



The Future of HR Tech: What Companies Are Planning to Buy in the Next 3 Years



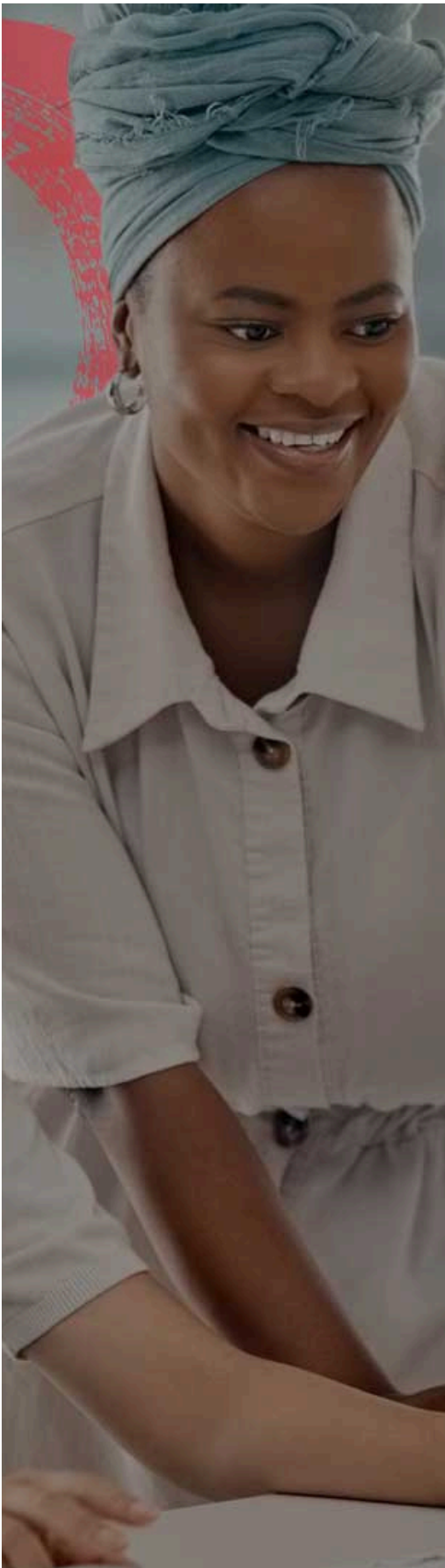


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CHAPTER

01

Introduction

Our research reveals that HR priorities are shifting—here's why.

If you struggle to allocate your HR technology budget in this increasingly complex vendor landscape, you're not alone. With thousands of HR solutions competing for attention and promising transformative results, determining where to focus your investments has never been more challenging.

Our 2024 Skills Survey of over 300 HR leaders reveals where organizations are placing their bets for the next three years—and, more importantly, why these investment priorities matter.

