



# The state of Talent Acquisition in 2025: The efficiency *imperative*

27% **Expect 20%+ headcount growth** 70% Rank Al as a top priority 63% Are modernizing their tech stack

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# Introduction

# Introduction

This report shares insights from our survey of Talent Acquisition (TA) leaders and Recruiting Operations professionals, plus recommendations for forward-looking teams navigating current market dynamics. We'll explore how successful TA leaders are reimagining their approach to talent acquisition in an era when doing more with less isn't just preferred – it's essential.

Gem and Growth By Design Talent have partnered to survey 205 talent acquisition leaders and uncover what's driving their strategic decisions in 2025. The results reveal a fascinating trend: while most organizations expect substantial headcount growth, recruiting teams aren't growing alongside them. Instead, TA leaders are doubling down on technology investments, particularly Al and automation, to bridge the gap between hiring demand and team capacity.

### To understand how TA teams are navigating 2025, we surveyed:



205 Talent Acquisition and Recruiting Operations leaders



Directors, VPs, and Department Heads



US-based companies up to 70,000 employees

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 2025 Recruiting Trends



# Executive summary



**Executive summary** 

**Priorities and** challenges

Tech landscape

# Companies are demanding greater efficiency from recruiting teams

87% of companies plan to grow headcount, but 39% of recruiting teams expect to stay flat or shrink. Even among high-growth companies (20%+ headcount growth), 40% still anticipate minimal TA team growth. This efficiency mandate is driving heavy investment in automation and tech upgrades.

# Al adoption is now nearly universal, but sophistication varies widely

96% of teams use AI in recruiting, with 47% being "AIenabled" across workflows. However, usage concentrates on basic tasks like writing job descriptions and outreach rather than strategic applications like candidate rediscovery, leaving efficiency gains untapped.

# Recruiting budgets are holding steady this year

59% of budgets are flat while 33% are increasing, giving recruiting teams runway for strategic technology investments and upgrades.

## Manual work is the biggest productivity drag

61% cite lack of automation as their biggest tech pain point. Teams are drowning in manual tasks like interview coordination rather than relationship-building and strategic work.





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# Integration challenges are driving demand for consolidated platforms

While most teams manage less than 6 tools, 35% struggle with poor integrations. With 85% planning new investments and Al topping the list, teams want platforms that add Al without creating more integration headaches.

# Teams are prioritizing efficiency to meet growing demands

70% focus on automation and 63% on tech modernization. The pressure to do more with less is driving operational efficiency investments over candidate-facing enhancements.

## Interview processes are creating major operational bottlenecks

Manual interview logistics top the list of pain points at 44%, followed by poor note-taking (41%) and slow decisionmaking (40%). That said, 56% have implemented automated scheduling to help address these pain points.

## TA leaders look to each other for technology recommendations

82% of TA leaders trust peer recommendations over vendor demos (34%) when buying technology. The complexity of modern recruiting tech decisions has made peer validation more valuable.



# Strategic priorities and challenges

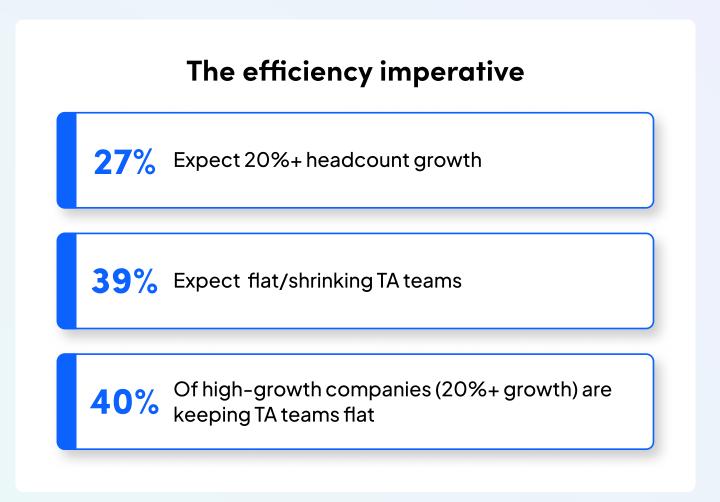
**Talent acquisition teams are facing an efficiency imperative:** While 87% of companies plan to grow headcount, 39% of recruiting teams expect to stay flat or shrink. Teams are responding by prioritizing technology and process optimization that multiplies impact.

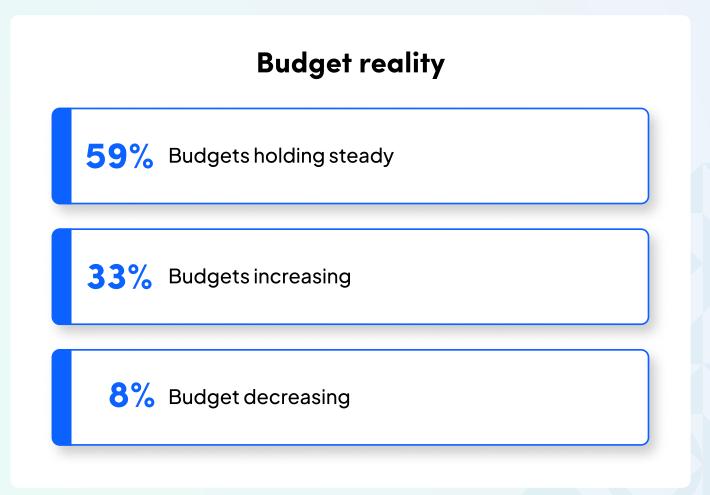
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While company headcount growth is expected in 2025, recruiting teams are not scaling simultaneously. 39% expect no growth or a reduction in recruiting team size, and only 8% anticipate a 20%+ increase in TA team capacity. The gap is even more striking when you dig deeper: among companies expecting 20%+ headcount growth, 40% still anticipate only 0–10% growth in their TA teams. This increase in hiring demand with relatively fixed recruiting resources is driving a sharp focus on efficiency through technology upgrades, Al, process optimization, and enablement.

# How teams are responding

For most, budgets for recruiting tools and technology are holding steady or increasing, with investment skewing heavily toward automation and Al. Al is now seen as a strategic enabler, not just a tool. **70% of TA leaders rank it as a top priority,** reflecting a clear shift from tactical adoption to long-term transformation.





# What teams are prioritizing

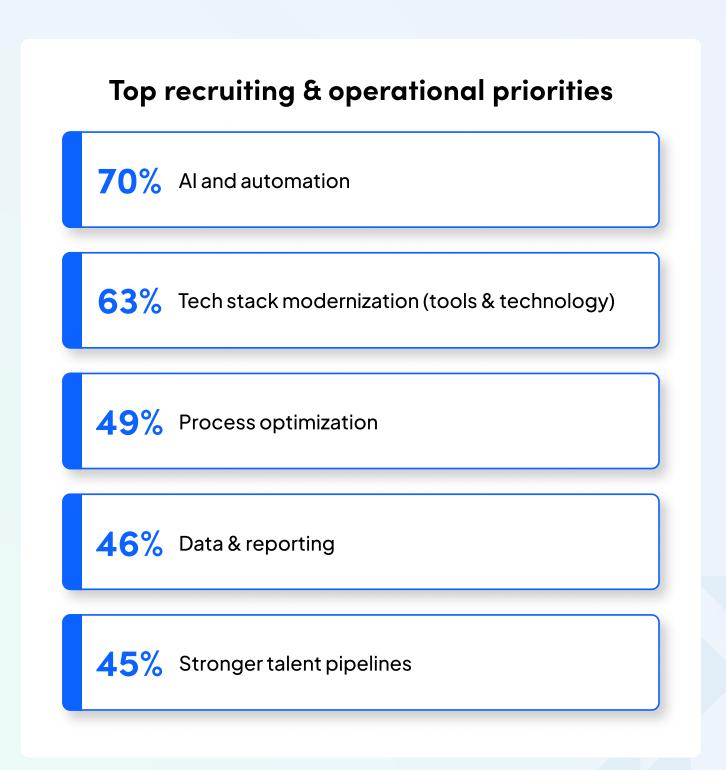
Core priorities are consistent across segments: on the recruiting side, most care about automation, while on the operational side, the focus is on modernizing tech stacks, building structured processes, and improving reporting and planning. Strengthening long-term talent pipelines rounds out the top focus areas.

