Unlocking Profitability with *AI-driven Talent Acquisition*

2024 Business Leaders Survey

SmartRecruiters

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Executive summary

The SmartRecruiters 2024 Business Leaders Survey reveals a talent acquisition (TA) landscape in crisis, where inefficient processes, growing complexity, and escalating costs are taking a toll on business performance. This comprehensive study, which surveyed 553 business leaders across the United Kingdom, Australia, and the United States, shows that over **50%** of companies are dissatisfied with their current TA strategies, and **62%** believe that optimizing these strategies could lead to greater profitability. This report delves into the systemic issues plaguing TA today and offers data-driven solutions for businesses looking to modernize and streamline their recruitment processes through AI-driven tools and intelligent decision-making.

The findings indicate that companies are spending more time and money on TA than ever before, but their efforts are not yielding the desired results. The global workforce is evolving, and the complexity of recruitment is increasing as organizations face challenges ranging from sourcing quality talent to navigating global compliance. By leveraging AI, businesses can not only reduce inefficiencies but also create a more human-centered approach that fosters stronger connections with candidates and leads to better hiring outcomes.

" Talent acquisition as we know it is broken. Companies are investing heavily, yet many remain unsatisfied with their outcomes. *The data shows a clear need for modernization, and AI presents the path forward.* "

Rebecca Carr
CEO
SmartRecruiters

1 The challenges of *modern talent acquisition*

The time crunch

Talent acquisition has become a time-consuming and resource-draining function, especially for mid-sized companies. The survey reveals that **45%** of business leaders spend more than half their working hours on TA tasks. This is a striking data point, underscoring the misallocation of leadership time to administrative tasks that could otherwise be automated.
Leaders are increasingly bogged down in tasks like reviewing resumes, scheduling interviews, and conducting basic screenings, all of which pull them away from more strategic priorities such as growth initiatives and team management.

Cost concerns

The rising costs of talent acquisition are also concerning. Fifty-seven percent of companies now allocate over **40%** of their HR budgets to recruitment, and nearly **20%** spend more than **60%**. This high level of expenditure is not sustainable, particularly in a climate where businesses are striving to optimize operations and reduce overhead. But even with this investment, leaders are not seeing the efficiency gains they expected, leaving many frustrated.
The inefficiency comes largely from an over-reliance on manual processes, outdated tools, and the growing complexity of managing recruitment at scale.

Changing candidate expectations

Beyond the financial and time costs, companies are also struggling to meet the expectations of modern candidates. In an era where candidates expect personalized, quick, and transparent processes, businesses are falling short. This challenge is further exacerbated by the increasing number of candidates using AI to tailor their resumes and cover letters. As a result, TA teams face an even higher volume of polished, tailored applications, making it harder to discern fit and authenticity at scale. Consequently, many teams find themselves overwhelmed and unable to provide the seamless experience that candidates desire. This disconnect between candidate expectations and the ability of TA teams to deliver a smooth process can harm employer branding and, ultimately, business performance.

44%

of business leaders spend more than half their time on TA tasks, *taking valuable time away from core business operations*.

57%

of companies allocate over **40%** of their HR budgets to TA, and nearly **20%** spend over **60%**, *highlighting the cost inefficiency of current systems*.

Growing application volumes and manual processes *are creating a poor candidate experience*, damaging brand perception

" Business leaders are spending too much time on the tactical aspects of talent acquisition, which is unsustainable in a fast-moving business environment. *Automating these processes will free up time for more strategic work.* "

Shiran Yaroslavsky
SVP of Product
SmartRecruiters

2 How poorly managed talent acquisition *disrupts business growth*

The impact of inefficient talent acquisition strategies is felt across the entire organization, not just within HR. Poor recruitment practices contribute to broader business challenges, including reduced revenue growth, compromised product quality, and diminished customer satisfaction.

Brand reputation

According to the survey, **30%** of business leaders believe that TA issues have damaged their brand. This is particularly critical in sectors where employer branding is a key driver of talent attraction and retention. A company's ability to consistently recruit the right people impacts its reputation as an employer of choice and, ultimately, its competitive advantage.

Business performance impacts

The correlation between poor talent acquisition and business performance is also clear in the data. Nearly **29%** of business leaders report that TA inefficiencies have slowed sales. In industries with high turnover rates, such as retail and hospitality, where quick hiring is essential, delays in filling positions directly impact the ability to generate revenue. For example, if key customer-facing roles remain unfilled, businesses may experience decreased service levels, leading to customer dissatisfaction and lost sales.

Product delivery

Furthermore, **28%** of business leaders believe that suboptimal talent acquisition practices have compromised their company's ability to deliver high-quality products or services. When businesses are unable to fill critical roles in a timely manner, the impact is felt throughout the organization. Project delays, lower employee morale, and even product defects can arise from the lack of key talent. This demonstrates that talent acquisition is not just an HR issue; it is a business-critical function that directly affects the bottom line.

30%

of business leaders believe TA issues have harmed their brand, *impacting their ability to attract top talent*.

