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The State of Hiring in 2025

Welcome to the Annual Willo State of Hiring Trends Report.

The way companies hire, train, and retain their employees often shifts alongside economic and market changes—and 2024 offered plenty of changes to respond to.

The 2024 Hiring Trends Report was initiated in response to the growing anticipation surrounding artificial intelligence—with nearly 80% of talent professionals expecting to implement AI at some point during the year. Looking back on the Year In Review, other trends emerged as well, particularly around flexibility at work, DE&I, and the rise of freelance and contractor hiring.

For 2025, we're pushing the research further.

In this report you'll find expanded questions and deeper dives into not just how people are feeling, but what they are going to do about it.

The research features first-party data from the C-Suite, HR leaders, hiring managers, and HR individual contributors on:

- Hiring and expansion plans;
- Challenges in attracting and retaining talent; and
- The investments organizations are planning to make in 2025.

We also re-structured the report based on feedback from readers of our first edition. Namely, adding a key insights section to ensure top data points from this report are easy to spot and understand.

Where appropriate we've also added commentary on what we believe is driving a data point or what a data point suggests about future decision making. We invite you to join the conversation, tagging [Willo on LinkedIn](#).

This report is broken down into the following sections:

[Introduction: Key data summary](#)

[Section 1: Transitioning from 2024 to 2025](#)

[Section 2: The top talent trends](#)

[Section 3: Perspectives on Talent Insights](#)

[Section 4: Actionable Talent Strategies for 2025](#)

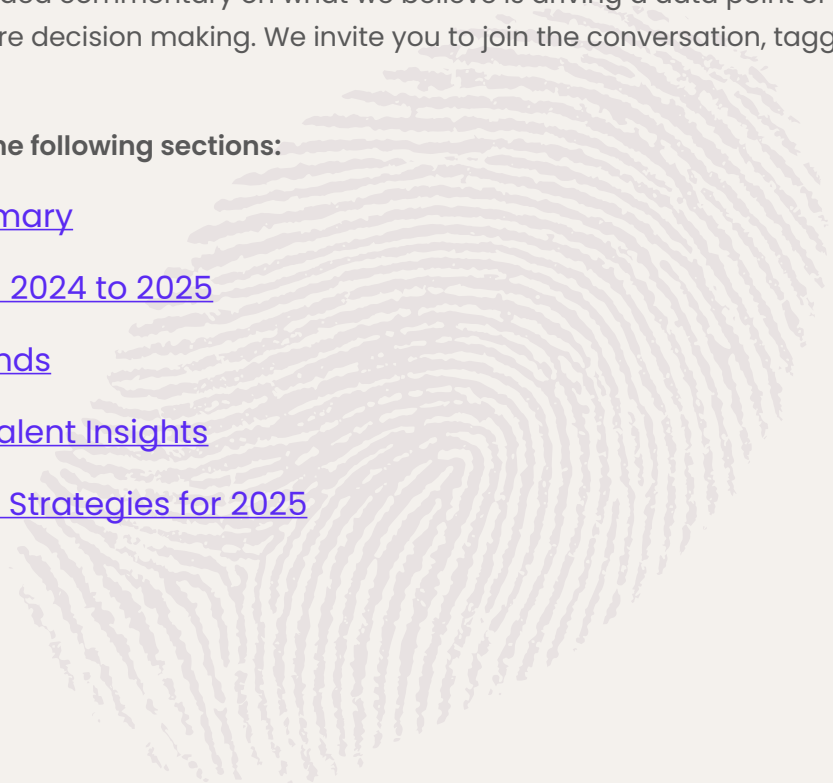


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Introduction
Key Insights

Key Insights

When it comes to the data on hiring trends in 2025, here are the key insights you should know.

The Top 3 Talent Trends for 2025

1. A demand for and rise in AI-proof candidate assessments
2. Increase in candidate quantity but decrease in quality
3. Increased focus on employee upskilling and reskilling

Quick Takes on the Data

Fewer talent leaders used AI (65%) in 2024 than anticipated they would (80%).