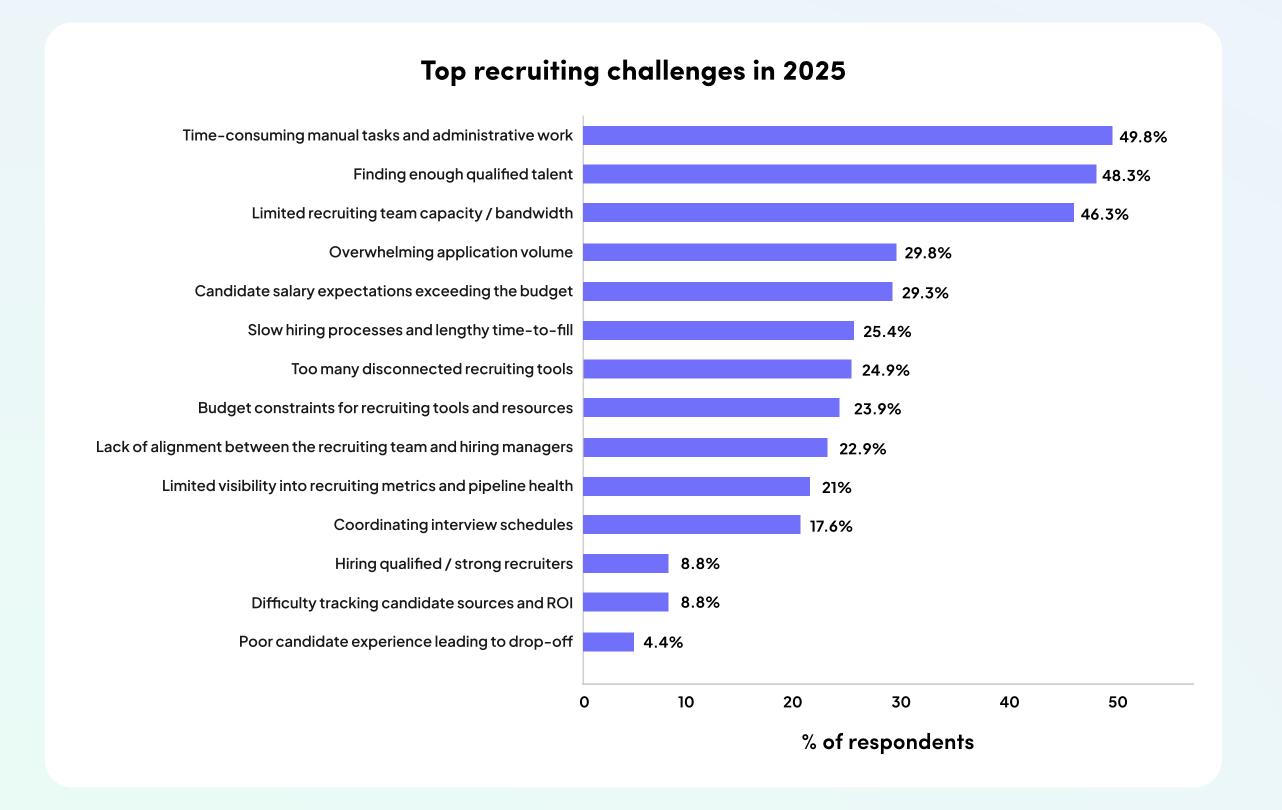
\* A deeper look at operational priorities is available later in this report

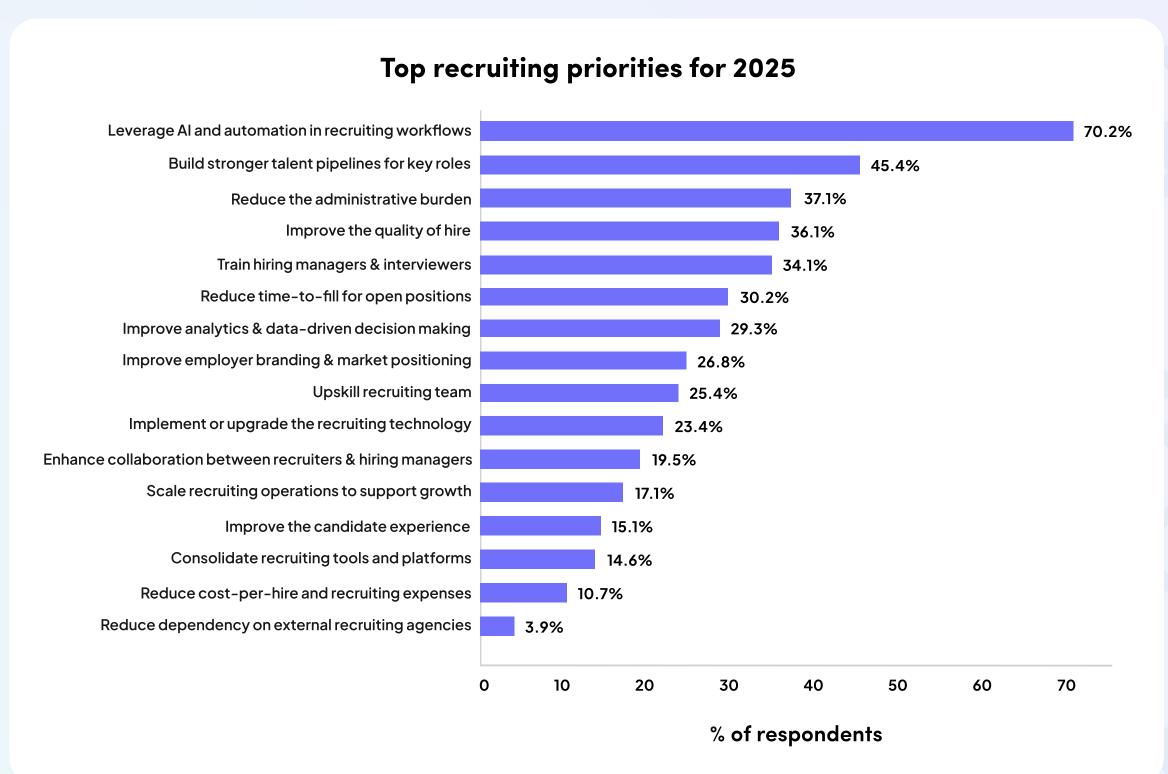
**The pattern is clear:** when you can't add headcount, you invest in the infrastructure and capabilities that multiply the impact of the people you have.

### Advice for teams:

- 1. Prioritize foundation over flash: Strategically upleveling your tech stack, structuring interviews, and improving reporting aren't just hygiene they're the levers that enable scale and impact.
- 2. Collaboration leads to greater quality of hire: Stronger alignment with hiring managers will ease bandwidth constraints and improve quality of hire, making it as critical as tech investment.
- **3. Invest in processes that pay dividends:** The 49% investing in structured processes understand that consistency enables speed and quality at scale.