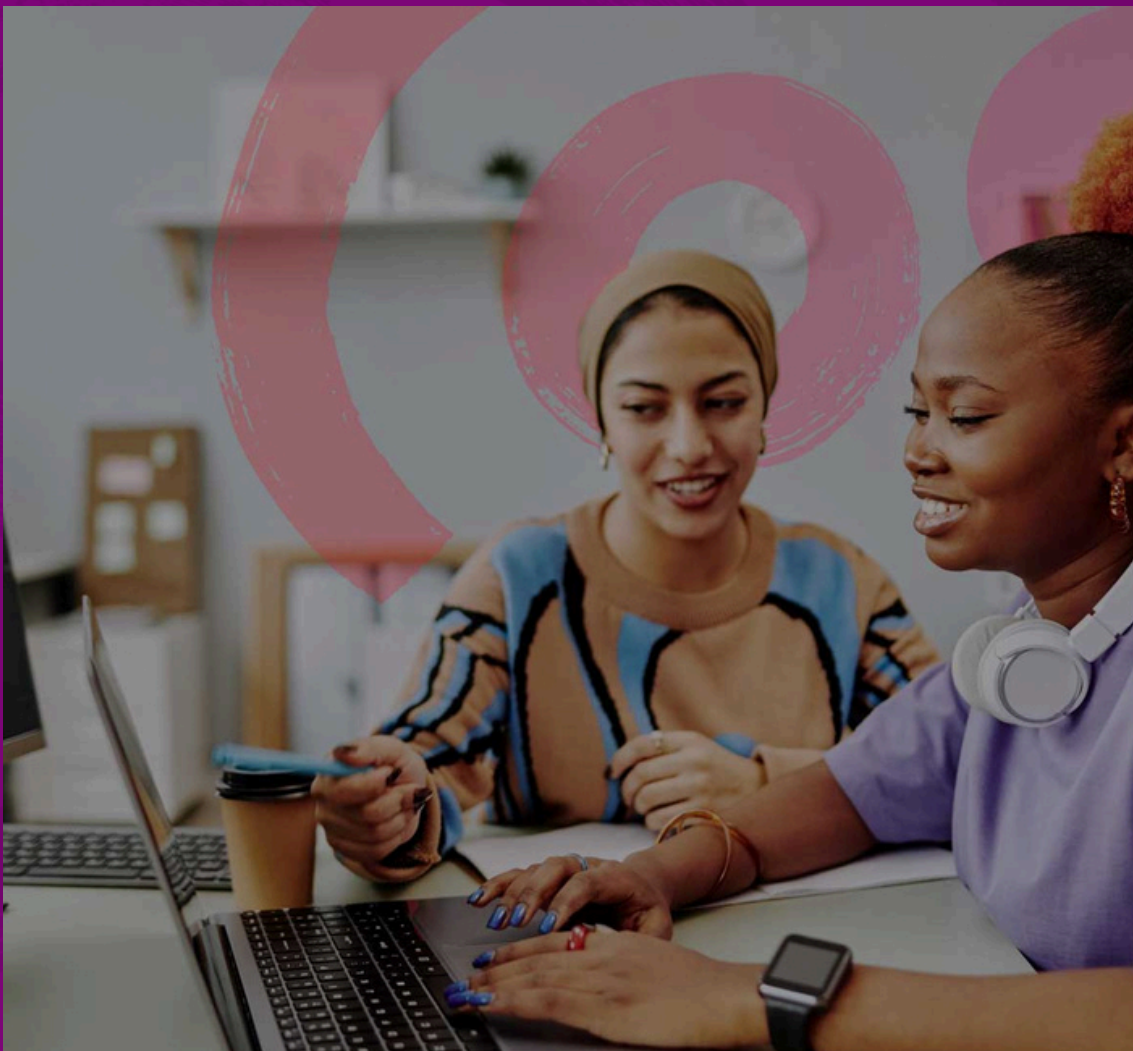
The research identifies the critical areas where companies are concentrating their HR technology investments, the specific challenges driving these decisions, and the features organizations are prioritizing as they build their HR technology stacks for 2025 and beyond.



Whether you're weighing significant platform investments or enhancing your current capabilities, understanding these industry-wide patterns can help ensure your technology roadmap addresses both immediate pain points and long-term strategic needs.

02

What is the current state of the HR technology industry?



Given the proliferation of HR technology solutions over the past decade, one would expect organizations to have unprecedented visibility into their workforce. Yet our survey data tells a starkly different story—one of persistent gaps between technological promise and organizational reality.

The current state can be summarized in three critical observations:

1. **Technology adoption remains surprisingly limited.**
2. **Budget priorities signal recognition of critical gaps.**
3. **Data capabilities fail to meet business needs.**

Despite vendors' claims of widespread digital transformation, only 46% of businesses currently utilize Talent Marketplace or Intelligence platforms. This adoption rate reveals a market still in its early maturity phase, not the saturated landscape often portrayed in industry marketing.

