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Is AI Solving TA Challenges?

HIRO TODAY RESEARCH
FLASH ⚡ REPORT

HRO Today Flash Reports are a series of ongoing research initiatives that address today's topics of interest in the HR community. These are focused briefs that can be used to support business decisions and discussions among industry practitioners and thought leaders.

This report explores how talent acquisition teams implement and utilize artificial intelligence (AI) throughout the recruiting pipeline. Using insights from talent acquisition leaders, it also examines the function's most pressing challenges, expectations of AI, and where AI delivers value versus falls short. These findings are meant to assess to which AI can address talent acquisition core pain points, according to talent acquisition leaders.

Methodology

Between November 12 and December 23, 2025, the *HRO Today* network received a series of emails inviting them to take part in an online study. There were 77 usable survey responses from North America. These responses came from participants who are using AI to some extent to address their organization's talent acquisition needs.

Background

Talent acquisition (TA) is changing rapidly. It is becoming a larger and more integral part of organizational success as phenomena like decelerating job growth, reskilling for automation adoption, and job hugging change the recruiting landscape. But in a complex labor market, how can organizations keep up with the changes in AI and its impact on TA?

Implementing AI into the layered processes within TA can eliminate manual workload, reduce personal bias, and decrease overall costs through strategic planning. However, concerns around data privacy or fear of under-personalized talent acquisition remain. TA leaders are especially cognizant of how AI implementation affects talent acquisition success and challenges.



Key Findings

- **TA leaders continue to face persistent challenges**, with quality of hire (70%) cited as the top concern, followed by the time and cost of securing talent (64%), and ongoing skills availability gaps (57%).
- **AI use is widespread among TA leaders, but to a limited depth.** Though only 3% use AI to a great extent, most (87%) TA leaders indicate using AI to address TA needs.
- **Candidate sourcing rules AI use.** Over half (54%) of TA leaders use AI in candidate sourcing most frequently. Utilizing AI can help organizations proactively find candidates, broaden talent pools, and decrease time and cost-of-hire.
- **Concerns around talent supply visibility are rising.** Though not among the greatest challenges yet, TA leaders are becoming increasingly concerned about visibility, with 43% citing it as a top issue, up from 25% two years ago.
- TA leaders agree **AI is delivering broad improvements across talent workflows.** Interview analysis benefits the most from AI implementation, with 88% of TA leaders citing major or moderate improvement from AI adoption.
- **Expectations for AI growth are nearly universal.** A full 92% of TA leaders expect AI use to grow, signaling confidence in AI's expanding role. Further, over three-quarters (78%) feel AI adoption will have a significant impact on the TA function.
- **Most TA leaders (82%) agree that emerging technologies alone will not solve core talent challenges.** Many aspects of TA, from candidate attraction to labor supply and human recruiting proficiency, shape the workforce outcomes organizations achieve.



After Two Years, TA Leaders Still Struggle With Quality, Cost, and Talent Availability

Senior TA leaders were asked to identify the three top issues they experienced within their TA function 24 months ago and currently. Quality of hire, time and cost to secure talent, worker shortages, and visibility into the talent supply remain top challenges.

- **Quality of hire** challenges persist, as 70% of TA leaders identified it as a top area causing issues 24 months ago versus 63% today. Quality is historically difficult to measure and improve, and retention and skills alignment, two major drivers of talent quality, will likely remain an improvement priority for many organizations.
- **Time and cost** to secure talent continues plaguing HR, as TA leaders identified this as a top issue 24 months ago (64%) and today (58%). The challenges of long hiring cycles and high costs to secure talent can cause systemic inefficiencies and escalate financial burdens.
- **Talent shortages** remain an issue in TA, as 57% identify it as a top challenge both 24 months ago and today. The availability of skills is crucial, as the number of qualified candidates, especially in industries like healthcare and engineering, fluctuates.
- **Visibility into the talent supply** has jumped the most in importance over the last two years, with 43% considering it a challenge today versus 25% previously. Visibility is being transformed with AI technologies that can integrate and analyze all data sources—internal systems, external market intelligence, and data related to both permanent hire and contingent workers.

Workforce Strategy Perspective:

Core issues of cost, speed, and quality will likely remain top concerns among talent decision-makers for the foreseeable future. As improvements in any performance area are realized, expectations will continue to rise accordingly. This is natural, given that competitors will be realizing their own improvements.

