



TALENT MANAGEMENT TECHNOLOGY

# ECOSYSTEM 3.0 EXPLAINED

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# TALENT MANAGEMENT TECHNOLOGY ECOSYSTEM 3

The 3rd edition of the Talent Management Technology Ecosystem highlights the most innovative and influential companies in talent management technology. Our ecosystem is organized by Management stage, vertical and sub-vertical. In each stage – Engage, Evaluate, Develop and Manage – the Talent Management technology market is rapidly evolving with many new technologies and a significant number of mergers and investments amongst technology providers.

Talent Tech Labs' Talent Management Technology Ecosystem is a way to organize this ever-changing space and provide a taxonomy to navigate it clearly. The goal of the Ecosystem and this explainer report is to easily distinguish the different vendors and technologies, understand current trends, and foresee future trends.

The Talent Management market is undergoing high levels of disruption, with new AI-based capabilities altering every category's offerings. There's no doubt that generative AI and agentic AI technologies have driven not just TM, but the entire technology ecosystem to rapidly evolve, by reducing the barriers to entry into new product lines and markets. Thus, producing even more confusion and complexity about the options available for technology buyers. Combined with an ever-increasing top-down demand to consolidate tech stacks, reduce costs and realize ROI faster than before, HR leaders face themselves in one of the most crucial moments of the 21st century. Technology is disrupting every part of our personal and professional lives and within the expectations of catching up, leaders also face scrutiny of the cost of making the wrong decisions.

We hope this report helps talent leaders and relevant stakeholders navigate this evolutionary stage of the talent management ecosystem, where AI is redefining how organizations mobilize, develop, and retain talent.

In putting this ecosystem together, we evaluated more than 800 vendors to arrive at the 499 highlighted, an increase of about 150 from our second edition. At Talent Tech Labs, we continue to monitor the pulse of the industry, constantly evaluating upcoming vendors and capabilities to provide enhanced analysis into the Talent Management ecosystem.



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# UNDERSTANDING THE TALENT MANAGEMENT TECHNOLOGY ECOSYSTEM TAXONOMY

We divide the Talent Management Technology Ecosystem into four “stages,” which broadly reflect the lifecycle of an employee. Each stage consists of “verticals” that contain related technology solutions categories, and each vertical consists of “sub-verticals” that include vendors that offer similar functional features. The distribution of verticals and their respective sub-verticals can be seen below for each of these stages.

## Four Lifecycle Stages

The Engage stage focuses on technologies that support employee wellbeing, communication and the overall day-to-day experience. Next in the progression is the Evaluate stage, which encompasses innovations that measure performance, assess workforce needs and provide visibility into skills and analytics. The Develop stage includes solutions that build skills, foster learning and support ongoing career growth. The last stage of the Ecosystem is the Manage stage, which includes systems that support the overall day-to-day management of an organization, including acting as a store of record for all HR-related activities, as well as the execution point for logistics-based activities.

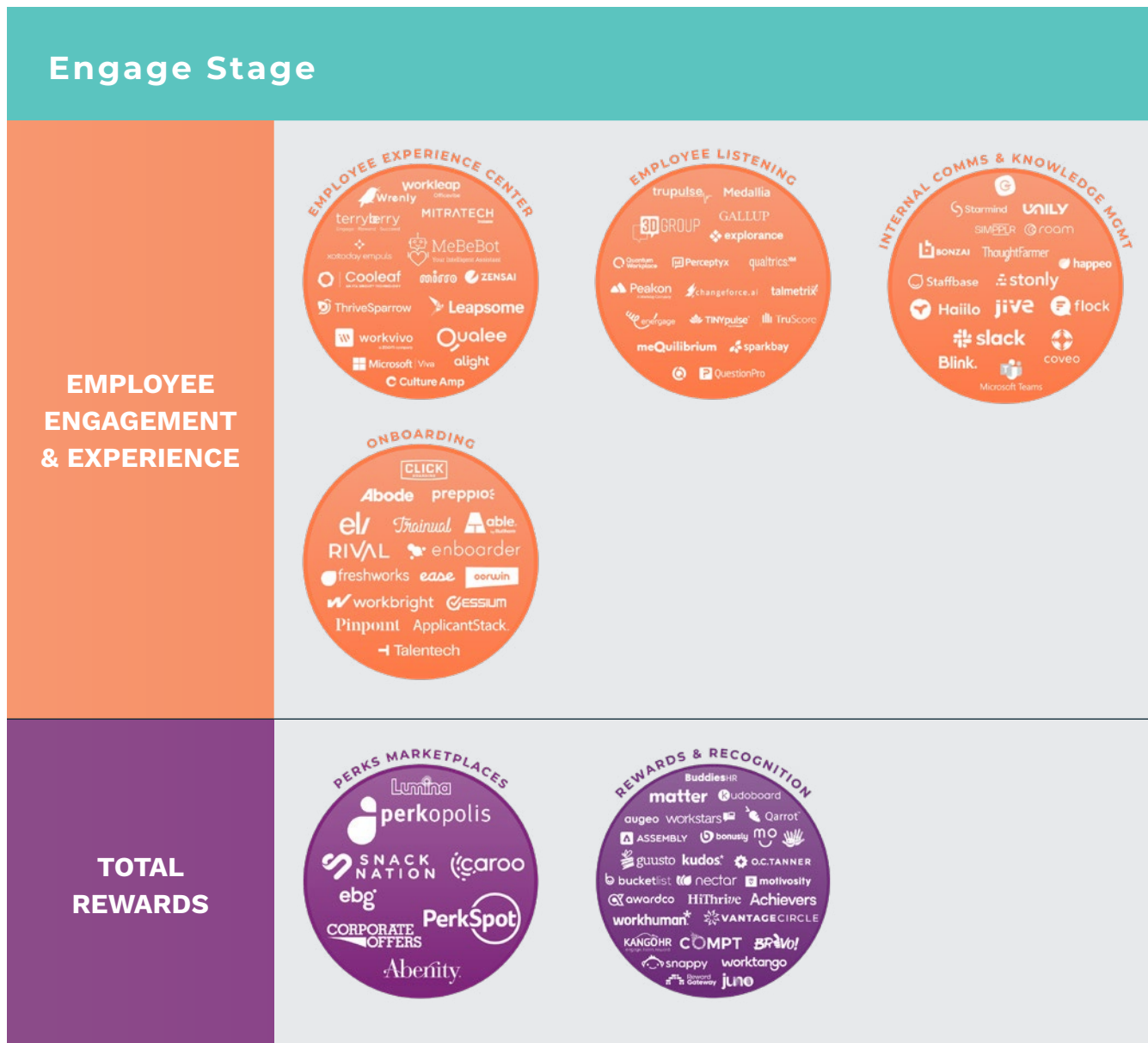


MORE THAN  
**450**  
VENDORS

We evaluated more than 800 vendors and highlighted 499 in this edition, an increase of 150 from the second release, signaling rapid market expansion.

