the current evolution of HR technology has been in developing a better experience for candidates and employees. For Talent Acquisition, we have seen vendors emerge that offer a CRM-centric technology stack, rather than the traditional ATS-centric technology stack, to engage better with candidates throughout the hiring process. For Talent Management, vendors are finding ways to facilitate onboarding through automation, as well as automate employee learnings to guide employees on their career paths.

Organizations are increasingly focusing on creating better experiences for both job candidates and employees. In our survey, half of the organizations said they've invested in TA technology to improve the candidate experience. Half have also introduced new processes to make employee onboarding smoother. And, nearly half are now collecting feedback from employees through surveys, which helps them choose the right technology and processes to improve the overall employee experience. A little over one-third are doing the same for job candidates.

What steps has your organization taken to improve the candidate/employee experience?

Step	Percentage
Invested in talent acquisition technology	50%
Implemented new employee onboarding processes	49%
Gathered employee survey feedback	45%
Invested in HR staff	39%
Gathered candidate survey feedback	37%
Invested in talent management technology	34%
Invested in other technology to support employee work	30%
Invested in recruitment staff	30%
Other (please specify)	2%

Investments in Talent Management technology (34%) are farther behind those of Talent Acquisition technology (50%), but many forms of Talent Acquisition technology are more mature than TM technology. Investment patterns might reflect product maturity and overall product awareness at some level. Organizations might also have an opportunity to build integrated experiences for candidates and employees by balancing investments more evenly across the candidate/employee lifecycle.

Large enterprises are investing in both TA and TM technologies. Among organizations of 100,000+ employees, about half have invested in each. Half are also collecting feedback from candidates, while just over a third gather feedback from employees.

Although only 21% of these 100,000+ companies have updated their onboarding processes, this is the most common improvement among 10,000-49,999 employee size organizations. Many of these size companies are also investing in TA technology, where onboarding improvements are a higher priority, but not as much as TM technology like employee surveying.

Across the board, organizations are aiming to balance tech investments with growing their HR teams, making sure technology supports—not replaces—the people behind it.

Conclusion

These survey findings introduce several opportunity areas for HR leaders. Organizations should explore technologies that support employee growth and learning to help retain talent—the top concern for HR teams. Technology can help in this area by tracking quality of hire data and using predictive analytics to evaluate potential flight risk based on different characteristics. Compensation tools can forecast workforce changes based on current compensation against the rest of the market.

The next few years will be defined by the extent to which AI agents and workers augment the workforce, and in our view the organizations that adopt and adapt fastest will have a competitive advantage. Yet nearly three-fourths of organizations do not have a comprehensive AI strategy. This is a significant gap.

In total, AI is an enabling technology but will have an impact on the workforce. Employee relations and workforce design will be a critical area in the era of AI. Employees, rightly or wrongly, are concerned about how their jobs will be impacted, while the technical and process infrastructure to "manage" AI agents is still an emerging area.

There is also an opportunity for organizations to more deeply evaluate the skills of the existing workforce. More organizations might look to build detailed skills taxonomies to identify current needs and establish a forward-looking skills strategy that can support both internal mobility and talent acquisition, a capability currently possible to enable "intelligently" with technology.

Our analysis suggests that organizations are doing a capable job of introducing new processes to support TM (e.g., onboarding) and TA, while still making critical investments in technology to ensure that HR teams are keeping pace with the rest of the market. Given the rapid evolution of automated technologies like AI, we expect adoption and investment of these tools to grow over time, independent of most market conditions, because they are already generating positive return on investment even as relatively new technologies for HR.

ABOUT TALENT TECH LABS

Talent Tech Labs was founded in 2014 with a vision to bring clarity to the complex talent technology landscape. We are an independent and objective global talent technology research and advisory firm. Our opinions, evaluations, benchmarks, technology taxonomy, and research are valued by buyers and builders of technology, as well as investors who fund future developments in the field.

ABOUT UNLEASH

UNLEASH is the leading global platform for human resources and breakthrough technologies that shape the future of work. Through its flagship events, UNLEASH World and UNLEASH America, and its range of digital content and resources, UNLEASH provides HR leaders with the insights, tools, and connections needed to drive organizational success.