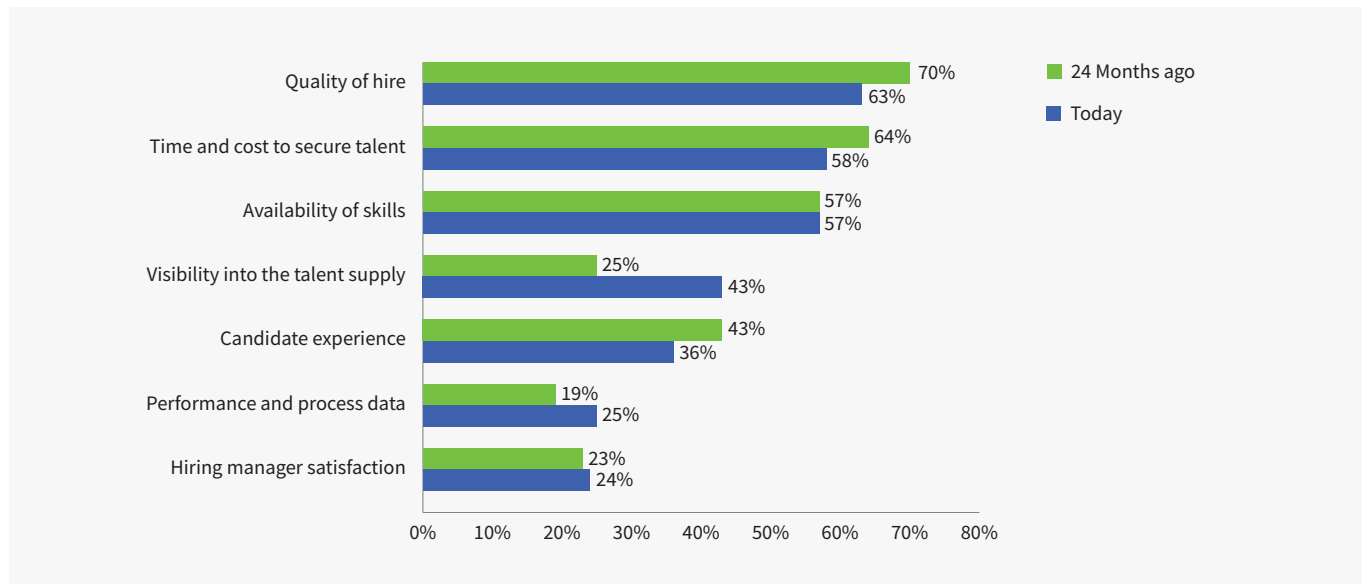
Looking forward, companies are increasingly looking for ways to establish and support a dedicated innovation process as part of their TA strategy. For providers of talent solutions, offering a distinct innovation component in their solutions can address the challenge of rapid evolution brought on by AI technologies.

Over the Past Two Years, AI Usage Gained Wide Adoption Across Several TA Phases

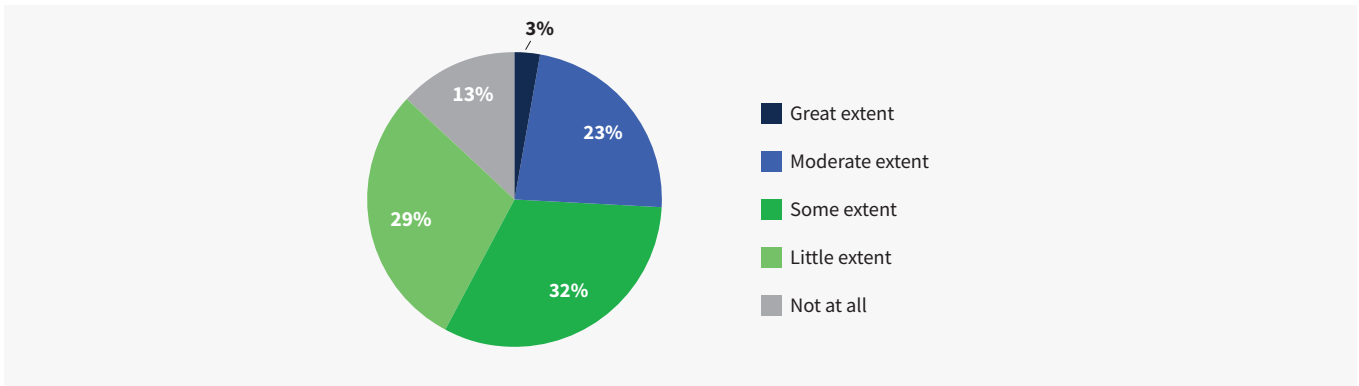
Adoption of AI technology is progressing across all aspects of recruiting, but several areas see new technologies becoming more widely used than others. TA leaders selected the top three areas of recruitment where they apply AI-driven technologies.