# ENGAGE STAGE

The Engage stage encompasses technologies designed to keep employees healthy, happy, informed, and engaged during all stages of their employment. Forward-thinking companies are looking for innovative ways to keep employees happy, maximize productivity and workforce effectiveness, improve internal culture, and leverage social technology to foster internal collaboration and innovation. Engage technology is a must-have for organizations looking to prioritize retention and build a strong employee-first culture, from employee benefits to recognition.



# ENGAGE STAGE



## Engage Stage Vertical and Sub-Verticals Explained:



### Total Rewards

This vertical includes all technology used to reward and incentivize employees outside of their standard salary. Innovation in this vertical tends to be incremental, such as Perks adapting to changing workplace demographic preferences and Recognition tools being available in the flow of work.

- **Perks Marketplaces** are marketplace platforms provided to employees as a “perk” or added benefit. These marketplaces typically provide employee discounts at partner or retail organizations. These tools aggregate all the discount contracts negotiated by firms on behalf of their employees, including discounts and freebies offered by retail partners. Perks constantly adapt to workforce needs; previously during the COVID-19 pandemic, vendors offered more mental health perks or ergonomic workspace discounts, and now, the macro push to RTO (return to office) has brought back Perks such as in-office snack budgets.
- **Rewards & Recognition** are platforms that managers and team members can utilize to reward or recognize subordinates or colleagues on demand. These platforms manage ongoing recognition as well as milestone-based rewards and awards. These rewards can come in many forms: vacation days, experiences, gift cards, cash, or discounts. Recognition typically is done internally through an internal



communication channel (e.g. Teams, Slack, etc.) integration or via platform and identified through badges or a shout-out channel in Slack or Teams. These platforms usually have integrations into payroll or HRIS systems, and in some cases have a tax compliance component to the offering. Vendors are providing data-driven insights for client organizations on recognition metrics to improve employee retention.



### Employee Wellness

The Employee Wellness vertical includes all types of platforms built for companies to administer and promote benefits available to full-time employees. Most players in this space are point solutions that offer on-demand access to employee benefits or a specific type of benefit to improve their personal lives. Younger workforce demographics have increased the demand of organizations to design hyper-personalized wellness and benefits experiences for their current and future employee demographics. AI-based applications in this vertical include agentic benefits navigation, automations and AI-based recommendations. Certain sub-verticals such as Health Navigation & TPA and Benefit Portals are exclusive to the United States and Canadian markets due to the nature of the healthcare systems.

- **Benefit Portals** are platforms that democratize employee access and understanding of employee benefits. These platforms manage all aspects of benefits such as self-serve benefits enrollment, spending allowances, benefits management, and reimbursements. Innovations in this sub-vertical lie around continued democratization of benefits, providing employees with the flexibility to add and remove benefits as their needs change, and decision support software to guide plan selection. Benefit Portals are differentiated from Health Navigation & TPA technology as they go beyond health-related benefits management to include stipend management, financial benefits, subsidies, or health benefits not covered under group insurance plans such as fertility benefits.
- **Health Navigation & TPA (Third Party Administrator)** refers to technology that helps employees decide, access and manage their health benefits. Health Navigation simplifies healthcare decisions around cost, providers and care options through a preferred provider network, cost calculators and healthcare advocates. On the other hand, TPA (Third Party Administrator) platforms manage healthcare benefits infrastructure which is comprised of plan operations, claim processing, eligibility and more. Think of Health Navigation as the front-end experience for employees, and TPA for the back-end for benefits administrators and brokers. We foresee vendors in this sub-vertical and Benefit Portals to slowly converge as many of these vendors slowly adopt overlapping capabilities. This sub-vertical is new to the TM Ecosystem 3.0.

## ENGAGE STAGE

- **Wellbeing Benefits** are point solutions that focus on improving employee wellness for areas not typically covered under an insurance plan such as Behavioral or Physical Wellbeing. These applications often provide support for daily activities like sleep, hydration and exercise to periodic benefits such as counselling. Wellbeing Benefits are offered delivered through gamification or competitions, associated with rewards or perks. There is a resurgence of Behavioral Wellbeing Benefits in the market as employees are reportedly more stressed at work than they were five years ago, but this time, employers are turning from EAPs to solutions that are outcome-based and personalized. This sub-vertical was previously Behavioral Wellbeing and Physical Wellbeing.
- **Financial Wellbeing** technology consists of applications that assist employees with all aspects of their financial health, from budgeting tools to finance calculators to full on financial planning. EWA (Earned Wage Access) is becoming more commonplace, alongside other financial benefits such as guidance on navigating debt, student loan repayment or other financial goals.



### Employee Engagement & Experience

This vertical includes all tools utilized to build, track and improve employee experiences within specific teams and the company overall. Prioritizing employee satisfaction through intuitive, consumer-grade talent experiences is necessary as organizations increasingly rely on employees for data points to improve talent processes such as workforce planning, performance measurement and more. AI-based innovations in this vertical are abundant; virtual onboarding assistants, intelligence search capabilities, sentiment analysis, and generative summaries to name a few. Another trend to watch will be digital twin technology, especially in onboarding applications, allowing organizations to generate avatars based off successful employees to train new employees.

- **Onboarding** tools are designed to facilitate the integration of new employees before joining the company. The tools manage compulsory tasks such as legal paperwork, system access, facilities access and required training. Some Onboarding tools allow firms to share information about company culture, insights into the role, or even emulate the role to ensure the future employee is set up for success. Inclusive of background checks, emergency contact directories, standalone Onboarding Tools are typically website or platform-based, with integrations into payroll, HRIS, and LMS. Recent trends include virtual onboarding assistants that can execute onboarding via email/mobile, and digital twin technology to create training avatars.