- Fewer companies are planning significant hiring (-48%) in 2025, but more companies are planning significant compensation increases (+33%).
- The minority of people saying AI should not be used in hiring has more than doubled, from 4% to 9%.
- 40% of talent leaders plan to add tools to their AI stack, while 10% plan to replace all the tools they currently use.
- 17% of talent leaders report using AI to help choose whether or not to hire a candidate.

The Big Question

Data also prompted a question: Are people growing weary of AI in the hiring process?

While adoption is climbing and leaders are finding what tech stack works for them, data also suggest that a few more people are getting a bit more negative toward the technology.

There's a caveat to this question explored more in-depth in section four.



Key Data Points

58% Of respondents have a *more positive* outlook on 2025 than they did on 2024

15% Adoption gap between those anticipating using AI in 2024 vs. who did

-48% Decrease in companies planning significant hiring in 2025

+33% Increase companies planning significant salary bumps in 2025

17% Respondents who report using AI to help make hiring decisions

4% → 9% Increase in the proportion of people saying AI should **not** be used in hiring

53% Plan to *change* their AI tools in 2025 (change, add, cancel)

10% Are dissatisfied with their AI stack and will switch entirely to new tools in 2025

Section 1
From 2024 to 2025: A Snapshot

From 2024 to 2025: A Snapshot

Key takeaways:

- The majority agree that the top four *predicted* trends for 2024 (AI adoption, flexibility, DE&I, and freelance hiring) *became* defining trends of the year.
- AI usage also varied in 2024, with 65% using AI in their hiring process; the top use case was assessing candidate skills.
- Looking ahead to 2025, the prevailing sentiment is one of optimism—the majority feeling is optimistic, with 58.5% saying they have a more positive outlook for 2025 than they did for 2024.

In this section, we take a closer look at the key highlights and trends that shaped 2024. In this section, we're pulse checking on 2024.

Did it go as planned? Did expected events happen? And, perhaps the big question from the 2024 Hiring Trends Report—did you actually use AI this year?

Did 2024 Go As Expected?

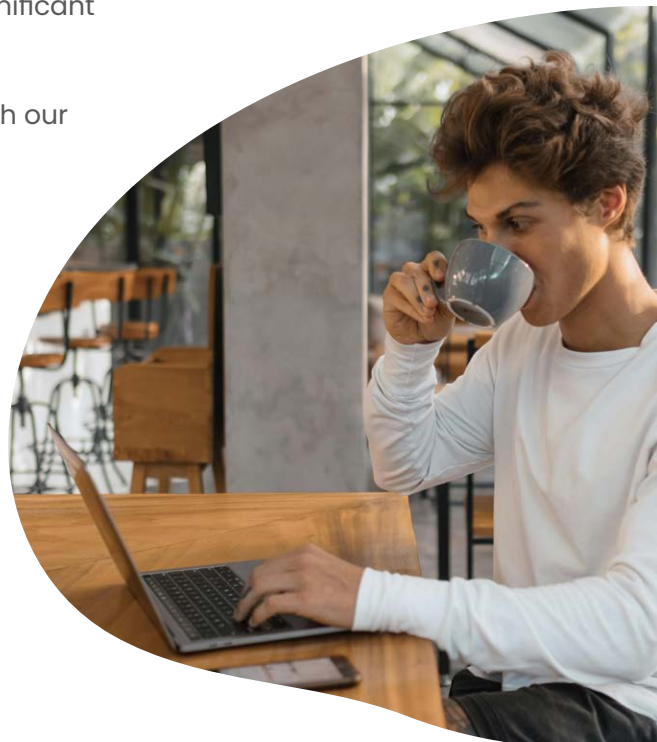
Despite many twists and turns throughout 2024, the year in talent seemed to progress as predicted.