- Candidate sourcing:** This is the most frequently cited use of AI applications, cited by 54% of TA leaders. Candidate sourcing, the widest part of the talent pipeline, includes outreach, engaging talent, collecting information, and pre-screening.
- Pre-screening and selection:** A step in the recruitment process widely supported by AI technologies, pre-screening, and selection is cited as important by 41% of TA leaders. AI-powered tools utilize natural language processing and predictive modeling to quickly scan resumes, match keywords against job requirements, and shortlist potentially qualified candidates.
- Interview scheduling:** This area has been supported by AI technologies for two-thirds (36%) of TA organizations cited by respondents over the past two years. The logistics of phone calls, confirmations, multiple-party coordination, and constantly changing schedules make interview scheduling ready for improvement with AI technologies.
- Overall use:** AI adoption within TA is becoming increasingly widespread, with 87% of TA leaders currently using AI technologies and 3% using them to a great extent.

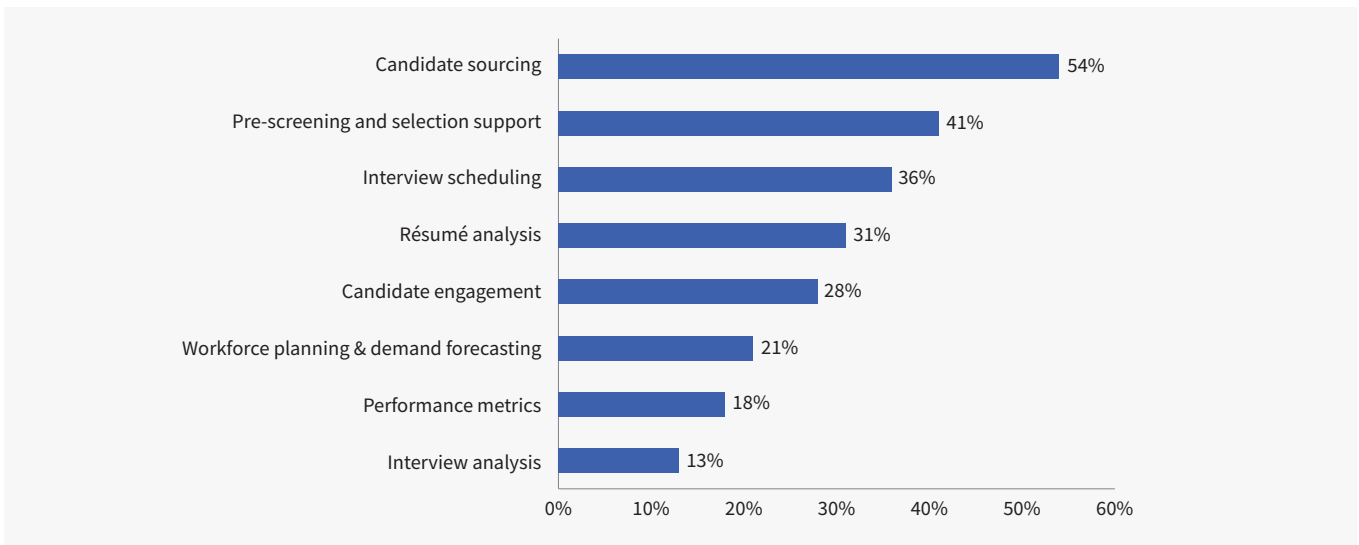
What were the top three TA issues you faced as a TA leader 24 months ago vs. today?



To what extent are you using AI today to address your TA needs?