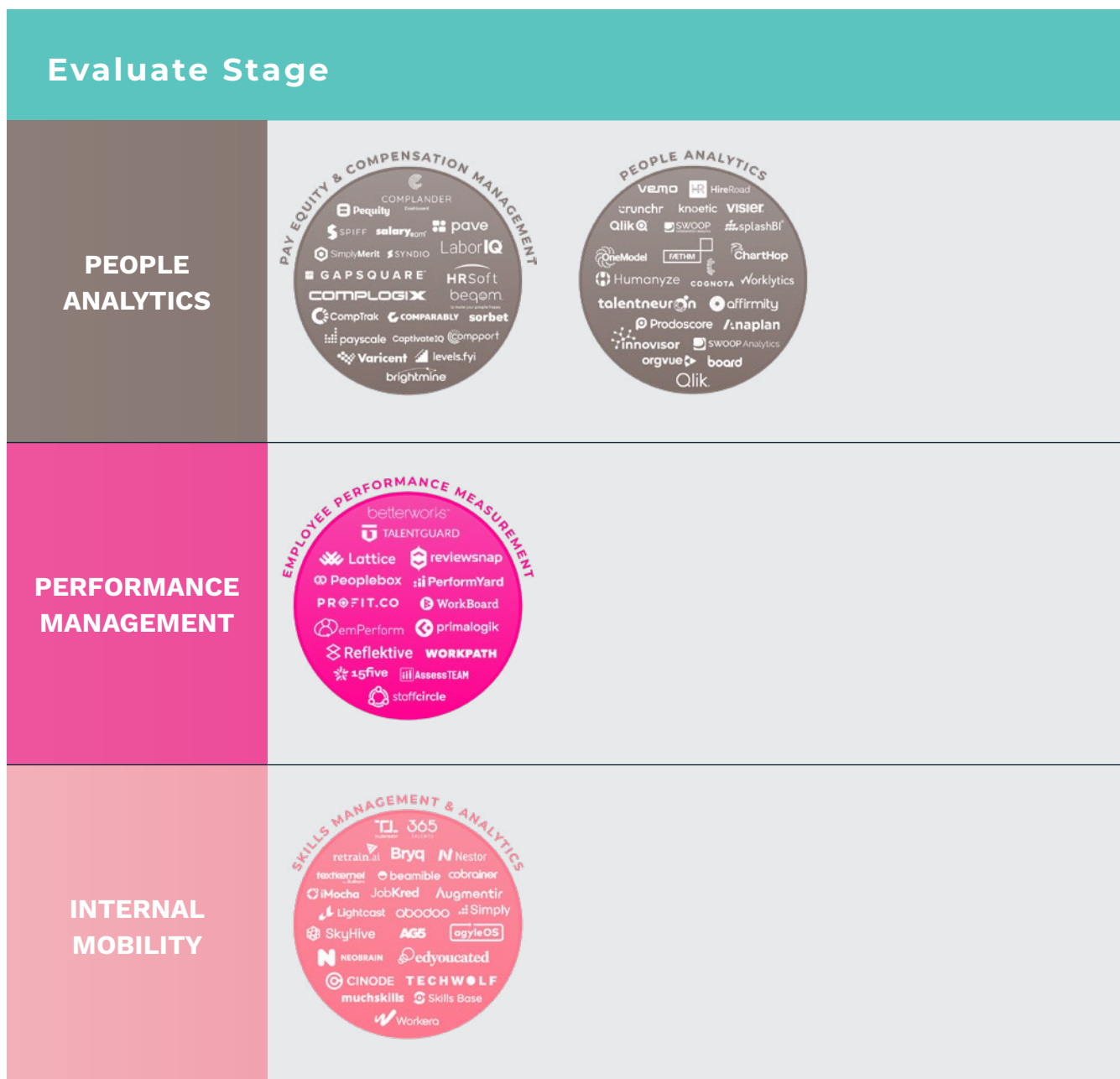
# ENGAGE STAGE

- **Internal Communication & Knowledge Management** tools connect employees and enable them to share information and access institutional knowledge on a secure platform. Modern “intranets” are now Knowledge Management tools that center conversational experiences such as intelligence search capabilities and conversational bots who can surface relevant content or contacts without having to navigate through a “link farm”. This sub-vertical was previously known as Internal Social Networks.
- **Employee Listening** platforms utilize feedback, sentiment analysis and passive listening data from surveys and digital interactions to help organizations understand their employees. Vendors are going beyond the standard “pulse surveys”, as these tools integrate with work tools to passively listen to employee interactions and predict burnout, flight risks, and opportunities for improving workplace culture. Other platforms go beyond analyzing the data generated from active and passive listening, to identify issues and action solutions through focus groups and assigning tasks to managers to improve outcomes directly.
- **Employee Experience Centers** unify the employee journey by combining recognition, performance, employee listening, intranets, and learning into an all-in-one platform. These tools have traditionally risen from the Performance Measurement or Rewards & Recognition sub-verticals, through the trend of “platformization”. As customers demand tech stack consolidation and deeper data integrations, these vendors have responded in kind, producing strong, personalized employee experiences that eliminate the need to jump from platform to platform. These centers also benefit by being able to aggregate data across these talent processes to generate complex inferences in context of the full employee journey. This sub-vertical is new to the TM Ecosystem 3.0.



# EVALUATE STAGE

The Evaluate stage refers to all technology associated with understanding and optimizing the workforce through processes such as performance, people analytics, and skills management. These tools enable organizations to measure existing performance, identify gaps, and inform short and long-term strategic workforce planning. Advances in this vertical include AI capabilities around data collection and synthesization to surface meaningful signals in performance reviews and the popularization of talent intelligence capabilities, namely aggregating data across disparate systems and providing external market context to make informed strategic decisions.



## Evaluate Stage Vertical and Sub-Verticals Explained:



### People Analytics:

The People Analytics vertical refers to all the tools utilized in understanding a company's workforce by collecting, integrating, and analyzing workforce data. These insights help organizations make informed decisions about organizational health, talent placement, and workforce planning by highlighting trends, modelling scenarios, and measuring the impact of talent initiatives. Tools in this space are moving to integrate as many sources of people data, such as skills data and continuous data streams from work tools to provide context around static datasets from performance reviews or survey results. AI-driven capabilities make it easier and faster to access immediate prescriptive and predictive insights through natural language prompts.

- **People Analytics** platforms refer to tools utilized in understanding a company's workforce through data analysis. These platforms combine data from multiple sources such as HRIS, ATS, performance, learning and internal mobility platforms into one platform, where practitioners can utilize said data to model scenarios, correlate data and unearth insights on drivers of attrition, identify workforce needs and evaluate program ROI. The holy grail of People Analytics to drive meaningful change backed by data continues to be one of the most pernicious challenges facing talent leaders and organizations of every size.
- **Pay Equity & Compensation Management** tools keep finance, HR and respective teams on the same page as they design and maintain fair yet competitive compensation programs. Compensation Management tools plan and administer all aspects of total compensation such as salaries, bonuses, incentives, ESOPs, etc. Pay Equity tools help HR practitioners identify systemic pay gaps and model salary calibrations aligned with market benchmarks and regulatory requirements. While Pay Equity tools are utilized on an annual basis to perform pay equity analysis, Compensation Management tools are used more frequently, with some vendors embedding Pay Equity functionality into their platform. These tools are utilized by both talent management and acquisition practitioners to ensure compliant offers and raises are being offered. AI usage in Compensation tools will be a prime subject for transparency regulations and audits as AI laws evolve. This sub-vertical was previously known as Pay Equity & Incentive Pay Management.

**AI usage in Compensation tools will be a prime subject for transparency regulations and audits as AI laws evolve.**



# EVALUATE STAGE



## Performance Management:

The Performance Management vertical includes technology vendors related to measuring, managing, and improving employee performance. Some vendors have expanded their offering to include goals, recognition or employee listening modules, or vice versa, with entrants in Employee Experience tools expanding into Performance. Integrations into other talent development systems such as learning and internal mobility platforms allow organizations to build a holistic view of employee career development. AI-enabled capabilities in this vertical include surfacing and summarizing meaningful performance signals to reduce recency bias.