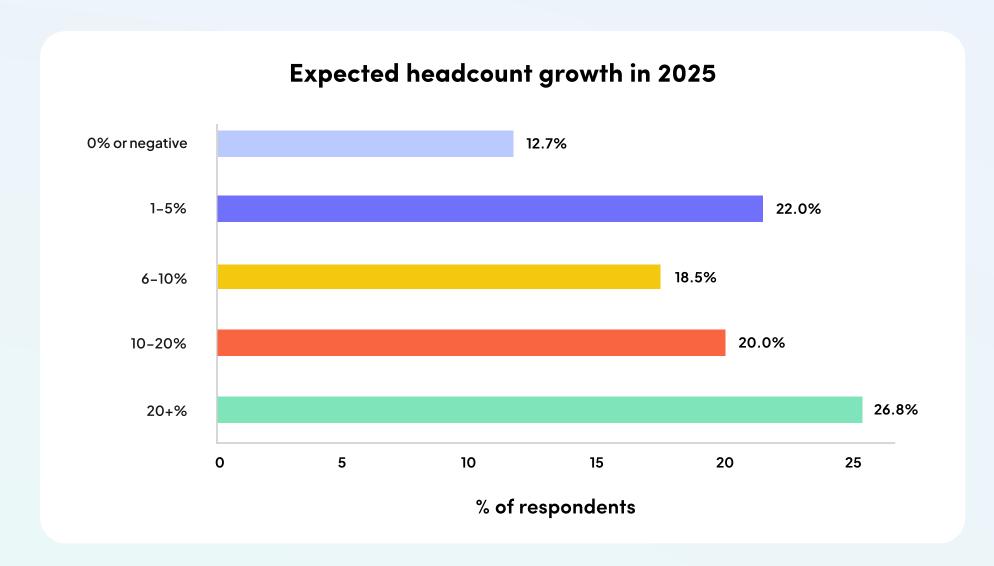


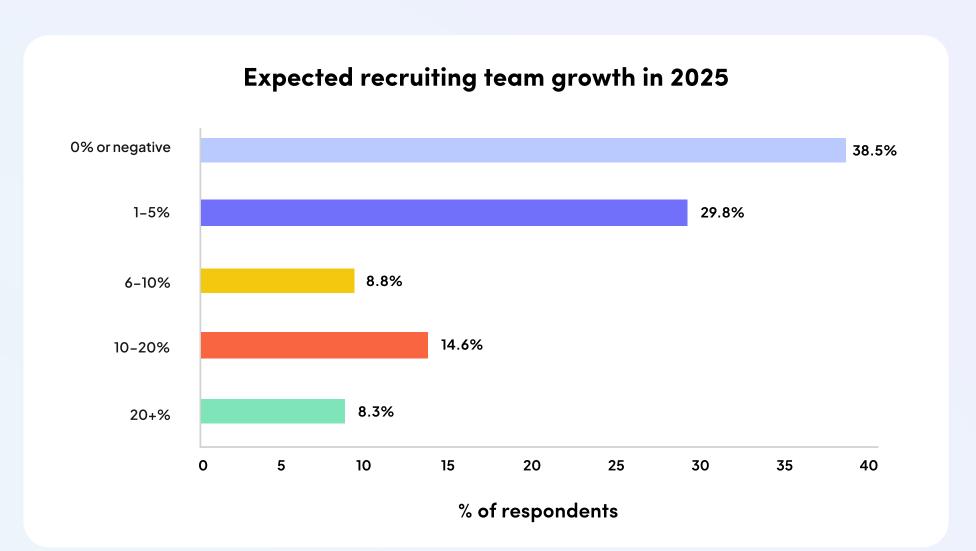


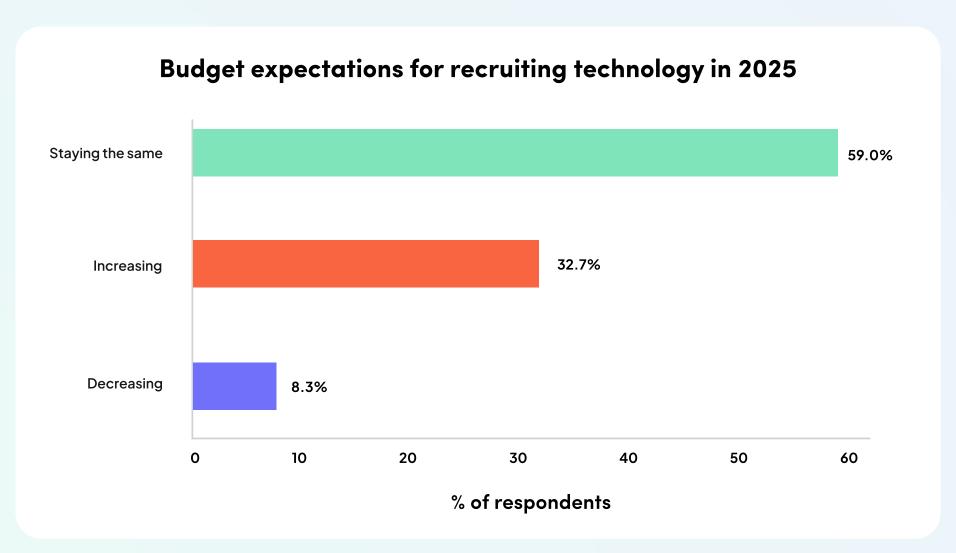












# Technology landscape and Al adoption

Al adoption in recruiting is gaining momentum, but teams are also grappling with fundamental technology challenges that are driving the urgency around Al and automation. This paints a clear picture: teams are drowning in manual work with tools that don't talk to each other effectively. Against this backdrop of tech frustration, teams are increasingly turning to Al as a potential solution.

# Current tech stack reality

61% of teams cite lack of automation as their biggest technology pain point, followed by limited functionality and poor integrations. Teams also cite high costs, poor usability, and managing too many systems as barriers.

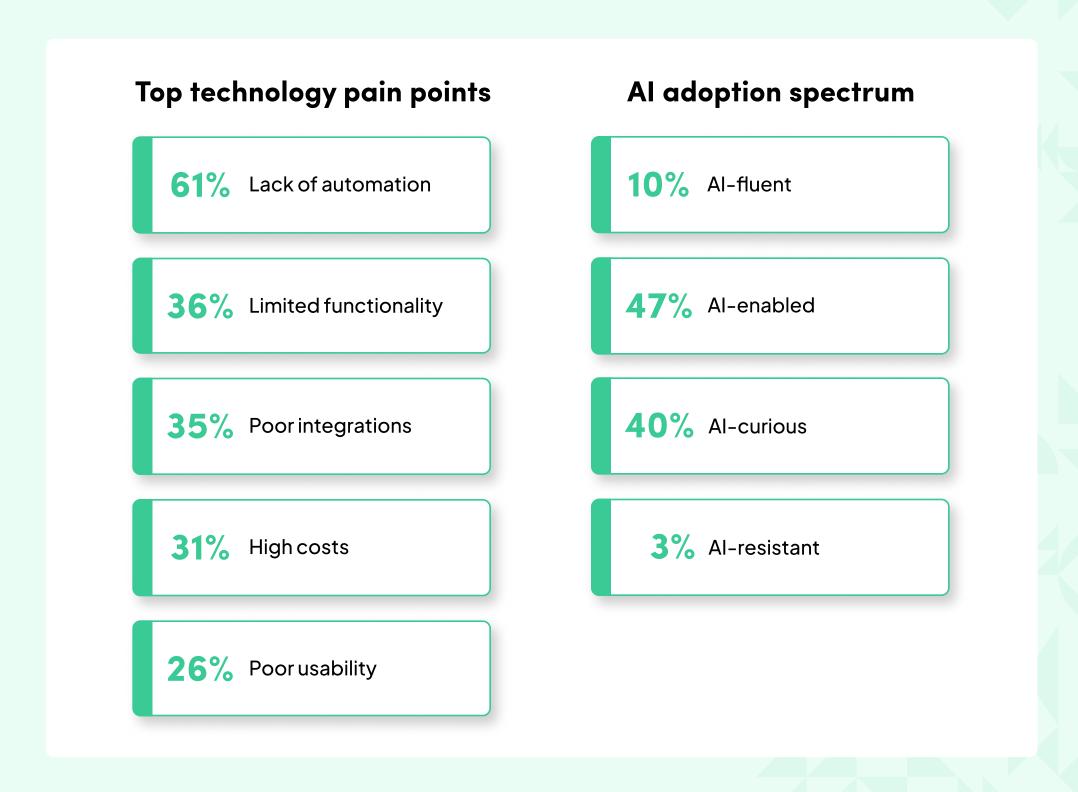
Most teams use a manageable number of tools: 47% use 1–3 systems and 43% use 4–6. But even these modest setups create integration headaches when tools don't communicate effectively.

# Al adoption patterns

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Al adoption in recruiting is nearly universal: only 3.9% of teams report not using Al. **Almost** half of organizations describe themselves as "Al-enabled, "actively using Al tools across multiple workflows." **Only 10% are "Al-fluent,"** with Al capabilities central to their recruiting strategy and decision-making processes.

The most popular Al use cases focus on writing: job description writing, personalizing candidate outreach, and interview note-taking. Sourcing candidates and summarizing scorecards round out the most common applications. However, applications like screening/matching applications, scheduling interviews, and candidate rediscovery see lower adoption rates.



# Al adoption challenges and evaluation criteria

While adoption is growing, teams still face significant hurdles in implementation and evaluation. The barriers to Al adoption mirror broader tech challenges: **55% cite** technical complexity and integration challenges, while **47% point to cost and time** constraints.

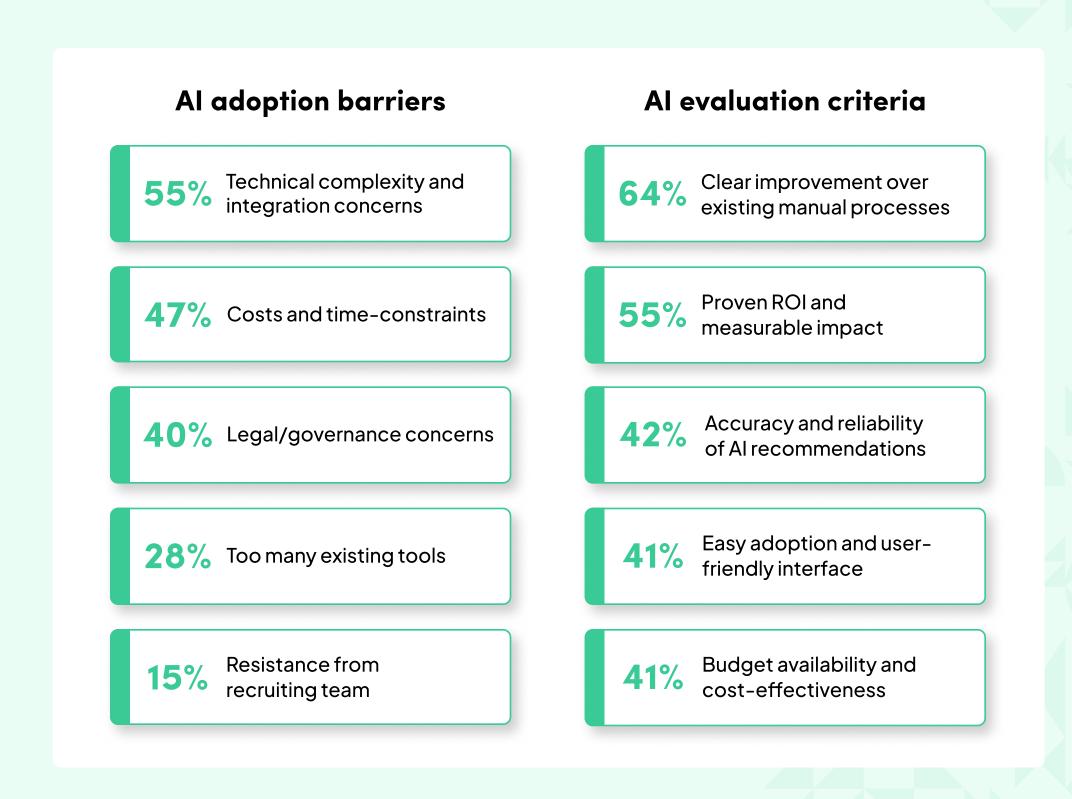
When evaluating Al tools, **most want to see clear improvement over existing manual processes**, **and proven ROI and measurable impact**, suggesting teams want Al to solve the automation gap.