In the past 24 months, where has your organization applied AI-driven technology the most in its TA process?



Workforce Strategy Perspective:

Tactical processes continue to account for a major share of AI use. This includes technology applications that accelerate the recruiting process, boost the candidate and hiring manager experience, and deliver quality talent.

As companies seek better visibility into their current and future talent landscape, they are raising expectations for more strategic workforce planning and demand forecasting, as well as performance metrics. AI-driven systems are redefining workforce intelligence through predictive analytics, integration of data sources, and agentic AI applications.

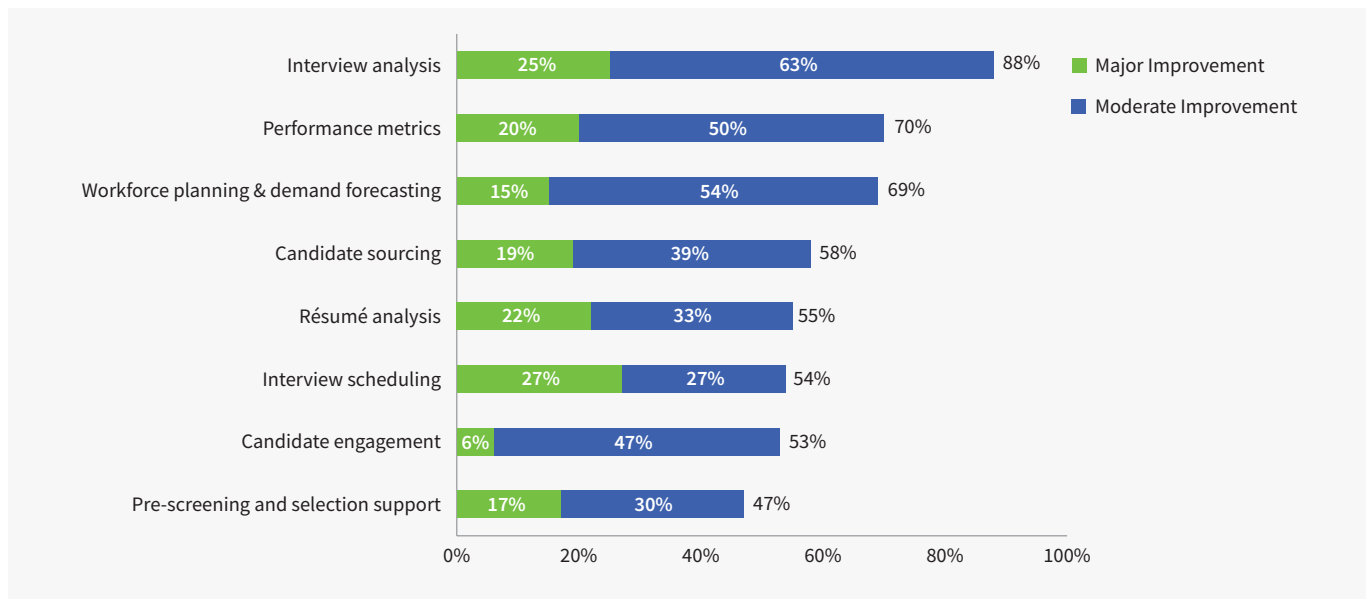
The result is direct output to inform decisions based on volumes of data that were previously tedious, if not impossible, to use. The impact can include more precise talent plans, the ability to troubleshoot with pinpoint accuracy, and reduced risk of performance and talent delivery shortfalls.

The Level of AI Impact and Improvement Has Varied Across TA Activities

TA leaders were asked to describe where AI is the most impactful within the recruitment process. Areas ranged throughout the talent pipeline, from workforce planning and demand forecasting to pre-screening and selection support.

- Interview analysis:** The most improved area with AI implementation is interview analysis, with 88% of TA leaders citing major or moderate improvement from this AI use. Interview analysis still depends on human involvement to drive decisions, but AI technology can reduce review time and human bias.
- Performance metrics:** The next most-selected area of improvement is the development of performance metrics, as 70% agree AI improves this facet of TA. Performance metrics, typically tracked through reviews, KPIs, and assessments, provide a deeper understanding of an individual’s contributions and organizational alignment.
- Workforce planning and demand forecasting:** Over two-thirds (69%) of TA leaders identified these areas as benefiting from AI implementation. AI agents can continuously monitor demand, create forecasting models, reallocate resources, and proactively plan. In some instances, AI can use machine learning and modeling to find ways to reduce labor costs, create a baseline of “workforce skills supply”, and create predictive scheduling patterns.¹
- Other areas:** Notably, TA leaders agree that nearly all areas presented saw improvement from AI implementation. Among candidate sourcing, resume analysis, interview scheduling, and candidate engagement, between 53% and 58% of TA leaders saw major or moderate improvement.