29%

report that TA inefficiencies have slowed sales, affecting business performance, *particularly in high-turnover industries*.

28%

say TA issues have compromised product or service quality, *leading to project delays and lower employee morale*.

Only **15%** of leaders feel confident in their hiring decisions at the time of hire, with **60%** doubting their hires after six months, signaling a systemic issue in candidate evaluation and selection.

" A poor hiring decision doesn't just impact the individual role; it has ripple effects across the organization, *affecting everything from brand perception to product quality*. "

Lehua Stonebraker
SVP of People
SmartRecruiters

3 Complexity in *managing recruitment*

As organizations grow and the workforce becomes more global and flexible, the complexity of managing recruitment has increased exponentially. Businesses are now faced with navigating multiple legal frameworks, time zones, and employment models, which has turned recruitment into a highly convoluted process.

Candidate quality

The survey reveals that **22%** of business leaders struggle with sourcing high-quality candidates. This challenge is exacerbated by the fact that the most in-demand skills are often scarce, leading to prolonged vacancies for key roles. In industries such as technology and healthcare, where specific skill sets are essential, the inability to source qualified candidates can stall growth and innovation.

Sourcing challenges are also linked to the increasing demand for remote and hybrid work options. Businesses must now consider candidates from a broader geographic pool, which requires a more sophisticated approach to identifying talent. The growing reliance on digital platforms for recruitment has not necessarily translated into more efficient sourcing.
Many leaders report being inundated with applications that do not meet their requirements, leading to a time-consuming and frustrating process of filtering through irrelevant candidates.

Inefficient systems

Additionally, **22%** of business leaders report that keeping track of applicants through convoluted hiring processes is a major pain point. As companies implement more complex systems to manage recruitment, they are often faced with a fragmented process that involves multiple platforms and manual tracking of candidates at different stages.
This lack of integration not only slows down the hiring process but also increases the likelihood of candidates dropping out of the pipeline due to poor communication and delays. The result is a disjointed experience that affects both the hiring team and the candidates.

DEI regulations

Compounding these challenges is the fact that many companies are struggling to maintain compliance with DEI regulations. According to the survey, **20%** of business leaders find managing DEI requirements a significant burden. Ensuring diversity in hiring while complying with evolving legal standards requires careful management, and the administrative burden of ensuring compliance adds another layer of complexity to an already challenging process.

22%

of business leaders struggle with sourcing high-quality candidates, *particularly in industries where skill shortages are acute*.

22%

find it difficult to track applicants through convoluted hiring processes, *leading to inefficiencies and candidate dropouts*.

20%

report that managing DEI compliance is a significant administrative burden, *highlighting the challenges of meeting legal and ethical hiring standards*.

" Sourcing the right talent has become a more complex process, especially with the rise of remote and hybrid work models. *Businesses need to adopt more efficient, integrated solutions to manage these new realities*. "

Allyn Bailey
Talent Futurist and Senior Director of Brand Amplification
SmartRecruiters

4 Modernization through *AI and intelligent talent acquisition*

The survey findings highlight the growing complexity and inefficiencies in talent acquisition, making it clear that businesses need modern, AI-driven solutions to tackle these challenges. Fifty-six percent of business leaders report that talent acquisition has become more complex over the past year, largely due to the increase in global workforces, evolving regulations, and the need to manage a wider variety of employment models. This complexity is particularly felt in sectors that are seeing rapid shifts in hiring needs, such as retail, healthcare, and tech.

Improving operational efficiency

AI presents a transformative opportunity for businesses to not only streamline their recruitment processes but also to gain deeper insights into their hiring practices. Our research shows that **45%** of business leaders spend over half their working hours on TA tasks, such as resume screening and interview scheduling—tasks that can be automated through AI, freeing up leadership time for more strategic priorities. By automating these low-value, repetitive tasks, businesses can drastically reduce time-to-hire and improve overall operational efficiency.

Enabling better decision-making

Beyond automation, AI's true value lies in its ability to provide predictive insights that enhance decision-making. Sixty percent of business leaders report doubts about their hiring decisions six months post-recruitment, a clear sign that more support is needed in the decision-making process. AI can address this by offering data-driven recommendations, assessing candidate fit based on both skills and cultural alignment, and predicting long-term success.
This allows hiring managers to make more informed choices, reducing turnover and increasing employee engagement.

Improving the candidate's experience

AI also improves the candidate experience by offering personalized, dynamic interactions. Instead of relying solely on traditional resumes, AI-powered platforms allow candidates to engage through various channels, such as video or voice, and provide more comprehensive insights into their abilities and values. This creates a more human-centered hiring process, where candidates can showcase their full potential, and hiring managers can assess candidates more holistically.

Reducing bias

Additionally, with **20%** of business leaders citing DEI compliance as a major challenge, AI offers a solution to ensure fairness and reduce bias in the recruitment process. By automating the screening process and focusing on objective criteria, AI can help organizations create more diverse and inclusive workplaces while also complying with evolving legal standards.