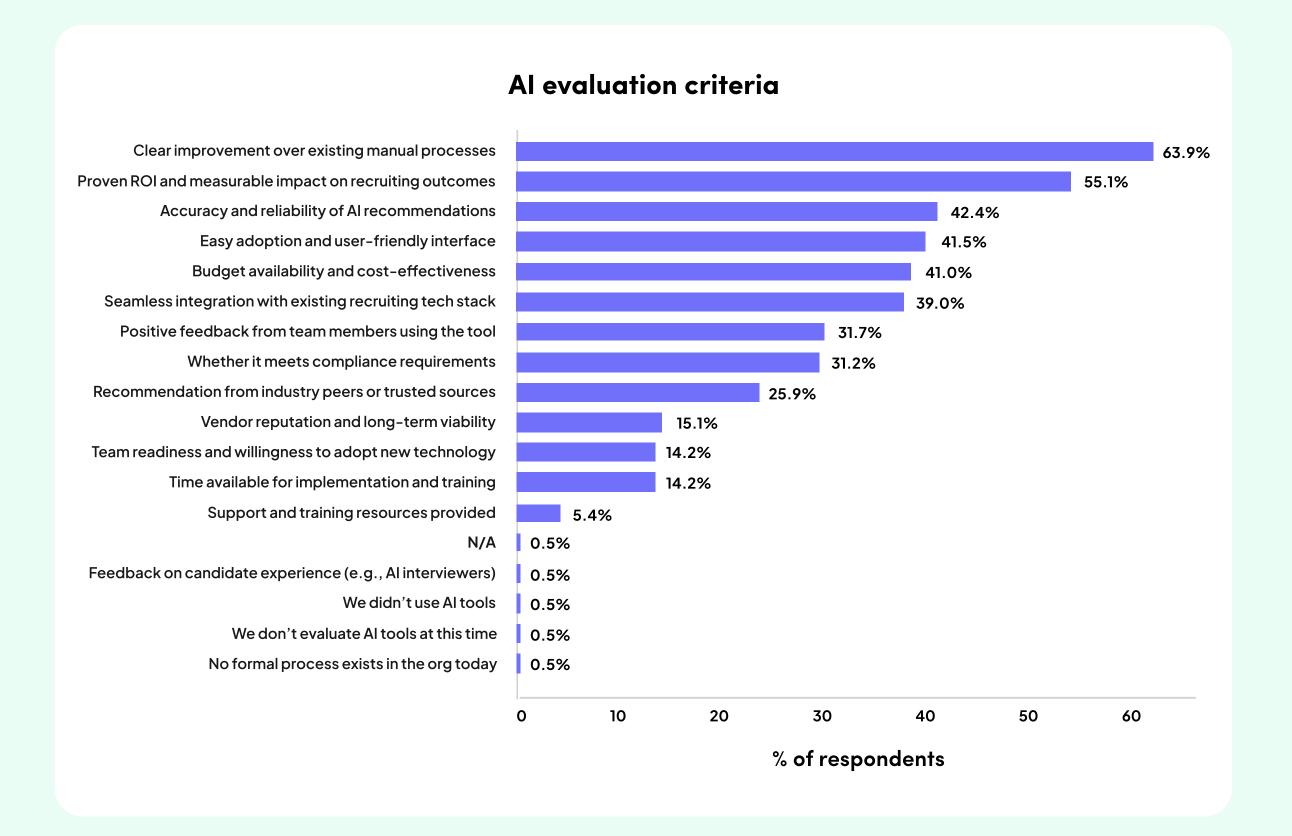
**The message is clear:** teams are prioritizing AI that works with their existing workflows and delivers measurable results, not just impressive demos.

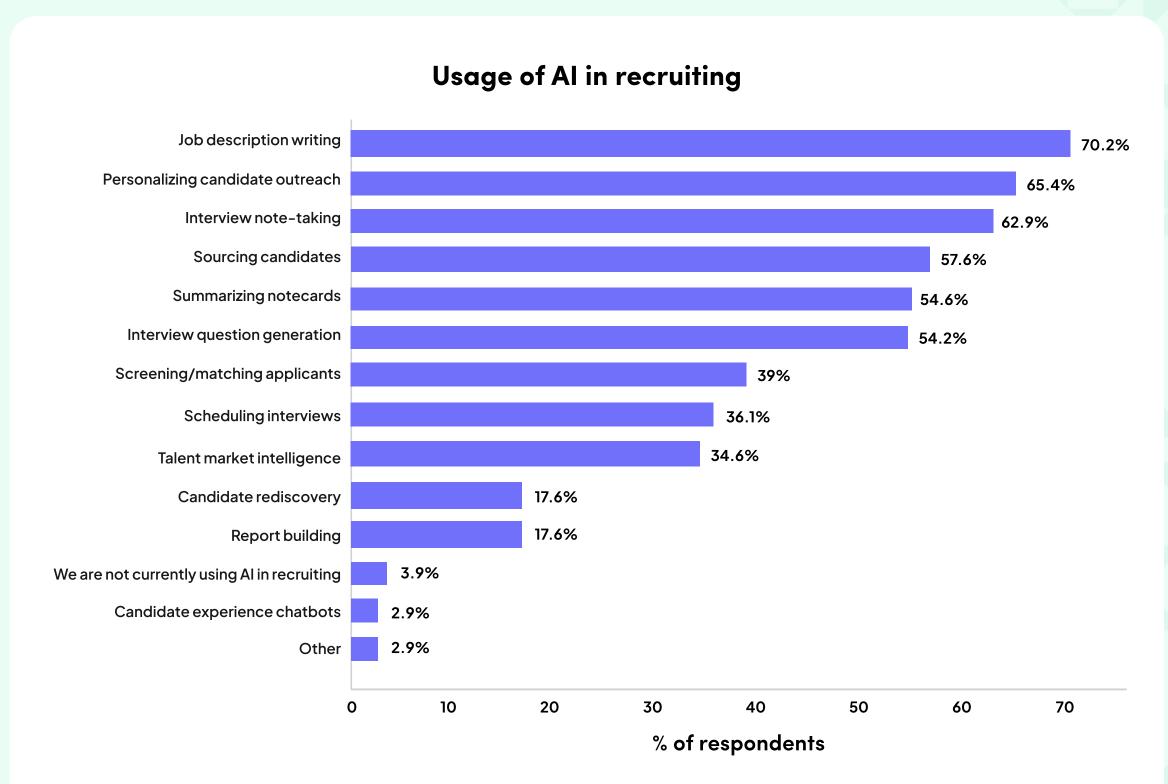
### **Advice for teams:**

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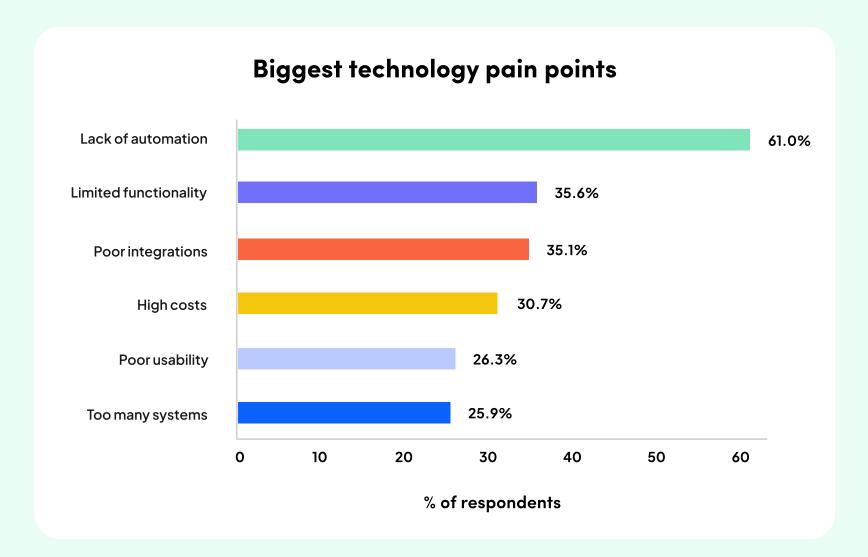
Focus on big bets that align to pain points: While most teams have adopted Al for tactical purposes, the next wave of impact will come from deeper bets at the top of the funnel – like sourcing, candidate matching, and pipeline intelligence. With headcount growing faster than recruiting teams, focusing Al on where it can expand reach and surface stronger talent will deliver the biggest strategic lift.