The gap appears poised for correction though, with 60% of organizations actively seeking to add these capabilities to their technology stack in the coming year. More telling is the financial commitment behind these intentions: 55% of organizations plan to increase their HR technology budgets for 2025, while only 14% anticipate cuts. That willingness to invest during uncertain economic conditions signals that current capabilities are insufficient.

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of organizations are anticipate cuts in their HR technology budgets

Perhaps most surprising is the contradiction in how organizations assess their current capabilities: While 55% claim to have "strong visibility" into skills and talents across their business, 74% simultaneously acknowledge that insufficient visibility is impeding their ability to achieve business objectives.

This disconnect between perception and reality suggests organizations have either overestimated the effectiveness of their existing systems or underestimated the depth of visibility required.

The persistent focus on performance and productivity metrics (39% cite this as their primary aligned business metric) further emphasizes that, despite years of technological advancement, companies remain focused on fundamental operational effectiveness rather than the more sophisticated talent capabilities that vendors promised.

03

HR challenges of 2025 and how they influence purchase decisions



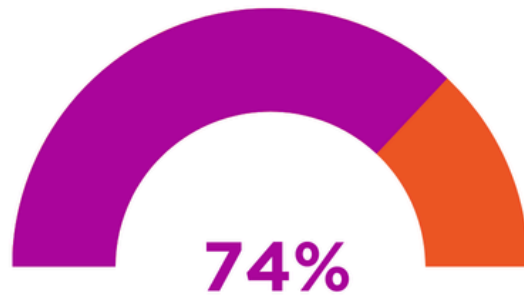
Most organizations currently operate from a position of fundamental misalignment. Behind the impressive dashboards and AI-powered recruitment tools lies a workforce reality characterized by three critical failures:

1. Most companies can't see their skills landscape.
2. Most companies are bleeding talent while ignoring internal solutions.
3. Most companies choose the wrong solutions.

Though each issue appears straightforward, they represent visible symptoms of deeper dysfunctions that businesses haven't brought under control.

For instance, while 92% of organizations claim sufficient visibility into their workforce's skills, 74% acknowledge this lack of visibility actively impedes business objectives, and 78% confess their skills mapping is outdated or nonexistent.

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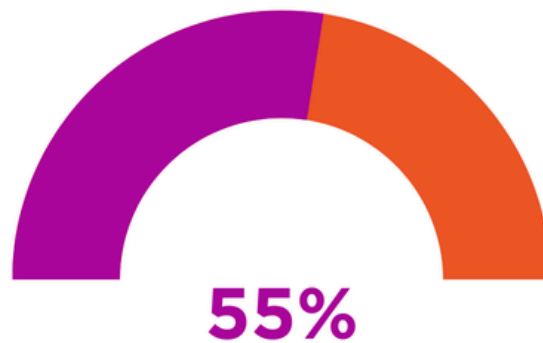
Seventy-four percent of HR leaders admit that a lack of talent visibility is actively impeding their ability to achieve business objectives.

This foundational blindness creates a talent hemorrhage that most companies are ill equipped to address. Notably, despite 95% claiming to prioritize promoting from within, a stunning 74% struggle to fill roles internally. When employees can't see growth opportunities (and employers can't identify internal candidates), the result is predictable: 70% report challenges with talent retention.

In turn, these challenges affect purchasing behaviors for 2025 and beyond. The rational response would be to invest in comprehensive skills architecture, robust internal mobility platforms, and aligned talent data systems.

Yet the data highlights a disconnect between challenges and priorities: While 55% are increasing their HR technology budgets, their shopping lists show misplaced focus: 19% want skills intelligence platforms without the fundamental architecture to support them; 34% seek talent attraction solutions when retention is their biggest problem; and only 7% plan to implement the common skills taxonomy required to make any of these tools effective.

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of organizations are increasing their HR technology budgets

That pattern suggests organizations understand their symptoms but are self-medicating with treatments that fail to address the underlying conditions. As we examine which HR technologies companies intend to purchase in the coming years, this gap becomes even more apparent—and concerning for organizations hoping to solve their persistent workforce challenges.