- **Employee Performance Measurement** tools are designed to measure and improve employee performance. Standard vendor offerings include goals, 1:1s, performance reviews, competencies, and calibrations. Some vendors are incorporating adjacent talent experiences such as recognition, listening and succession planning, to support a culture of continuous performance management (CPM) and generate a large dataset to inform performance reviews. AI-capabilities in Performance tools are currently focused around writing unbiased, informed reviews quickly and manager coaching in the form of prompts/nudges to guide 1:1 conversations. Other product innovations include integrating skills into performance reviews, and being in the flow of work, with Slack/Teams integrations.



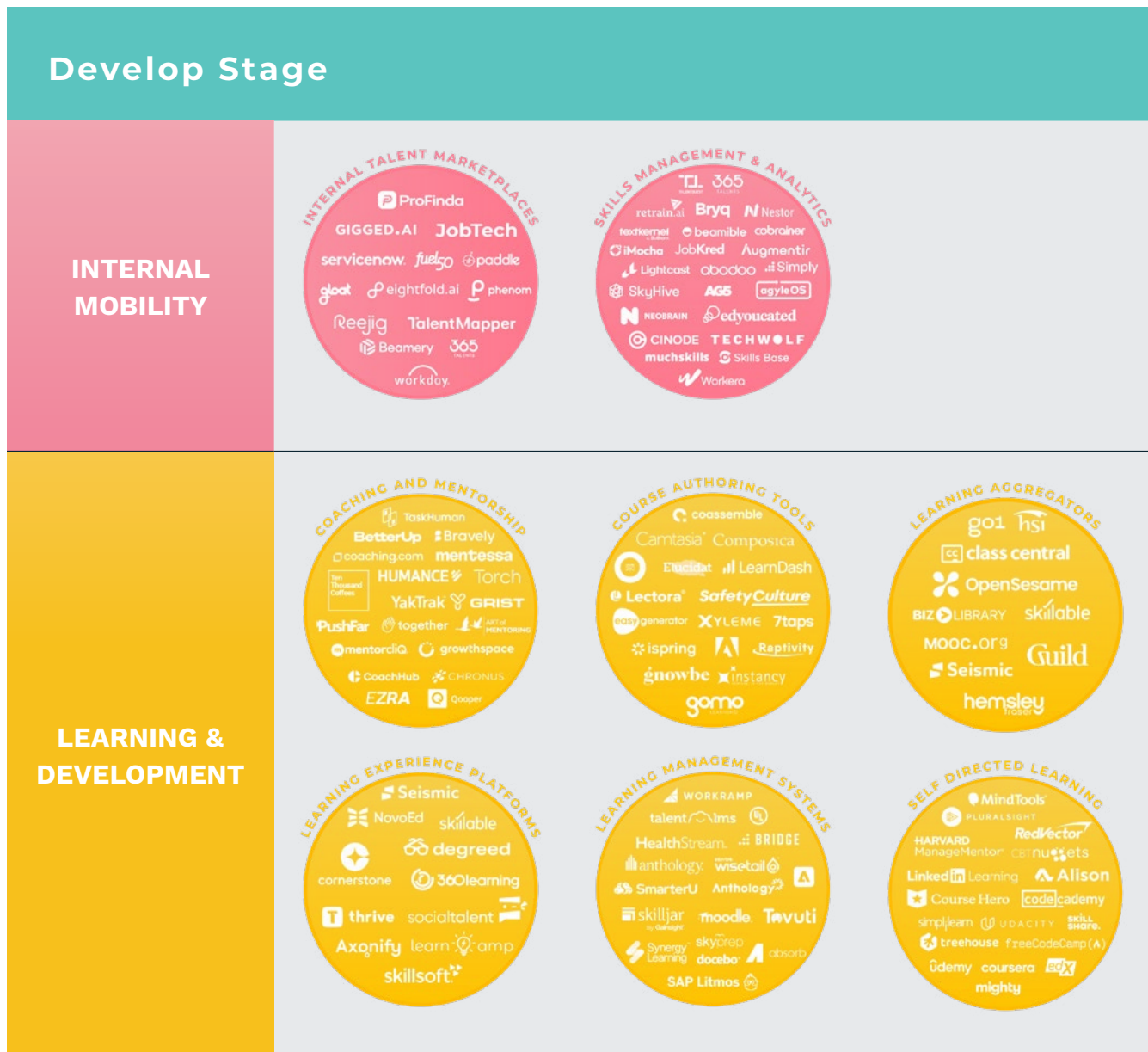
## Internal Mobility:

The Internal Mobility vertical straddles both the Evaluate and Develop stages. This unique vertical includes solutions that help organizations to view their workforce capabilities from a skills-based lens, as well as solutions that help employees self-service their career development with the same lens. By mapping employee skills against business needs, these tools can highlight workforce gaps or undiscovered talent. The goal with Internal Mobility tools is to reduce attrition and increase upskilling by improving talent flow within the organization.

- **Skills Management & Analytics** platforms are manager-focused tools that help organizations identify, assess, track, and develop employee skills. These tools utilize proprietary AI algorithms to tag skills to job profiles through internal datasets from ATS and HRIS and external labor market datasets. These systems allow organizations to standardize jobs and skills and identify skill gaps within the organization, design jobs more effectively, understand their workforce skill breakdown, and in some cases, act as a “translation layer” to connect disparate systems with their own skills taxonomies. Changes in Skills Management tools include expansion of capabilities to include dynamic job architecture management, and a growing flexibility in exporting skills taxonomies to supercharge other talent systems. Vendors in this category are typically point solutions, and organizations rely on deep integrations into HRIS or Internal Talent Marketplace to action the outputs of these tools.

# DEVELOP STAGE

The Develop stage includes all technology involved in developing employees through their employment via learning opportunities or career development experiences. The goal with these tools is to support employees in achieving their full potential within the organization and fostering a culture of continuous growth that is aligned with existing and future business needs. Tools in this stage include learning systems that span from compulsory training to extracurricular development, and internal mobility platforms that introduce dynamic, new pathways to achieve career development goals. Innovation in this stage is heavily influenced by generative and agentic AI capabilities, rising in the form of on-demand tailored content for employees, adapted to personalized learning profiles, or generating learning content.



## Develop Stage Vertical and Sub-Verticals Explained:



### Internal Mobility:

The Internal Mobility vertical straddles both the Evaluate and Develop stages. This unique vertical includes solutions that help organizations to view their workforce capabilities from a skills-based lens, as well as solutions that help employees self-service their career development with the same lens. By mapping employee skills against business needs, these tools can highlight workforce gaps or undiscovered talent. The goal with Internal Mobility tools is to reduce attrition and increase upskilling by improving talent flow within the organization.

- **Internal Talent Marketplaces (ITMs)** connect employees with internal job openings, gigs, or other project-based work based upon their current skills, experience and career aspirations. These marketplaces enable organizations to find and leverage internal talent ready for a gig or a new opportunity, decreasing external costs and potentially increasing employee retention and engagement. The main benefit of an ITM is that it increases the discoverability of work opportunities and employees alike. Innovations in ITMs include increasing the type of opportunities available in the marketplace to volunteer opportunities, ERGs, training opportunities, and learning academies. These marketplaces are powered by an AI-based matching algorithm, using employee skill profiles and job requirements as criteria. The category has slowed down in recent times, as organizations are struggling with employee skill verification and cultural change management as ITMs are still a completely new way of working within an organization. Some ITMs have deteriorated their skills management capabilities and have built integrations into Skills Management & Analytics tools instead.