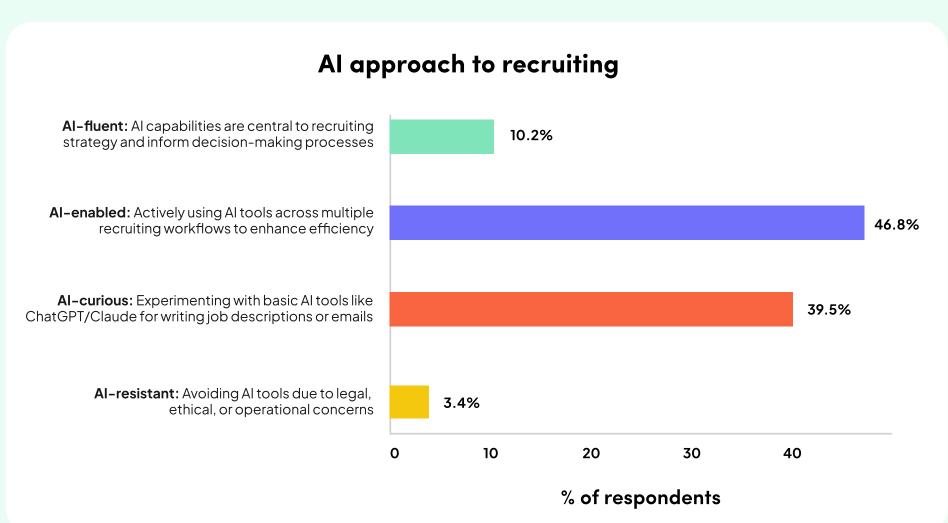


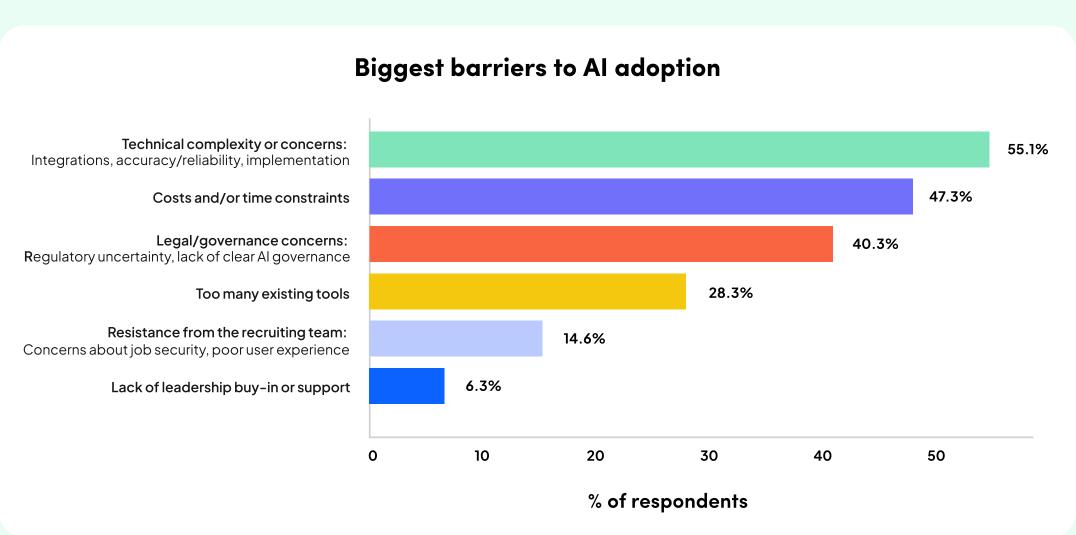




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# Operational priorities and process improvements

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# Operational priorities

Teams are focusing their operational efforts on three key areas: **tools and technology lead operational priorities**, followed by **hiring process design and optimization, and data & reporting**.

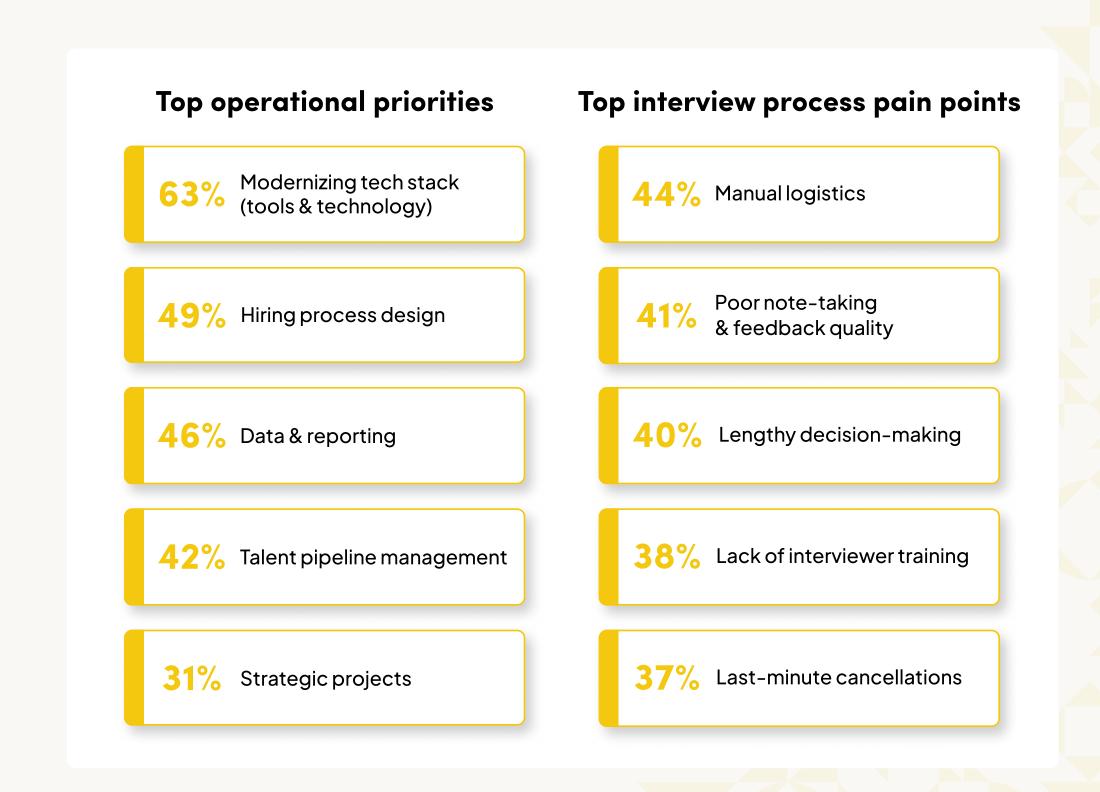
While reporting ranks as a top-three operational priority, tool fragmentation constrains teams' abilities to produce effective reporting. As referenced earlier, 21% of respondents explicitly named "limited visibility into recruiting metrics and pipeline health" as one of their top challenges. And 25% reported that juggling multiple, unintegrated recruiting systems creates friction and discourages data hygiene. When data lives in silos across multiple tools, building holistic dashboards become much harder.

# Challenges teams are facing

The focus on process improvements becomes clear when you look at current pain points.

Manual work managing interview logistics tops the list, followed by poor note-taking,

feedback quality, and lengthy decision-making after interviews. Last-minute cancellations and lack of interviewer training and round out the top challenges.



# How teams are responding

Despite these operational headaches, teams are making meaningful progress in key areas. **Automated scheduling has led to recent improvements for 56% of respondents**, directly addressing the top pain point. Interview calibration sessions are also gaining traction as teams work to improve consistency and decision speed.

When it comes to effective hiring processes, adoption is strong in foundational practices: **interview debriefs (79%)**, **pre-briefs (75%)**, and **standardized question sets (72%)**. However, only **53% use scoring rubrics** – the biggest opportunity for ensuring more consistent evaluations, reducing bias, and speeding decisions.

# **Enablement opportunities**

Beyond tooling, enablement emerged as a key driver of hiring effectiveness, with Al training a top priority. Teams want guidance on what Al can do, how to evaluate tools, and how to use them in daily workflows. Recruiter upskilling in advising, data fluency, and influencing through storytelling is also critical as TA teams take on more strategic roles.

While 29% of teams cite stakeholder enablement as a top operational priority, the survey also shows hiring manager training is often under-prioritized relative to other initiatives. Better equipping interviewers and hiring managers with training, toolkits, and calibration sessions can strengthen recruiter alignment, improve candidate evaluation quality, and ultimately raise hiring outcomes.