04

The HR technology solutions companies plan to purchase this year and going forward



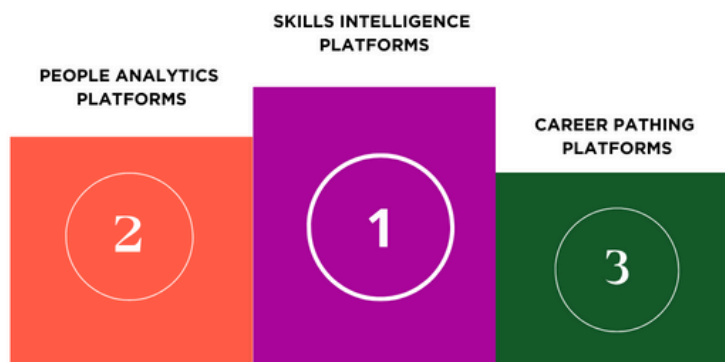
The gap between HR challenges and technology investments is closing (though not as quickly as one might hope). Our research reveals organizations now recognize the need for fundamental skills architecture solutions, but their purchasing priorities still show a concerning misalignment between problems and solutions.

Companies are prioritizing three categories of technological investments:

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

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

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



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

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

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

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

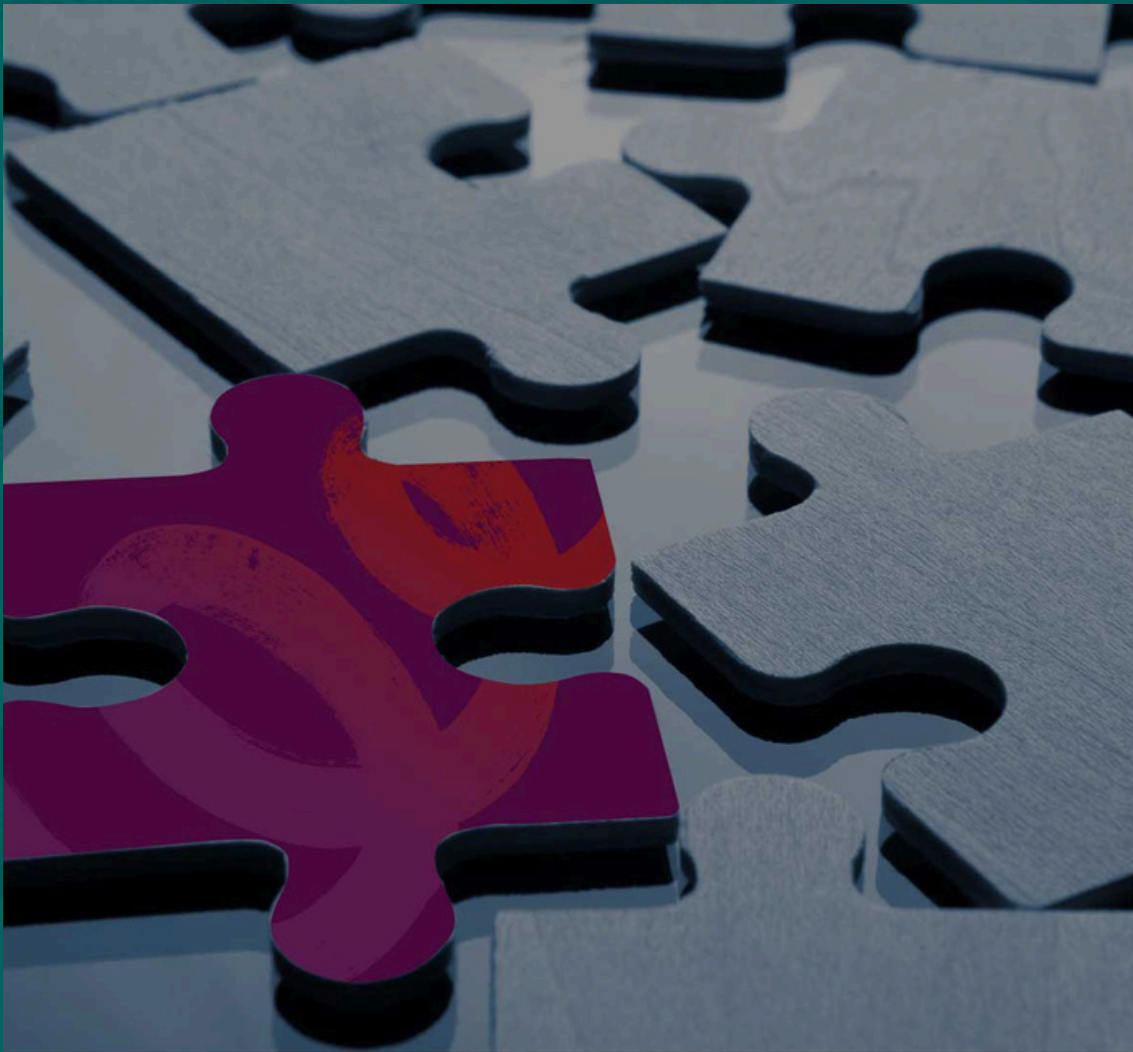
Perhaps most tellingly, improved career path mobility (10%) ranks sixth among objectives, despite internal mobility being critical to both retention and capability deployment. This break between recognized challenges and investment priorities risks perpetuating rather than solving core workforce issues.