We revisited the top four trends from the [2024 Hiring Trends Report](#) and asked respondents whether they believed these trends were truly significant throughout the year.

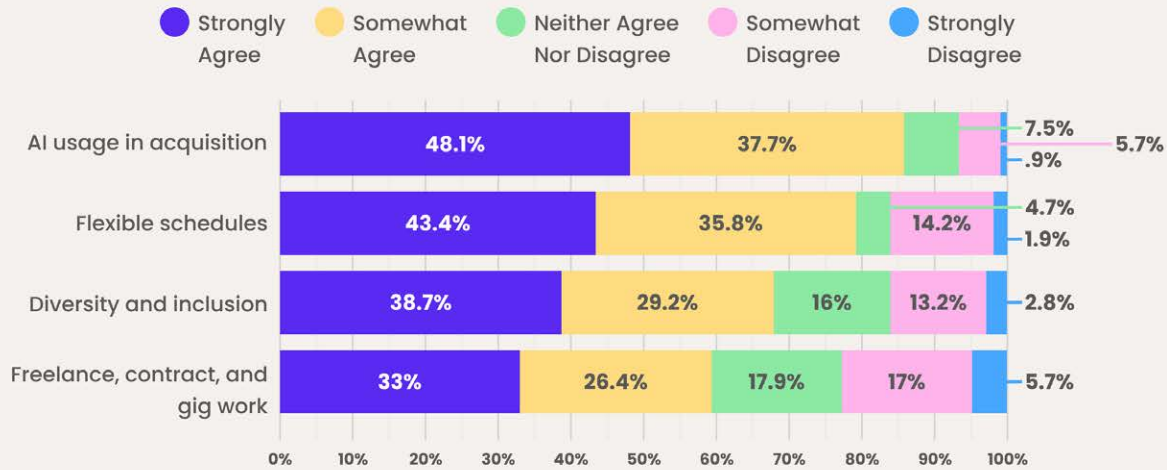
The overwhelming answer was simply “yes,” corresponding with our own findings from the [2024 Hiring Year In Review](#).

While a majority agreed that all of the top four predicted trends became actual defining trends of the year, the most contentious was the rise of freelance and contract hiring: 59.4% agreed it was a trend, 23% disagreed, and 18% were neutral on the topic.

Perhaps unsurprisingly, 86% agreed AI adoption was key while only 1% said it had no impact during the year.



To what extent do you agree or disagree that the forecasted 2024 trends actually became key trends in hiring this year?



AI in 2024

A majority (65%) are already using AI in recruiting for various use cases—15 percentage points less than the almost 80% who predicted they’d be adopting artificial intelligence in 2024.

What’s perhaps more interesting, though, is how people are using AI in hiring.

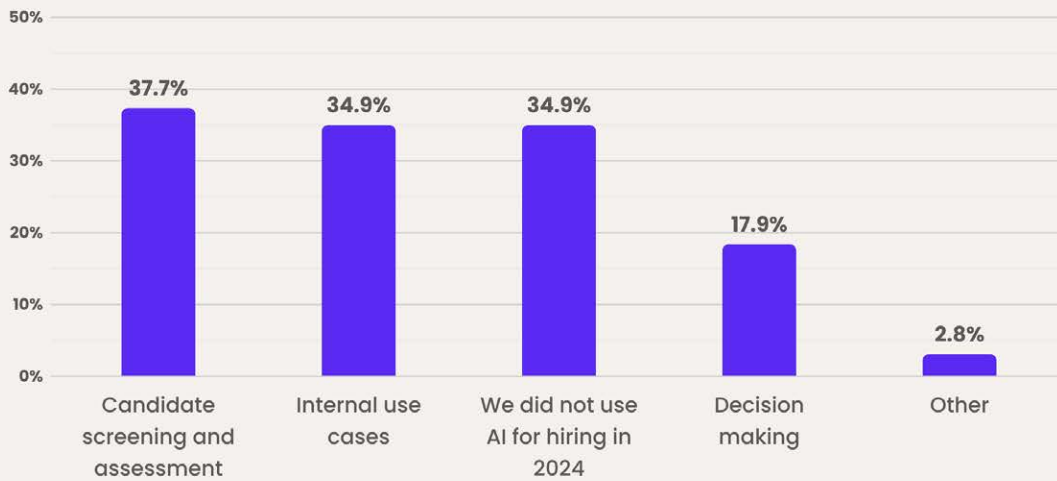
For example, nearly a fifth (18%) report using AI to help make final hiring decisions. We explored this specific AI use case in our [AI in Talent Acquisition: Hiring Humans report](#). Featuring interviews with AI and talent experts, the report found that AI can be built to make great recommendations, but we believe a human should always make the final call.