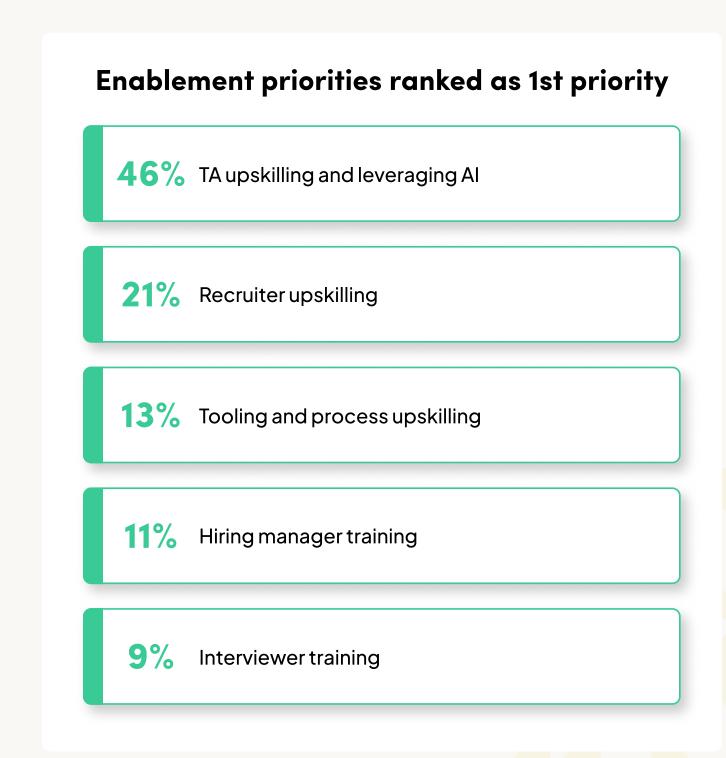
Together, these focus areas highlight how process discipline, data insights, and stakeholder enablement can work in tandem to drive more efficient and consistent hiring outcomes.

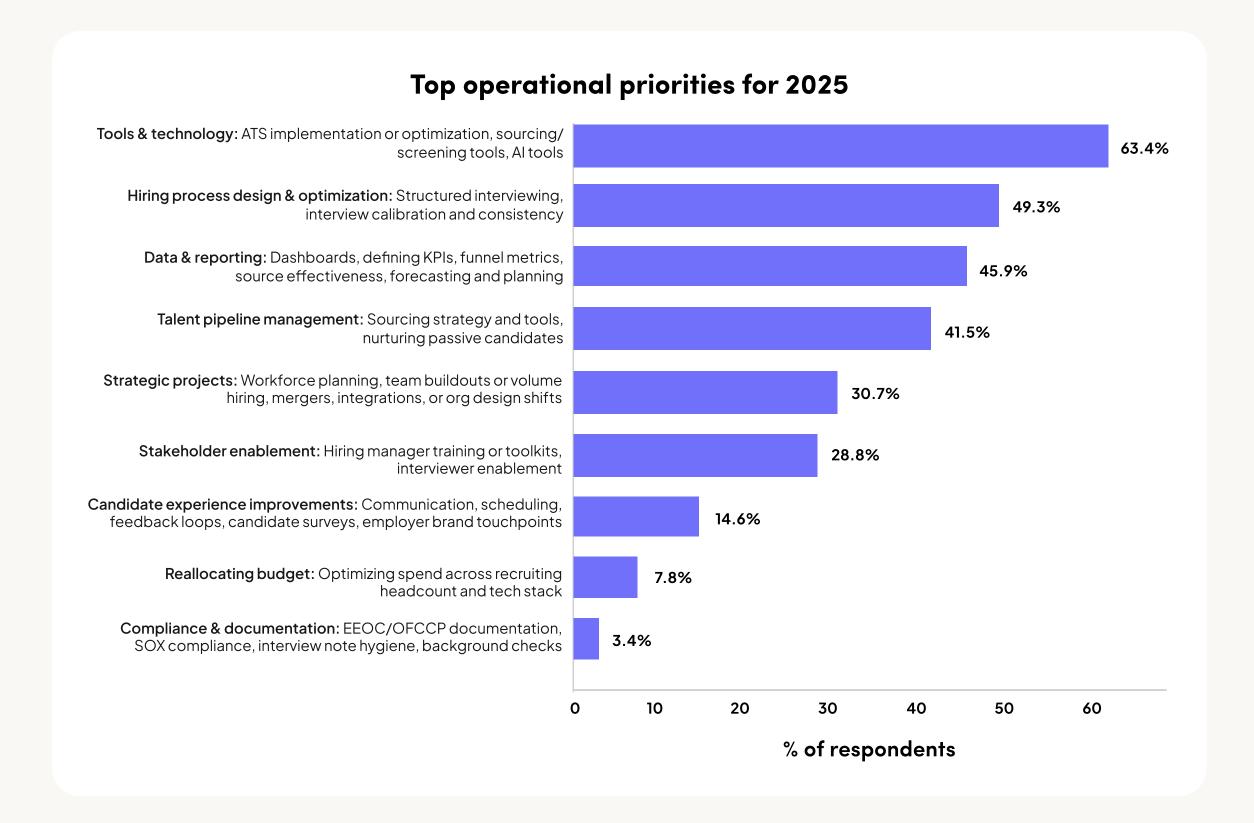


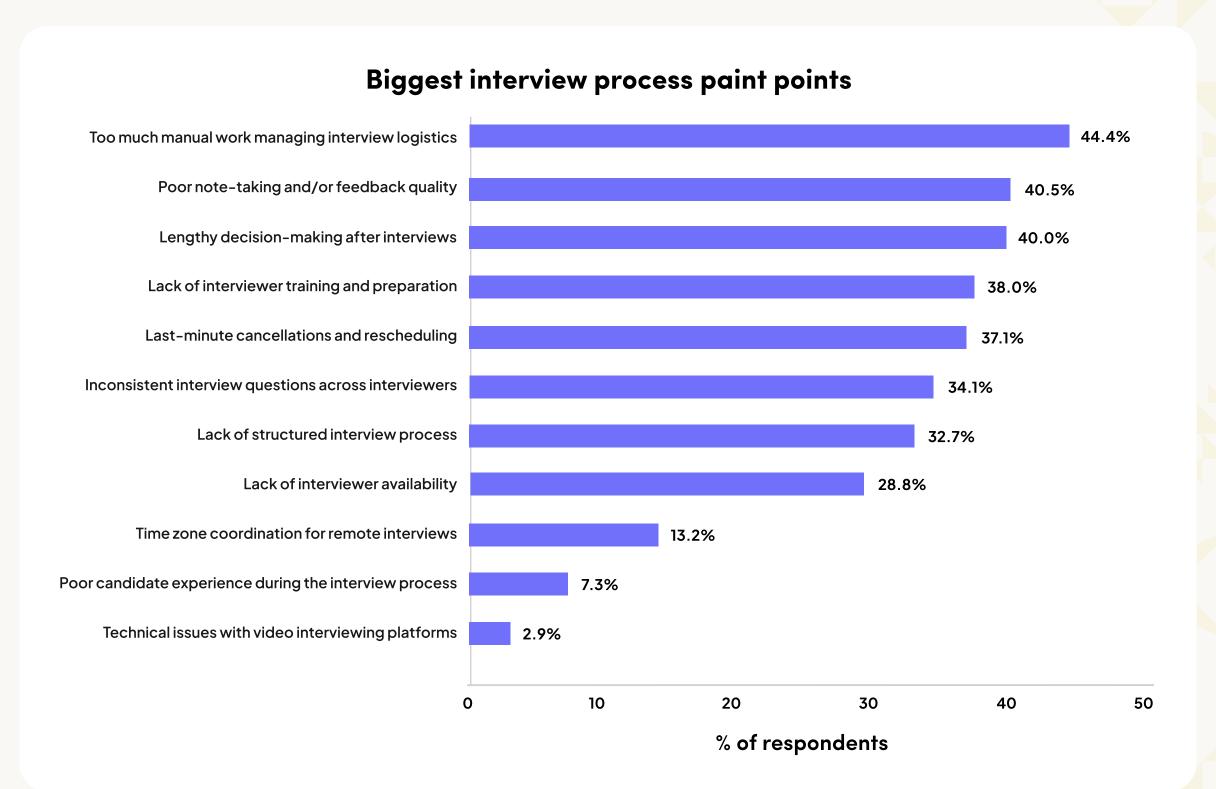
### Advice for teams:

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- Focus on integration and ROI: With fragmented tech stacks creating reporting headaches, prioritize solutions that play well together and reduce friction over adding more point solutions.
- Invest in enablement, not just tools: Success depends on fluency. Training recruiters on Al use cases, data fluency, and strategic advising unlocks more value than technology alone.
- Strengthen process discipline: Structured interviewing, interviewer readiness, and stronger hiring manager engagement may feel secondary, but they're critical levers for speeding decisions, improving the candidate experience, and ensuring quality of hire.