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

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

05

What features are HR leaders looking for in new technology?





Beyond broad solution categories, the feature preferences for solutions reveal the practical considerations driving purchasing decisions.

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

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

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

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

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

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

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

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

06

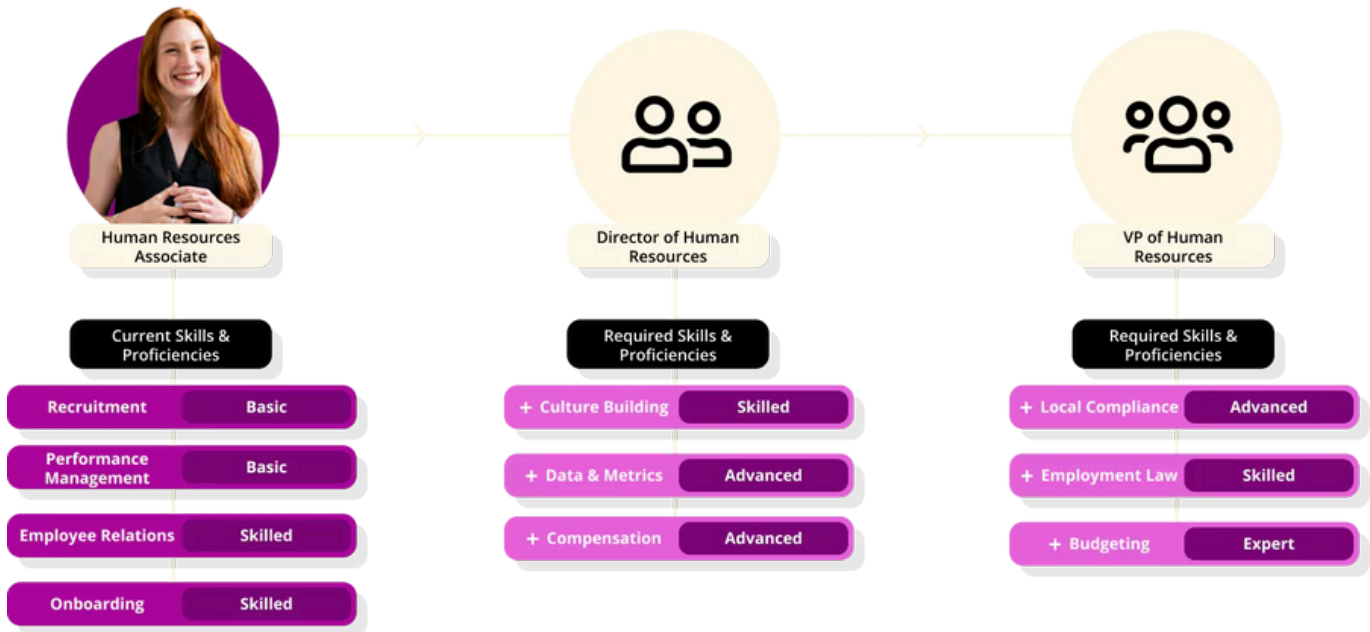
How Fuel50 stands out and caters to these shifts