### Learning & Development:

The Learning & Development (L&D) vertical includes solutions designed to help employees do their jobs effectively, enhance their performance, and grow their careers. This vertical is by far one of the most crowded in the Talent Management ecosystem, with many point solutions that have a specific learning approach, niche content category or geographical focus. All the same, the L&D market is significantly being disrupted by AI capabilities such as generative course creation, AR/VR learning experiences and agentic learning coaches.

- **Learning Management System (LMS)** platforms are designed primarily to host, disseminate, and in some cases create corporate learning content for employees and track its consumption. Historically, LMS tools have been driven by compliance training such as health and safety or accessibility standards, which are often



mandatory in many jurisdictions. Nowadays, the LMS typically acts as a host for all internally created content including compliance, business, and change management. The benefit of an LMS platform is the level of granularity available in course administration, the push-based learning capabilities, and the ability to generate audit reports. LMS learning content can be defined as “learning required to do my job”. These platforms can integrate with ITMs or Onboarding tools to surface appropriate training required for jobs.

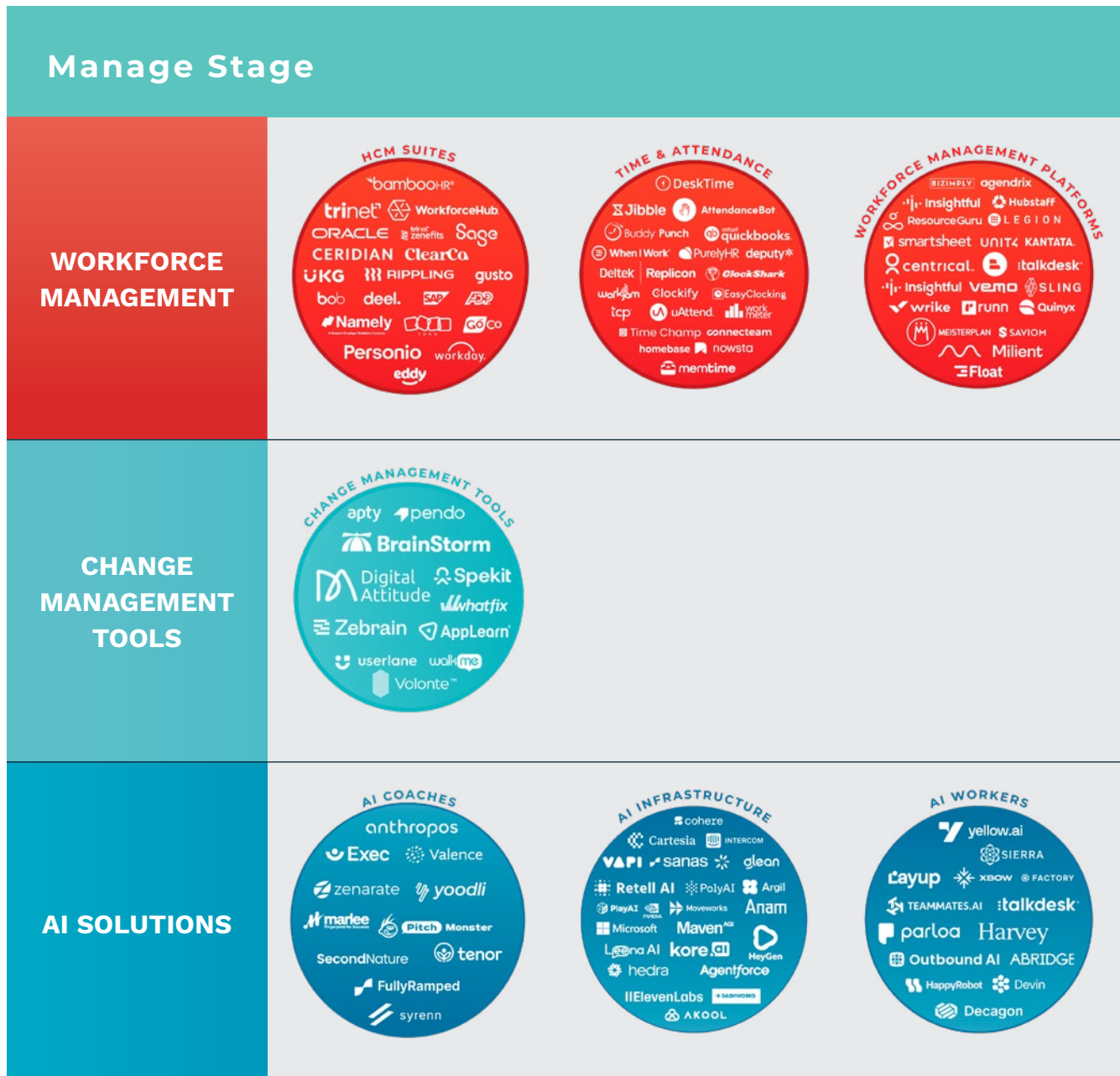
- **Learning Experience Platforms (LXP)** are distinguished by the fact that they typically take a pull-based approach to learning by creating an interactive and collaborative environment. These tools deliver personalized learning experience by aggregating content from multiple sources and making proactive AI-based recommendations tailored to an employee’s interests, career goals and skill level. Common features of an LXP include the AI engine which fuels content tagging and learning recommendations, cohort-based learning, social learning, user-generated content, microlearning, gamification capabilities, and learning academies. AI capabilities include on-demand course generation and AI roleplay for scenario-based practice.
- **Self-Directed Learning (SDL)** platforms include a wide collection of bespoke learning content creators, from websites that crowdsource learning content from a community of creators to Massively Open Online Courses (otherwise known as “MOOCs”, courses offered by universities to a wide audience at a significantly discounted price) and everything in between. These platforms are often consumer-grade, sold directly to learners, providing stronger user experience compared to LMS/LXP tools. SDL courses are updated more frequently, and instructors have more experience in education. Licenses are sold to organizations, and some vendors also offer an enterprise offering that includes LXP functionality like cohort-based learning.
- **Course Authoring Tools** allow users to create online courses and publish them in the formats and programs of your choice. These tools are often “no-code”, allowing citizen developers to quickly drag and drop to build course content. These tools include multiple forms of media and can be exported as SCORM or xAPI or any other format. Learning administrators can use these tools to create videos, develop quizzes, or build interactive games. Innovations in this sub-vertical are predominantly around generative AI capabilities to create courses, tests, videos, and overall learning content.