A significant portion (38%) is also using AI to help assess candidate abilities. Specifically, leveraging AI can help recruiting teams scale with consistency. This gives every candidate a more fair try, reducing the risk that a [6-7 second resume](#) review lands in the rejection pile.

“AI can augment what a human could potentially do, but at a scale that a person can’t do,” said Iliana Oris Valiente, Managing Director and Innovation Lead at Accenture Canada, in an interview for the [Hiring Humans](#) report.

Coming in second, 35% use AI for internal efficiency use cases such as transcribing interviews or summarizing key takeaways. This kind of work is not just about saving time, but understanding and filtering candidates more appropriately. It’s something we recently added into our own product with [Willo Intelligence](#), for example, where recruiters can filter against time zone requirements or summarize each candidate’s responses to get a more holistic picture.

How did you use AI tools for hiring in 2024?



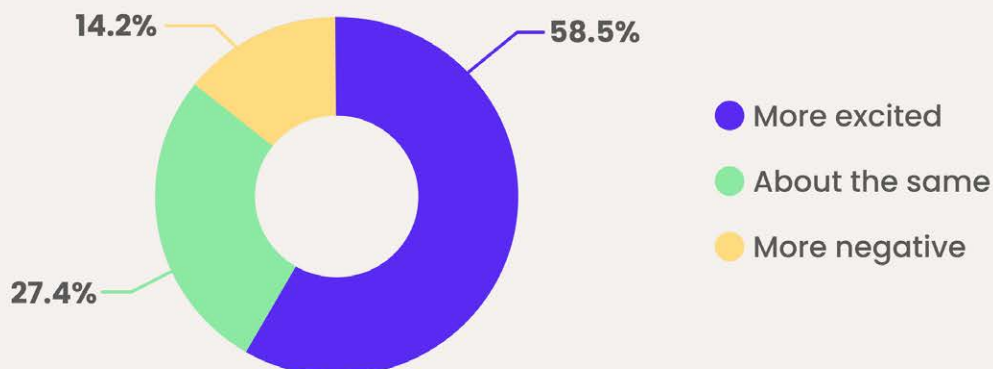
The Year Ahead

As we transition from reflecting on the past to looking toward the future, are talent and organizational leaders excited? Have their perceptions of AI shifted after a year of rapid advancements, media buzz, and hands-on experience with tools, moving beyond merely reading about its potential?

It seems the answer is yes: the majority (59%) have a more positive outlook compared to last year, while 27% have the same feelings as they did heading into 2024. Only 14% feel more negatively now than they did 12 months ago.

This contrast becomes particularly interesting when compared to media headlines dominated by political instability, war, economic fluctuations, inflation, rising interest rates, and other troubling stories. While one might expect the uncertainty of 2024 to create unease about 2025, the data suggests otherwise.

Compared to your feelings at the beginning of 2024, how are you feeling about the future of talent and hiring looking toward 2025?