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

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

Dynamic skills architecture and ontology



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



Specialist Skill

Python Programming

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

Basic

Skilled

Advanced

Expert

Talent Growth

Python Programming

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

Jan
25



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



Jan
28



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

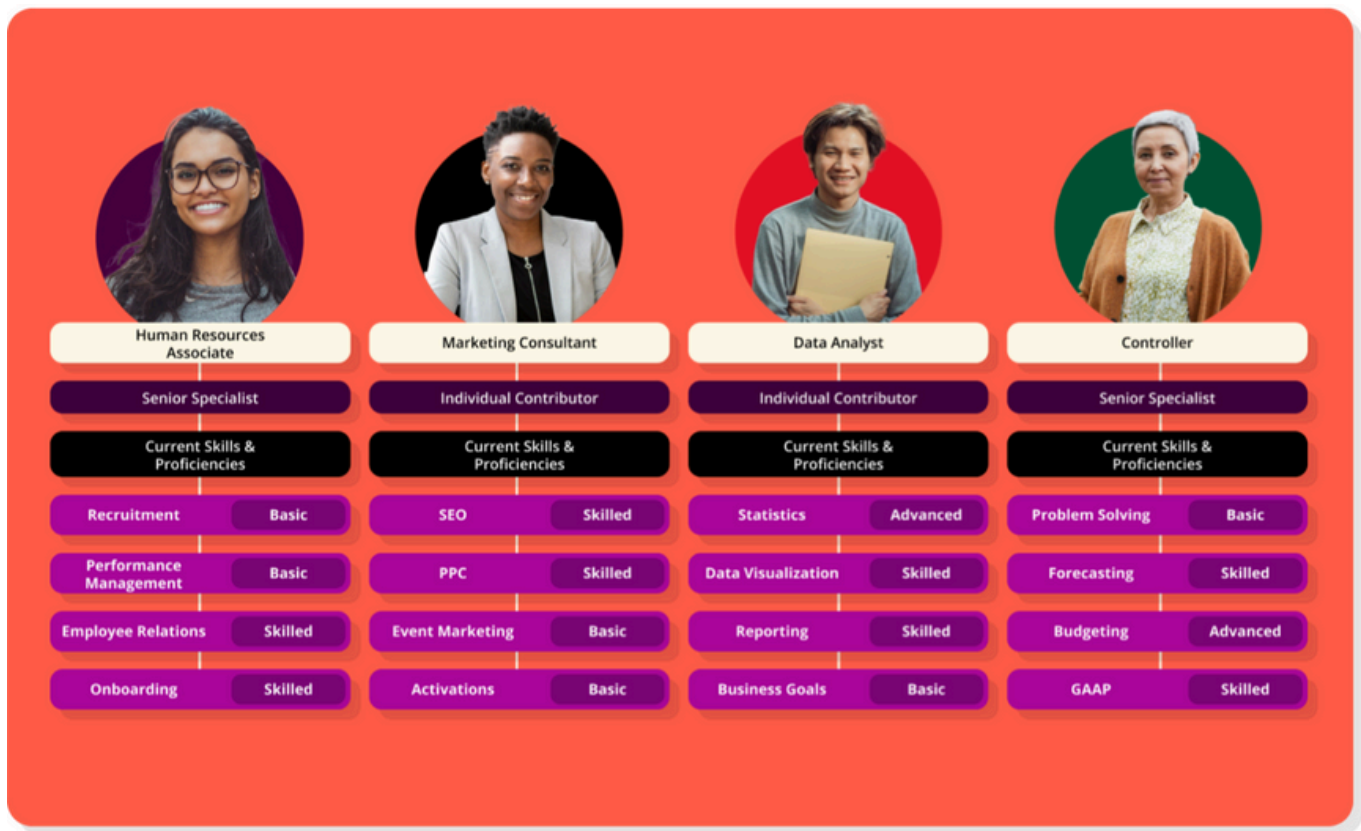


Unlike static taxonomies or overwhelmingly large skill libraries, Fuel50's ontology strikes a crucial balance between comprehensiveness and usability.

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

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

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



Hyper-personalized talent marketplace

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