What best describes the results your organization has seen from AI in the areas previously selected?



Workforce Strategy Perspective:

The impact of AI will continue to grow as companies adapt their own processes and strategies to fully utilize technology advantages. Workforce technology is evolving rapidly, but the level of positive business impact realized will depend on their ability to refine their processes in addition to actual technological improvements.

Though adoption is still in the early stages, many organizations have fully embraced AI driven technology to empower faster, smarter recruiting and workforce planning. Going forward, recruiting processes will leverage technology to streamline lengthy coordination and approval workflows, while delivering intelligence that elevates the experience for all stakeholders, from executive leaders and hiring managers to candidates, recruiters, and talent solutions partners.



Most TA Leaders Expect More Developments in AI

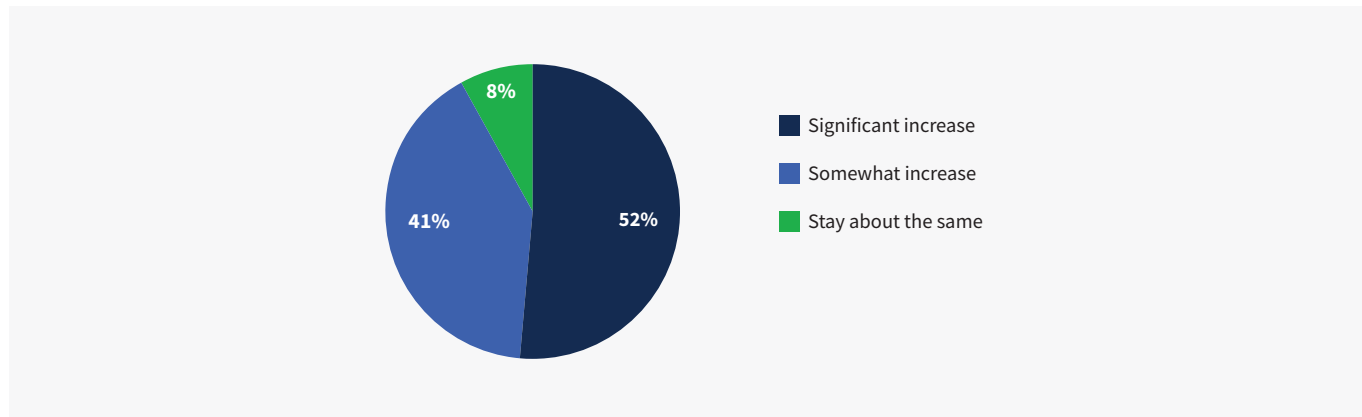
TA leaders were asked about their expectations of how their organization’s AI use will change over the next two years. Overall, nearly all (92%) expect an increase in AI use within their TA function over the next two years, with 52% predicting a significant rise.

Embracing AI comes as TA leaders must navigate an evolving labor market, compete for qualified candidates, and battle higher recruiting costs. As more organizations utilize AI and

gain a competitive edge, the race for AI adoption and implementation will quicken.

According to a study by the World Economic Forum, using conversational AI in TA reduces costs by over 87%, driven by reducing manual workload and driving efficiency.² Initial success, satisfaction, and savings can lead to expectations that AI-based products will stay or continue to be implemented.

How do you expect your organization’s overall use of AI in TA to change over the next two years?



Workforce Strategy Perspective

TA organizations will almost certainly continue to expand their use of AI technologies. As AI is integrated into more aspects of the talent technology ecosystem, the overall discussion about technology is growing more specific.