## DEVELOP STAGE

- [illegible]

# MANAGE STAGE

The Manage stage refers to tools involved in the overall day-to-day management of an organization. These tools act as a store of record for all HR-related activities, as well as the execution point for logistics-based activities such as time, attendance, payroll, and shift management. This year, the Manage stage has expanded beyond SOR and execution to also include strategic activities such as AI Solutions and Change Management. The volatility in this space has been high this year, in legacy solutions and new incumbents alike, through acquisitions and product expansions. Advancements in this stage look like agentic experiences that optimize scheduling, predict short-term labor needs, and automate administrative tasks.





## Manage Stage Vertical and Sub-Verticals Explained:



### Workforce Management:

The Workforce Management vertical encompasses the core systems that power day-to-day HR operations such as HCM suites, time and attendance tools, and workforce management platforms. These systems are the bridge between HR strategy and execution, by managing time, scheduling, and other compliance processes. For many organizations, these tools are the only interaction employees have with HR. Innovations in Workforce Management include HCM agentic solutions and conversational end-user experiences.

- **HCM Suites** are all-in-one platforms that encompass a plethora of talent management functionality such as onboarding, payroll, performance, and planning to help organizations manage and retain their employees. These platforms act as a system of record for organizational and employee HR data and once purchased are rarely changed. HCM suites have also expanded to include other modules such as learning, skills management, and internal mobility functionalities.

**Recently, there has been an influx of entrants for the small-medium enterprise (SME) market, increasing competition for legacy players. Legacy solutions have had a notorious reputation for being slow to adopt innovation. However, in the last year, legacy solutions made numerous large acquisitions to bolster their offerings in TA and TM.**

- **Time & Attendance Tools** digitize and automate the process of tracking employee hours and attendance. These tools also facilitate shift scheduling, vacation scheduling, reporting and absences, and help organizations stay compliant with wage and hour laws in the jurisdictions in which they operate. Modern solutions include forecasting capabilities, schedule optimization, as well as consumer-grade employee mobile apps.
- **Workforce Management Platforms** help organizations manage and deploy their workforce efficiently. These tools often include time and attendance, workplace health and safety management, shift management, and labor forecasting. Workforce Management Platforms are predominantly used for frontline, hourly wage, and retail workforces. Recent innovations include providing micro-learning and employee listening capabilities for this population, through consumer-grade mobile apps.



## Change Management Tools:

The Change Management vertical includes a single sub-vertical with the same name. These tools are designed to facilitate any sort of change in an organization or support new initiatives. Some are designed to guide the user through new technology or new digital processes and ensure the success of digital transformations. Organizations will implement change management tools to also increase digital adoption, and some vendors in this category are described as “digital adoption platforms.”

- **Change Management Tools** are specialized applications designed to help organizations manage and measure the impact of change processes and technology. They typically exist as “user overlay” on existing or new software applications, guiding users through a new system through prompts, or as nudging tools providing periodic reminders, or knowledge / content repositories. These tools tend to be “no-code”, making it easy for non-technical teams to create and launch content. Other features include in-app content search and auto content translation. AI capabilities in this sub-vertical include the ability to predict adoption risks and generate personalized communication strategies. Change Management tools will rise in demand due to organizational mandates for AI adoption.



## AI Solutions:

The AI Solutions vertical includes technology utilized in standing up and managing AI adoption, underpinned by nearly every function in the modern workforce. Undoubtedly the fastest growing vertical in both the Talent Acquisition and Talent Management ecosystems, these solutions utilize artificial intelligence to automate workflows, augment human decision-making, reduce administrative burden and uncover insights across all HR processes. Applications such as agentic AI can proactively act to complete tasks on behalf of users, such as drafting communications, onboarding employees, and coaches that support employee and manager career development. AI Solutions are most often available as copilots embedded in existing platforms. This vertical is new to the TM Ecosystem 3.0

## The Acceleration of AI

**The ecosystem captures the speed of transformation with one new AI Solutions vertical and three AI sub-verticals: AI Infrastructure, AI Workers, and AI Coaches.**

# MANAGE STAGE

- **AI Infrastructure** platforms form the foundation of enterprise AI ecosystems, allowing organizations to create, deploy and govern AI applications responsibly. This sub-vertical includes model management systems, agent builders, and AI avatar studios. These platforms ensure transparency, compliance, and security across internally built AI applications. This sub-vertical is new to the TM Ecosystem 3.0.
- **AI Workers** are a type of agent designed to autonomously complete tasks or workflows. The agents in this sub-vertical go beyond HR-specific use cases to include agents capable of supporting actual work, such as IT support, medical scribes, software development, executive assistants, or legal assistance. These agents are defined by their ability to act independently, with “agency”, within business systems to reduce administrative burden and scaling workforce capabilities. This sub-vertical is new to the TM Ecosystem 3.0.
- **AI Coaches** provide personalized guidance to employees and managers through multimodal experiences using conversational AI, AI roleplay, and agents. Early entrants in this market offered sales coaches, using AR/VR to simulate real customer conversations. Other applications include coaching new managers around performance, pay, and mentorship conversations, learning coaches to support upskilling/reskilling, onboarding coaches and executive coaches. This sub-vertical is new to the TM Ecosystem 3.0.





# THE TALENT MANAGEMENT TECHNOLOGY ECOSYSTEM EXPLAINED

## Changes to the Ecosystem

The Talent Management Ecosystem has undergone several noteworthy changes in this third edition, with the addition of new verticals and sub-verticals and renaming of sub-verticals. These changes reflect our understanding of the rapidly evolving market landscape and highlight the disruptive technologies fueling said evolution. Below is a summary of the major changes and why they matter.

### Ecosystem Evolved: Nine Key Taxonomy Updates



Keeping pace with a rapidly transforming market, this release modernizes the framework to reflect today's realities and tomorrow's innovations



**Consolidated Physical Wellbeing and Behavioral Wellbeing** into a new sub-vertical named **Wellbeing Benefits**. Both sub-verticals experienced consolidation and market contraction, with new and surviving vendors offering holistic benefits spanning Behavioral and Physical Wellbeing.



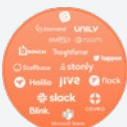
**Added Health Navigation & TPA** sub-vertical to provide clarity and differentiation between vendors that offer health benefits navigation and vendors in the Benefit Portals sub-vertical who consolidate health and non-health benefits into one platform.



**Moved Employee Engagement & Experience sub-verticals to the right of the Engage stage** to reflect the evolution of employee tools and adoption of AI and data-driven approaches to inform Evaluate stage technologies.



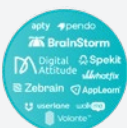
**Added Employee Experience Center** as a sub-vertical under Employee Engagement & Experience to reflect the rise of all-in-one employee engagement platforms. Several vendors have aggregated employee experiences such as Performance, Recognition, Listening, and Learning into one platform.



**Renamed Internal Social Networks to Internal Comms & Knowledge Management** to reflect the change in product offerings from intranets and wikis to AI-powered intelligent search and agentic capabilities, making it easier to manage and navigate internal knowledge databases.



**Renamed Pay Equity & Incentive Pay Management to Pay Equity & Compensation Management** to highlight the inclusion of holistic compensation platforms that manage incentive pay, bonuses, and salary.