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

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

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

Medium Match

CFO

Opportunities For You

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

Your Skills

✓ Customer Centricity

✓ Business Savvy

✓ Lateral Leadership

Required Skills

Financial Forecasting

Financial Reporting

Financial Risk Management

Finance and Accounting Platforms

Finance and Accounting Policies and Procedures

Finance and Accounting Trends

Strategic Cost Management

AI-powered career development

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

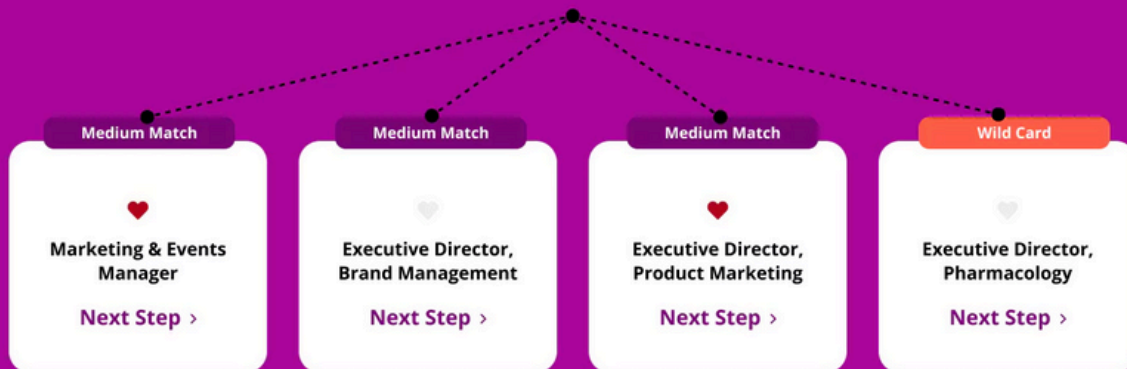
Unlike rigid career ladders, Fuel50 suggests both vertical and lateral moves based on an employee's unique profile. That flexibility has helped organizations like [UCI reduce attrition by 50%](#) while maintaining a remarkably low 4% turnover rate, compared to the industry average of 13%-15%.