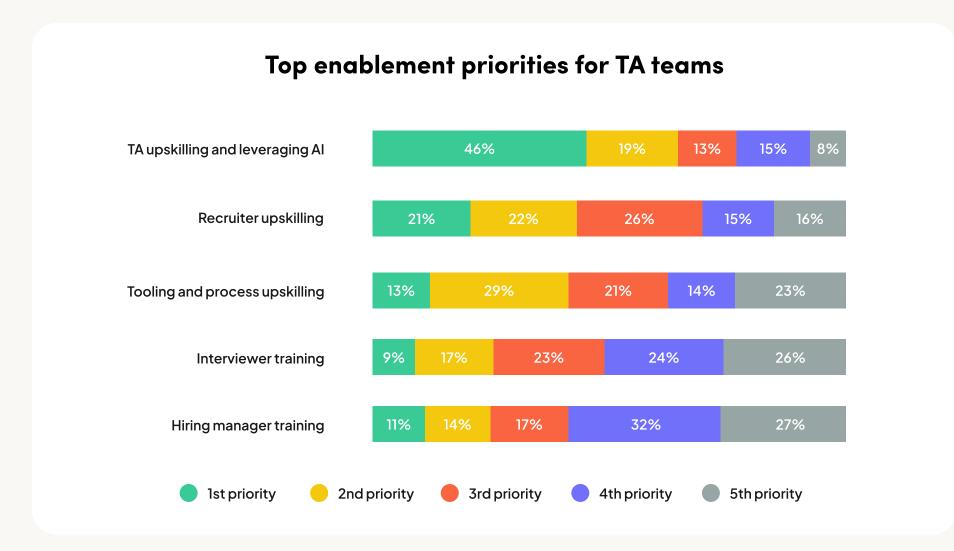


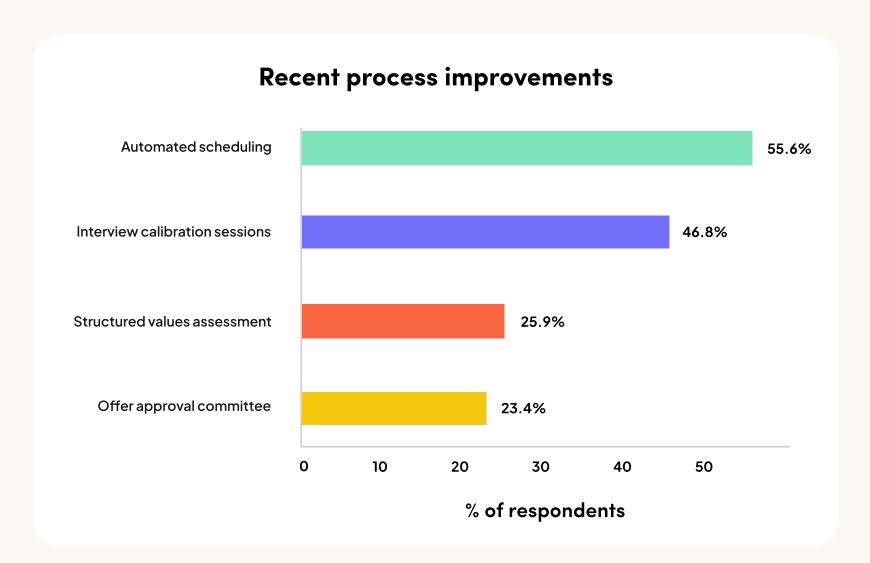


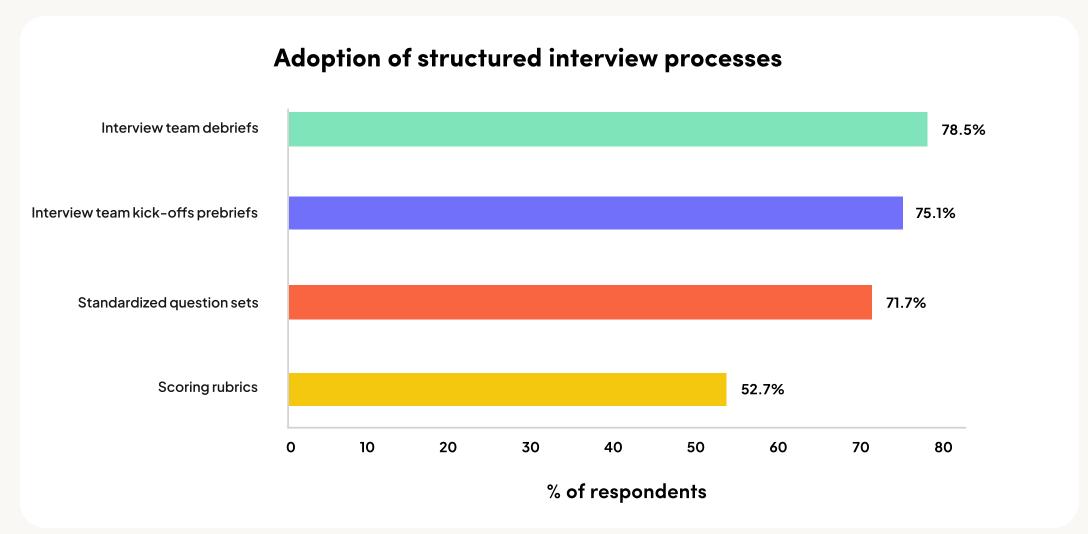




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# Market and vendor landscape

The talent acquisition technology landscape is experiencing significant momentum as teams actively evaluate new solutions to replace fragmented toolsets. Peer recommendations drive most purchasing decisions, while Al capabilities top investment priorities for the year ahead.

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# Budget stability enables continued investment

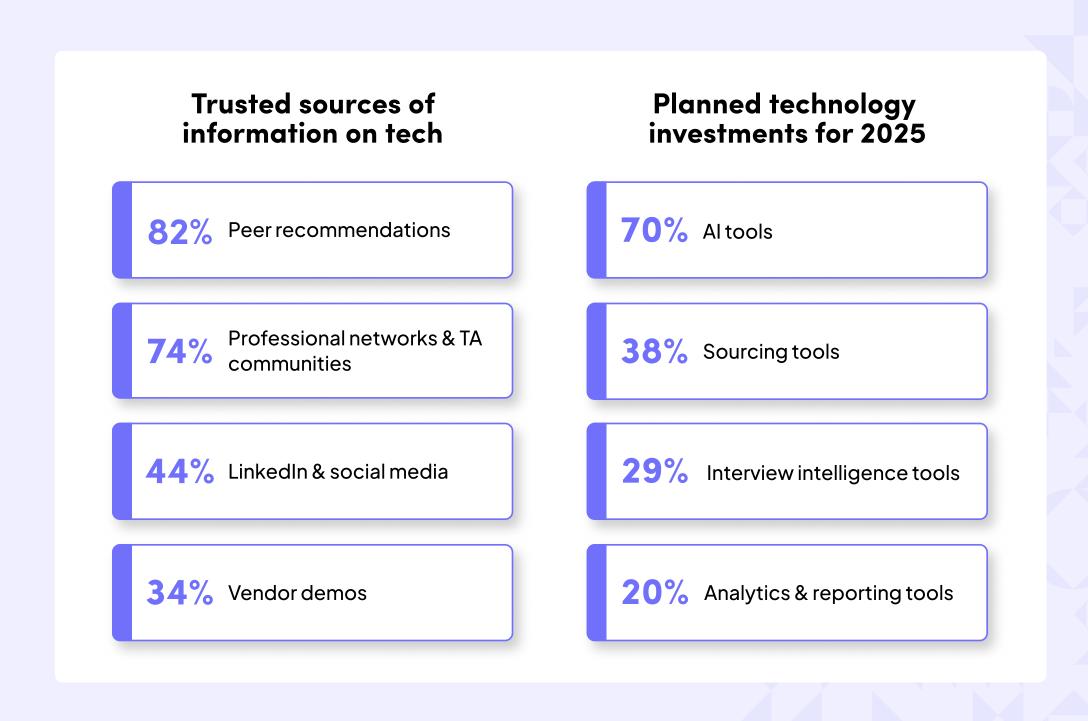
As noted earlier in the report, **budgets for recruiting tools and technology are holding steady** (59%) or increasing (33%), creating a foundation for continued strategic technology investment.

# Peer influence drives purchasing decisions

When it comes to evaluating recruiting technology, **peer recommendations reign supreme**. 82% of teams trust recommendations from other TA leaders, while 74% rely on professional networks and TA communities. In contrast, traditional channels have much less influence: LinkedIn/social media, industry publications, and vendor demos rank significantly lower. In short, teams want to hear from others who've actually implemented and used these tools.

# Al dominates 2025 investment plans

The investment priorities align closely with operational needs. **85% of teams are actively evaluating new technology**, while 15% have no planned investments. **Al tools top the list at 70%**, matching exactly with the 70% who rank Al as a strategic priority. **Sourcing tools** and **interview intelligence platforms** round out the top three planned investments. Analytics and reporting tools, scheduling tools, and ATS upgrades also see significant interest, reflecting teams' focus on operational efficiency.