56%
of business leaders report that TA complexity is increasing, driven by *global workforces*, *remote hiring, and evolving regulations*.

45%
of leaders spend over half their working hours on administrative TA tasks, *which could be automated through AI*.

60%
of business leaders doubt their hiring decisions six months post recruitment, *highlighting the need for AI-driven decision support*.

20%
of leaders struggle with DEI compliance, an area where *AI can enhance fairness and reduce bias in the hiring process*.

" AI doesn't just automate—it *empowers* hiring teams by providing real-time insights, *reducing inefficiencies*, and *enabling faster*, *smarter decisions* at every stage of the hiring process. **"**

Rebecca Carr
CEO
SmartRecruiters

5 Conclusion **&** recommendations

The SmartRecruiters 2024 Business Leaders Survey highlights the urgent need for businesses to rethink their approach to TA. The growing complexity, costs, and inefficiencies in current systems are no longer sustainable. AI-driven solutions offer a transformative path forward, allowing companies to streamline their recruitment processes, improve decision-making, and create more human-centered hiring practices. By embracing AI, businesses can reduce the administrative burdens that are draining time and resources and instead focus on building stronger, more engaged teams that will drive business growth and success.

Recommendations for action

1

Streamline administrative tasks with automation.
Automate repetitive, low-value tasks like resume screening and interview scheduling, allowing HR teams to focus on higher-value activities.

2

Democratize the hiring process.
Use AI to empower multiple stakeholders in the recruitment process, creating more inclusive, collaborative workflows that lead to better outcomes.

3

Ensure global compliance.
AI tools can help businesses navigate the complexities of hiring across borders by ensuring compliance with local labor laws and DEI regulations.

4

Enhance hiring confidence.
AI-powered predictive analytics can improve confidence in hiring decisions, reducing turnover and fostering long-term employee engagagement.

5

Leverage AI-driven decision support tools.
Implement AI solutions that provide predictive insights, helping hiring managers make confident and informed decisions based on data.

" *The future of talent acquisition is* not just about saving time—it's **about enabling smarter, more informed hiring decisions** that drive long-term business success. "

Rebecca Carr
CEO
SmartRecruiters

Appendix: Regional trends

1 United Kingdom

In the U.K., talent acquisition is the second most complex area of business leadership, just slightly behind Sales/Marketing (**30%** vs **33%**) - a stark contrast to the other regions mentioned in the report. In addition, **66%** of U.K. business leaders found talent acquisition to become more complex in the last five years.

Considering the high importance of this area to business success, with **70%** of business leaders saying so, it's worrying that less than half of British organizations think their current talent acquisition strategies are sufficient. Organizations must start prioritizing solutions to help optimize their talent acquisition-related activities. For instance, one-fifth (**21%**) of U.K. leaders encountered problems writing effective job descriptions – an issue that can easily be addressed with effective AI-driven solutions.

2 United States

When it comes to talent acquisition-related activities, over a quarter (**26%**) of U.S. business leaders spend between **51%** and **60%** of their HR budgets on talent acquisition. U.S. business leaders also find talent acquisition more complex (**34%**) compared to the UK (**30%**) and APAC (**23%**).

Worryingly, just under half (**46%**) of U.S. business leaders are confident in their current talent acquisition strategy. Considering one-third (**31%**) of leaders cite sourcing the right quality of applicants as the biggest problem in their current talent acquisition strategy, there is an urgent need for new technology and AI-driven solutions to overhaul legacy processes. In fact, **53%** of leaders agree that their business would be more profitable if their talent acquisition strategy was optimized.

3 Australia

The report offers further critical insights into talent acquisition challenges in Australia. Nearly **45%** of Australian business leaders invest at least **40%** of their HR budget in recruitment, yet almost a third (**29%**) remain uncertain about their hiring choices. Furthermore, **25%** believe ineffective recruitment is limiting business growth and damaging brand reputation. Australian leaders reportedly spend more time on recruitment, with **25%** dedicating between **40%** and **50%** of their work hours to it - above the global average of **21%**. About **70%** of respondents think enhanced hiring strategies could improve profitability.

As recruitment complexities grow, with factors like global workforces and flexible models, **64%** report that talent acquisition has become harder. Implementing AI-driven solutions could streamline hiring, reduce costs, and improve decision-making, underscoring a pressing need for Australian businesses to modernize their recruitment processes.

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About the Research

SmartRecruiters surveyed 533 HR and talent professionals in midsize companies in July 2023. Respondents were drawn from the U.K., United States and Australia. The surveys were conducted via telephone.

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About
SmartRecruiters

SmartRecruiters enables Superhuman Hiring™ by freeing talent acquisition teams from legacy applicant tracking software and empowering them with next-gen AI functionality. SmartRecruiters' next-generation platform serves as the hiring operating system for 4,000 customers, including Bosch, LinkedIn, and Visa. Companies with business-critical hiring needs turn to SmartRecruiters for best-of-breed functionality, world-class support, and a robust ecosystem of third-party applications and service providers.

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