Explore Future Moves



Brand Marketing Manager

Future Moves > Find Journey >

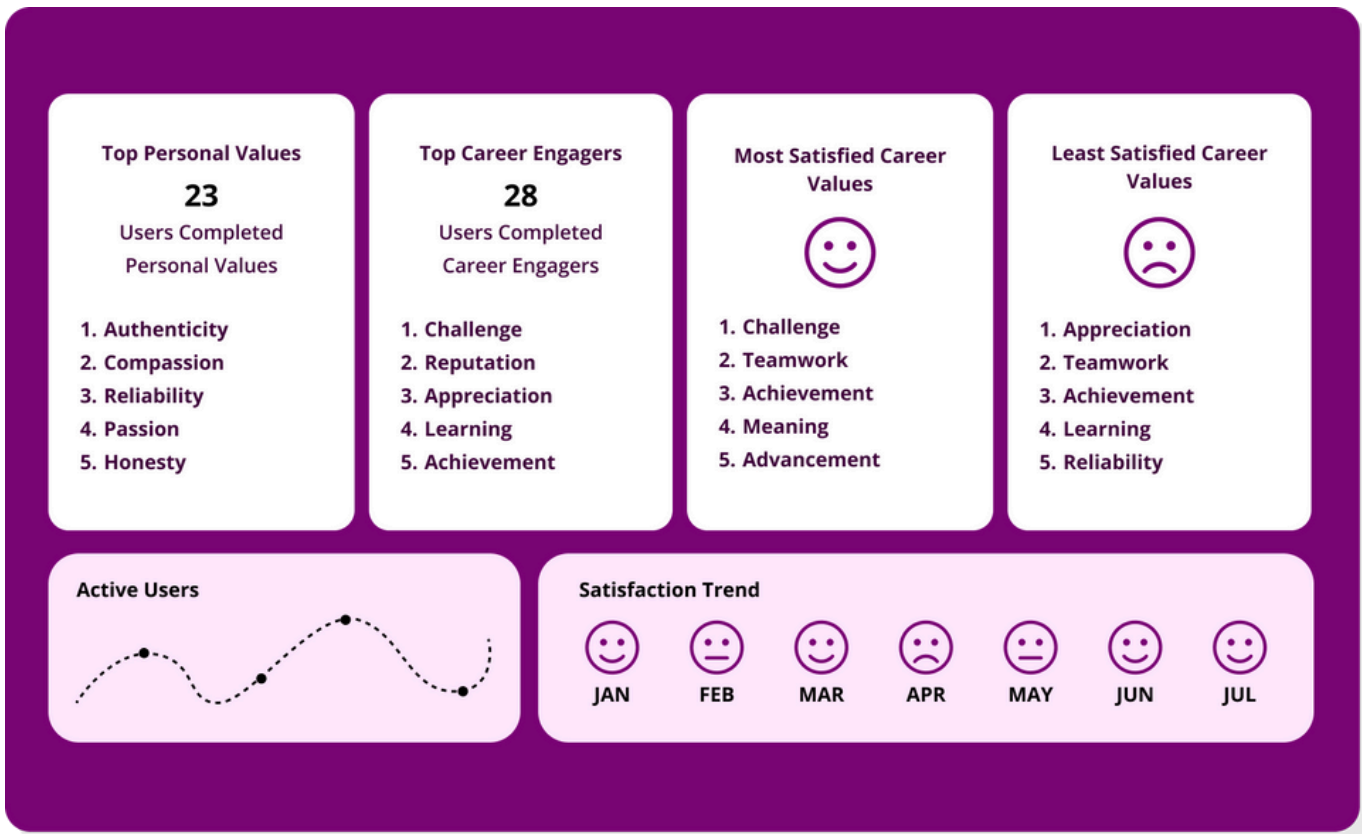


Real-time workforce intelligence

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

The platform offers over 30 reports that track everything from skill gaps to mobility patterns, supporting data-driven decisions about workforce development.

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



Ethical AI and bias prevention

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

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

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



Leverage Fuel50 to future-proof your workforce

Ready to begin? Fuel50's talent intelligence platform helps organizations map their talent landscape, unlock hidden capabilities, and build dynamic talent ecosystems that drive real business results.

Some of our customers see an average 60% reduction in employee churn and significant improvements in internal mobility.

[Book a demo](#)

Contact

+1 424 257 6863

+64 9 356 9758

help@fuel50.com

www.fuel50.com

Fuel50 is the AI Talent Marketplace solution that delivers internal talent mobility and workforce reskilling.

With hyper-personalized AI and a deeply embedded commitment to diversity and inclusion, Fuel50 activates your talent.

Fuel50's ethical AI matches your people to opportunities in real-time, automatically maps your workforce architecture, and provides deep data insights for predictive talent and workforce planning.

Over 80 organizations around the globe saw immediate impact since deploying Fuel50, with up to 65% increase in lateral movement, 35% increase in internal recruitment, and 60% reduction in employee churn.

Fuel50 powers the workforce of the future.