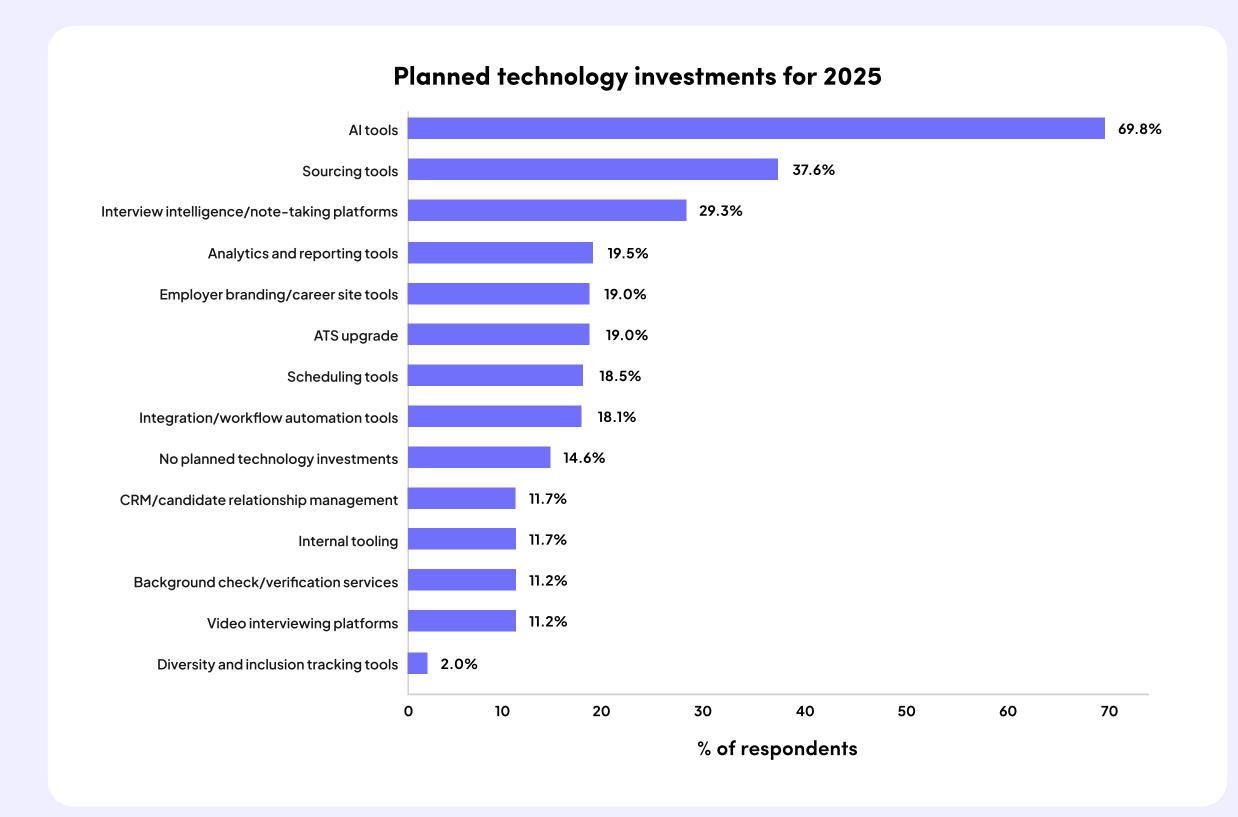
# The consolidation opportunity

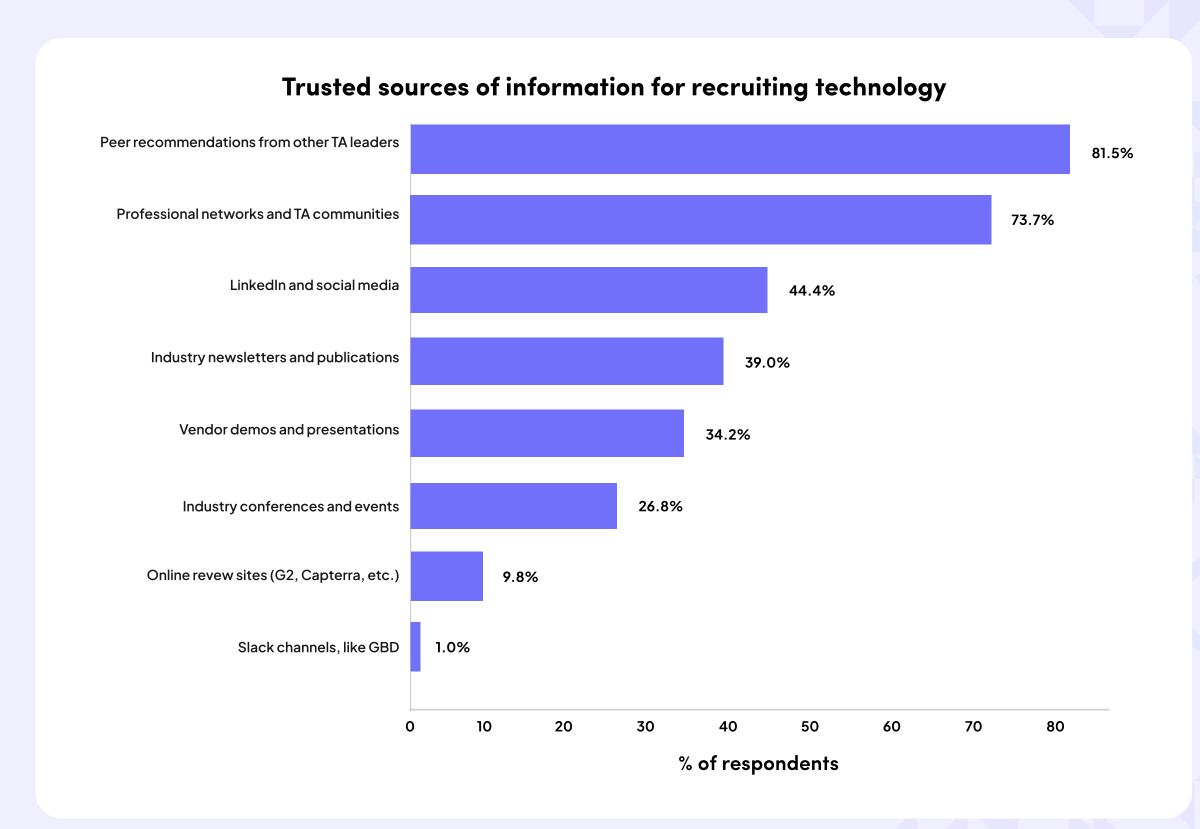
This buying activity comes as **43% of teams manage 4–6 different recruiting tools**, creating integration headaches and workflow friction. The combination of high investment intent (85%) and fragmented toolsets creates clear demand for platforms that can consolidate multiple point solutions while delivering the Al capabilities teams prioritize.

### Advice for teams:

- Leverage your network: With a majority of leaders trusting peer recommendations, invest time in TA communities and direct conversations with other leaders before making decisions.
- **Prioritize tools that combine AI capabilities with consolidation:** Look for vendors that can replace multiple tools while adding AI-powered capabilities, reducing integration complexity.
- **Evaluate for integration:** Given the tool fragmentation challenge, prioritize vendors that play well with your existing tech stack or can replace multiple systems entirely.







# Conclusion

The State of Talent Acquisition in 2025 reveals a defining moment for talent acquisition: while 26% of organizations expect 20%+ headcount growth, 39% anticipate flat or shrinking recruiting teams.

This paradox is driving teams to evolve from tactical efficiency gains to deeper strategic transformation, with AI and automation at the center of that shift. Teams are moving beyond basic AI usage: 47% are now "AI-enabled" across multiple workflows, with 70% prioritizing AI as their primary scaling solution. But the next phase will focus on building enablement, fluency, integration, and cultural alignment across recruiters, interviewers, and hiring managers.

As organizations balance steady budgets with pressure to "do more with less," success will favor those who embed structured practices (49% are investing in process improvements), invest in development (with 82% trusting peer recommendations over vendor demos), and choose vendors that deliver seamless, measurable impact rather than adding to the tool fragmentation.

# **About Gem**

Gem is the only Al-first, all-in-one recruiting platform. It combines your ATS, CRM, sourcing, scheduling, and analytics – plus 650+ million profiles to source from – with Al built into every workflow.

By eliminating the headaches of juggling multiple tools, Gem helps customers boost recruiter productivity by up to  $5 \times 10^{10}$  while saving 30-50% on technology costs.

Over 1,000 organizations – from startups to industry leaders like Zillow, DoorDash, and Asana – trust Gem to fuel their growth. With an industry-leading 4.8/5 rating on G2, Gem is the platform recruiters love to use.



# About Growth by Design Talent

Growth by Design Talent (GBD) partners with venture-backed technology companies to build exceptional talent strategies and recruiting functions. Through our unique combination of advisory services, executive and augmented search, and talent development, we help companies scale thoughtfully without sacrificing quality.

From experience building founding teams from the most influential and transformative brands in tech, we bring deep operational expertise across all stages - from early-stage startups to global enterprises.

### Our work spans:

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- Advisory: designing and building foundational recruiting operations, processes, and systems for scale
- Executive search: placing visionary people & talent leaders
- Augmented search: providing flexible, embedded recruiting support to accelerate building founding teams
- Training: developing foundational skills for recruiting teams, talent leaders, hiring managers, interviewers, and founders
- Capacity planning: building data-driven and iterative resource planning through our recruiting plan.io product

Trusted by leading companies including Anthropic, Discord, Stripe, and Figma, we're passionate about building inclusive teams, sustainable recruiting cultures, and iconic employer brands.



# Thank you.

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To learn more and see a demo, visit gem.com/request-demo