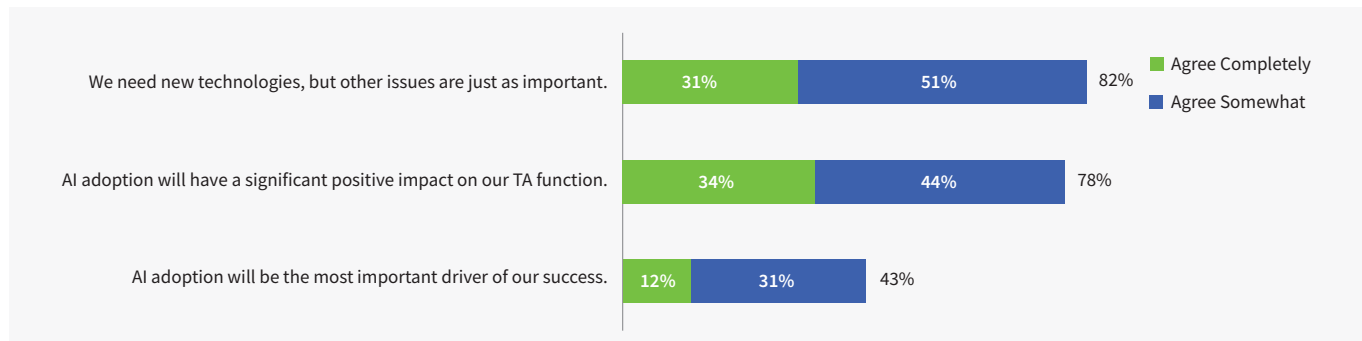
Examples of this evolution include agentic AI, conversational AI, machine learning and data analytics. Each of these areas is advancing in different ways, and TA organizations will increasingly focus more on specific areas of application as they become more familiar with the technologies and their potential.

TA Leaders Weigh in on the Significance of AI

TA leaders were asked their level of agreement with three statements about AI adoption within talent acquisition.

- **Importance of other TA issues:** More than eight-in-ten (82%) agree with the statement, “we need new technologies, but other issues are just as important.”
- **Positive impact from AI:** Over three-fourths (78%) of TA leaders agree with the statement, “AI adoption will have a significant positive impact on our TA function.” Research from early AI adopters shows a 30% reduction in time-to-hire, higher candidate satisfaction scores, 25% increase in diverse hires, and earlier predictive workforce planning.³
- **AI as a primary driver of success:** Nearly half (43%) of TA leaders believe AI adoption will be the most important driver of their organizational success, showing that a significant portion of organizations believe in the long-term importance of AI.

Please indicate the extent of your agreement with each of the statements below.



Workforce Strategy Perspective

The current mood of TA leaders regarding AI use in their organizations is one of widespread acceptance, accompanied with concerns about the need to stay current with innovation.

- **Work strategy must integrate AI within broader organizational transformation.** AI cannot be treated as a standalone fix. TA leaders need hybrid strategies that combine digital tools with governance, skills, and accountability structures.
- **AI use is now integral to TA.** There is no reversal in the adoption of AI. TA organizations have utilized AI technologies across all parts of the hiring cycle, as well as in strategic planning. Companies and talent solutions providers are likely to focus on how, not if, AI is part of their future planning.
- **Continuous improvement is a baseline for success.** Due to the rapidly changing landscape brought on by AI technologies, organizations are increasingly looking to break the mold of periodic, incremental improvements in TA performance. Competitors can apply solutions to solve immediate bottlenecks in processes or visibility gaps in the talent supply, and thus, every TA leader and solutions provider will be expected to do the same. Complacency is being replaced by concern in TA. For example, the Kelly® 2025 Re:work reveals that 40% of executives in organizations focused on STEM hiring give their TA function a “C” rating on attracting and retaining talent. They acknowledge progress but emphasize the need for improvement.⁴

Conclusion: Rising Expectations are Reshaping How Business Secures Talent

Widespread utilization and continuous innovation add up to a changed environment for TA. Status quo, legacy recruiting practices are giving way to strategies built to turn AI innovation into TA agility. Whether evaluating talent solutions partners or refining their internal TA functions, AI technologies will remain a major part of the conversation.

Features and functions will not define technological progress. Ultimately, TA processes are more likely than ever to become smarter, offer predictive decisions, and bring increasingly impactful outcomes. These will be the factors that continue to drive progress as organizations stay on pace in a rapidly changing, competitive talent and business landscape.



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