**Moved Change Management vertical to Manage stage.** As organizations continue to implement new technologies and processes, Change Management tools are aligned with tools supporting operational continuity such as Workforce Management Tools.

# THE TALENT MANAGEMENT TECHNOLOGY ECOSYSTEM EXPLAINED



**Added AI Solutions as a new vertical under the Manage stage** to incorporate the explosion of AI-based technologies and solutions available to enterprises. As organizations experiment with agentic technology and automating workflows, the direct impact is on the workforce and how it is managed.

**Added AI Infrastructure, AI Workers and AI Coaches** to reflect the predominant enterprise use cases for AI Solutions within Talent Management.

## The Macro Level Perspective: Thoughts on Where the TM Space is Headed

The Talent Management Technology Ecosystem is a snapshot in time of an evolving and dynamic market. While this mapping is critical for understanding the lay of the land, it is useful to step back and consider the bigger picture trends affecting the evolution of the Ecosystem itself. Below are five of the biggest trends we observed when putting the Talent Management 3.0 Ecosystem together.

### A Resurgence from Legacy Leaders

**After years of disruption by point solutions, legacy vendors are fast-tracking innovation through strategic acquisitions**

#### 1. Legacy Vendors Rise from the Ashes with Major Acquisitions

The talent management ecosystem has witnessed some major announcements and acquisitions this year, from both newer and legacy vendors. Yet, admittedly, the legacy vendor news this year has been the most curious, by leveraging their deep resources to bring the spotlight back onto them.

For the last 5-10 years, there has been an explosion of point solutions in the Talent Management ecosystem. This explosion justified the creation of Talent Tech Labs' Talent Management Ecosystem 1.0, in response to the saturation and confusion in what was a market previously dominated by legacy vendors. In true supply and demand fashion, point solutions arose to a demand from customers seeking innovative technologies today, with consumer-grade user experiences. Organizations by the day were becoming frustrated with legacy vendor offerings as they fell 3-5 years behind the market pace, as well as the frustration of being locked into a platform that users did not enjoy.

# THE TALENT MANAGEMENT TECHNOLOGY ECOSYSTEM EXPLAINED

## THE TALENT TECH ACQUISITION WAVE (2024-2025)



**Legacy vendors are rapidly absorbing missing capabilities - the message is clear:**  
*"If we don't have it, we'll buy it."*

Just in the last year, several acquisitions from vendors like Workday (HiredScore in 2024, Flowise in 2025, Paradox in 2025, Sana Labs in 2025), SAP SuccessFactors (WalkMe in 2024, SmartRecruiters in 2025), and UKG (Shiftboard in 2025) indicated tectonic changes in the Talent Technology ecosystem. Legacy vendors have heard the complaints, concerns, and feedback of their customers and are responding loudly. These acquisitions denote a simple message: "what we don't have, we'll just buy".

Using acquisitions to leapfrog the innovation timeline, legacy vendors are posing a new threat to point solutions, amidst a market also demanding consolidation and deeper integrations. Customers now have more freedom in choice than ever, as we observe how these acquisitions will play out in the long run; whether these tools will fully replace an existing offering (SmartRecruiters) or bolster it through copilot capabilities (Hiredscore).

## 2. The Seesaw of Profit and Talent Pipelines

Agentic technology is emerging as a transformative tool in almost every industry, providing predictive insights, conversational UX, simulating outcomes, and taking autonomous actions. While this is revolutionary, there are numerous "hype" stories floating around, about how CEOs believe AI can replace jobs and industries, and even CEOs themselves. And while, hype is to be taken with a grain (or pound) of salt, the impact is still visible on the market in different ways.

May 2025 showed that 15 of the largest US tech companies have cut their software developer new grad hiring by 50%. US recent graduate unemployment hit 5.8% in March 2025, the highest since 2013, and above the average workforce. This phenomenon isn't limited to the United States; similar trends exist in the United Kingdom and India.

GRADUATE  
UNEMPLOYMENT

**5.8%**

TECH  
COMPANIES  
CUT NEW  
GRAD HIRING BY

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# THE TALENT MANAGEMENT TECHNOLOGY ECOSYSTEM EXPLAINED

Junior software developers are just the first of many entry-level roles that are slowly being eliminated by tools like Github Copilot, Windsurf, and Cursor. Similar trends are also visible in junior data analysts, legal assistants, and junior consultants. Whether it's a startup or a multi-million-dollar enterprise, it's becoming harder to deny the reality that a small team of senior developers can do what 5 technical teams could in the past, for a fraction of the cost.

While these advances are profitable in the immediate future, the main concern lies in how organizations will redesign their talent pipelines. "Storks do not deliver senior developers." Experience itself is a skill, where senior developers can identify hallucinations, debug code, and clean up code; skills obtained through years of hard-writing code. This begs the question: if all developers are expected to use AI to speed up coding, how will the market sustain a senior developer talent pipeline?

Some organizations have concerning responses, choosing to focus on today's profit first, while others are completely revamping their interviews and assessments and training programs. Notable examples include redesigning new grad programs to incorporate business analyst skills, training through side projects for non-profit organization clients, or owning projects from beginning to end to understand coding, project management and technical leadership skills.

While we use software developers as the example here, this trend is slowly catching up in other use cases where specialized AI workers are becoming more common. TTL predicts huge changes in the way these roles will be designed moving forward, potentially with certifications like accountants, or residency programs like medical doctors.

## From Skills To Talent Intelligence

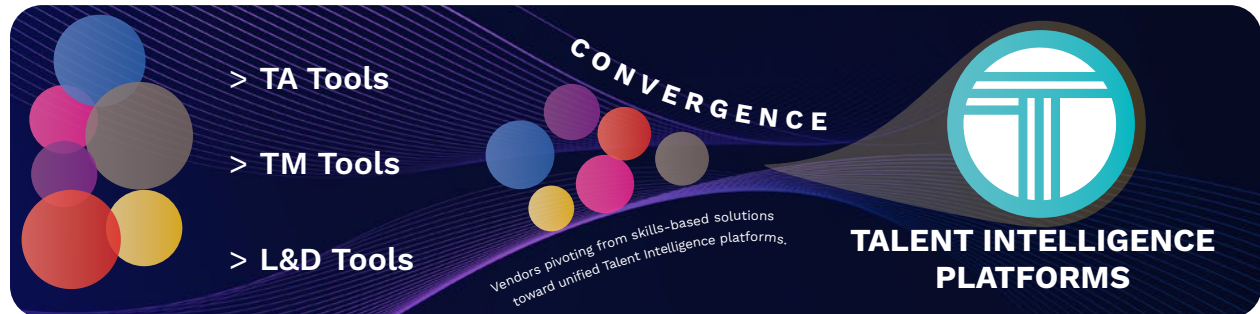
Vendors are moving beyond skills only use cases toward talent intelligence that aggregates internal and external data to inform recruiting, mobility, and workforce planning.

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## 3. Skills Intelligence Pivoting to Talent Intelligence

Skills were one of the biggest trends in the talent technology ecosystem, servicing as a new currency for employees and organizations to operate within. However, if the last 5 years have shown us anything, it is that skills-based applications are no silver bullet. Organizations struggle with changing internal culture, finding the right order of operations to get started, and integrating with other systems.

The root cause of many of these dissatisfied customers lay within an assumption of data cleanliness and readiness. Few organizations had updated their job architecture since it was first created, lacking accurate organizational structure and information on job roles or families. Having to rely on vendors' skills taxonomies and job profile libraries, most of which were still in their nascent stages, these organizations faced inaccuracy with skills tagging and overall skills-based recommendations.



At the same time, numerous vendors across the talent acquisition and talent management ecosystems played with the idea of entering the skills market. Many TA tools sold a dream of bridging TA and TM, while vendors in Learning or Analytics viewed it as an opportunity to provide more accurate outcomes. This convergence of vendor saturation in the market and vendor immaturity in understanding how to make skills succeed forced vendors to build capabilities such as job architecture management, job design, external market skills analytics, middleware to integrate disparate systems, etc.

With any saturated market, the laggards were forced to innovate or pivot and that's where the popularization of Talent Intelligence or Workforce Intelligence tools arose. Trends show vendors that failed to capture large market share of the skills market, pivoted their offerings towards another talent process that required many of the same components, Talent Intelligence. Talent Intelligence is the practice of aggregating data across systems (skills, employee data, performance data, etc.), and contextualizing it with external market data, to produce benchmarks and insights to inform recruiting, internal mobility and workforce planning strategies.

Talent Intelligence is no new term, with many Labor Market Intelligence tools slowly building capabilities in the realm. But today, we see an explosion of vendors pivoting from skills-based applications to talent intelligence, repurposing their middleware and job architecture design capabilities. We anticipate the next year will include more vendors expanding their skills-based offerings to include other datasets and offer an all-in-one talent intelligence platform.

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## 4. O Digital Twin, My Digital Twin

As the proliferation of AI continues, a not-so-new innovation becomes more relevant for talent organizations. Digital twins are the virtual representation of an individual or system that is generated by real-time data and models to reflect its behavior and performance. Digital twins were initially used by NASA in the 60s, to model missions. The same technology has slowly travelled through manufacturing, healthcare, and now is knocking on HR's door.

Digital twin technology has become relevant to talent leaders as they can be used simultaneously as a reservoir of knowledge as well as a sandbox to monitor performance and simulate workforce plans. Talent leaders can use digital twins to perform workforce planning exercises, generate ideal role profiles based upon high potential employees in those roles, and create training environments with those personas.

The success of digital twin technology will depend on the ability to integrate with systems of work, and the cultural shift where employees will have to be aware of sensitive datasets used to train digital twins such as performance data. With successful cultural and technological change management, the use cases for digital twins in talent management are truly abundant.

Some of the entry level use cases are simple; decreasing employee cognitive workload by creating efficient processes based upon existing habits, personalizing work environments, facilitating seamless collaboration by making it easier to share information and simulate ideas. The value is seen in the more advanced use cases, where digital twins can be used to generate personalized learning experiences that react to an employee's learning preferences, provide live feedback to improve individual employee performance, and generate high potential digital twin profiles to support new employee onboarding or recruitment.

## 5. Employer Brand and Reputation is Forever

In a hyper-connected and transparent labor market, employer brand and reputation have become critical components to manage when it comes to talent attraction and retention. While the impact of employer brand plays a larger role in talent acquisition, it remains relevant to talent management as well, especially when it comes to technology deployed in an organization or the changes to employee-facing processes.

In this new age of AI innovation, there is a tug-of-war happening with employees and leadership on how AI will be implemented, with the backdrop of news cycles and flashy quotes about how AI will reduce workforces and transform work as we know it. While executives are excited and nervous about the potential of introducing these innovations en masse within their organizations, their employees are anxious and concerned about their role in this industrial revolution.

Some companies have come out of the gate swinging and slashing workforces, and then quietly re-hiring them months later when their strategy failed. Other organizations offered



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agentic technology to their employees to identify how much of their workforce they could reduce, while sugarcoating the change as bringing efficiencies in employees' lives. The reality is that organizations will seek cost efficiencies where they can, but the difference is made in how that change is delivered to the organization and what resources are made available to the workforce to respond in their best interest.

A great example is an organization that was seeking to reduce the number of administrators in their learning and development team by implementing generative and agentic technologies. They informed their administrators at least 8 months in advance, giving them notice of the upcoming changes and the opportunities to upskill or reskill into another part of the organization such as people analytics. An upskilling program was already in place for the employees who wished to retain employment and other self-directed learning resources were made available for employees who wished to seek alternate career paths.

When the dust settles, how an organization managed the change from a cultural perspective will matter the most. How the change is managed will reflect how safe employees feel at the organization, and how valued. Employees and candidates will begin making employment decisions with organizations that align with their values, as they already have been for the last 5 years and steadily growing moreso. The kind of technology you implement, how human-first it is, how employee-first it is, will reflect an organization's employer brand and ultimately, their reputation.

Making the right technology or process decision needs to be rooted in the end user experience, in viewing employees are more than numbers on a spreadsheet and building in alternate pathways if those decisions result in reducing jobs.

## In Summary

Long viewed just as the “administration” portion of running an HR function, today the use of innovative Talent Management technology is transforming how organizations engage, evaluate, develop, and ultimately manage their internal talent. Understanding and properly using such technology will be critical in enabling broader strategic HR goals and will be pivotal in any digital HR transformation.

Our goal at Talent Tech Labs is to help companies cull through the noise and identify the right tools that solve their unique business challenges. Our research and advisory services equip HR and TA leaders with technology awareness and adoption confidence. With a TTL partnership, you'll be able to possess the technical understanding and innovation you need to stay ahead of the competition.

[Learn More about Partnering with TTL](#)

# ABOUT TALENT TECH LABS

Talent Tech Labs is an independent, unbiased research and advisory firm focused on analyzing technological developments in the field of talent technology, including talent acquisition, talent management and extended workforce innovation.

Founded over a decade ago with a mission to bring clarity to the complex talent technology landscape, Talent Tech Labs has since evaluated thousands of solutions and delivers actionable insights into technologies that power every stage of the employee lifecycle. The company helps buyers and users of talent technology gain a deeper understanding of the complex market, learn about future trends and influences shaping the market, and provides them the strategic direction to transform their business through the intelligent use of talent technology today and in the future. To learn more about TTL, visit our website [here](#).

## ADDITIONAL RESOURCES

### ECOSYSTEMS

[Talent Management Ecosystem 3.0](#)

[Talent Acquisition Ecosystem 13 Infographic](#)

[Extended Workforce Technology Ecosystem 1.0](#)

### ADDITIONAL REPORTS

- ▶ [The Impact of Generative AI on Talent, Technology and Human Capital](#)
- ▶ [Inside the Minds of Global HR Leaders: Top Talent and AI Priorities for 2025](#)
- ▶ [Managing Opportunities and Risks in an AI World](#)

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