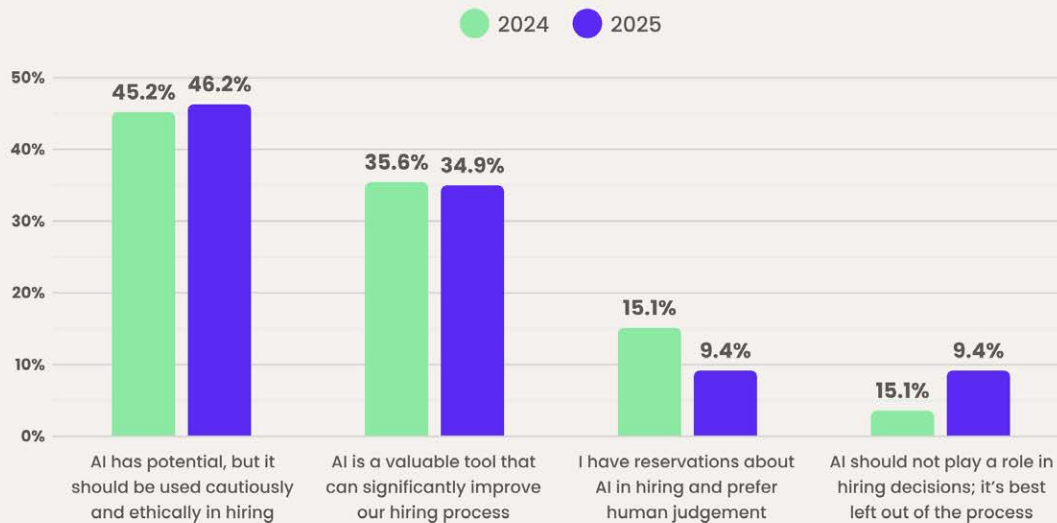


Increased positivity about the potential of 2025 does not, however, translate in people's views on AI.

First, the proportion of respondents is nearly identical for people who believe AI should only be used cautiously (46% vs. 45%) and those who feel AI is a powerful tool (35% vs. 36%). Secondly, respondents displayed an increasingly negative sentiment toward AI, with the number of people feeling AI should **not** be used in hiring at all more than doubling from 4% to 9%.

This prompts an interesting question: has AI enthusiasm peaked already? It's something we'll explore more throughout this report with other data about how and what AI is being used for in 2025.

How do you view AI when it comes to hiring?



Section 2
The Top Hiring Trends for 2025

The Top Hiring Trends for 2025

Talent leaders believe the following will be the key trends of 2025:

- An increase in “AI-resistant” candidate assessment methods (e.g. video assessments that AI cannot complete for you)
- An increase in the number of applications for jobs, but a decrease in average candidate quality
- An increased focus on upskilling and re-skilling, both soft (e.g. decision making) and job-specific (e.g. a new technology platform)
- Increased return-to-office mandates and hybrid roles

Read on for the remaining top trends.

What key trends will guide talent acquisition in 2025?

In 2024 it was AI adoption, flexibility at work, DE&I, and the rise in hiring freelancers. This year, most of those trends found their way to the bottom of the list.

Perhaps as expected, the top three talent trends in 2025 all revolve around AI.

The leading predicted trend is a rise in ‘AI-proof’ candidate assessments, such as video interviews that require human interaction and cannot be fully automated by AI.

This comes on the heels of data suggesting [hiring managers don’t mind \(or even prefer\)](#) AI enhanced resumes. Furthermore, data from [Arctic Shores](#) found similar sentiment from candidates: nearly half (47%) of students believe companies should allow them to use Generative AI (GenAI) in job applications. Additionally, approximately one-third of respondents indicated they would refuse to work for an employer that prohibited the use of GenAI.

The second trend is a concern that candidate quantity will increase but quality will decrease, perhaps due to AI being able to complete job application materials quite easily.

“Some recruiters are seeing a real drop in the quality of candidates at the interview stage versus what their assessment scores were earlier on in the application process,” said Estelle McCartney, Chief Growth Officer at Arctic Shores, in an interview for the [Hiring Humans: AI in Talent Report](#).

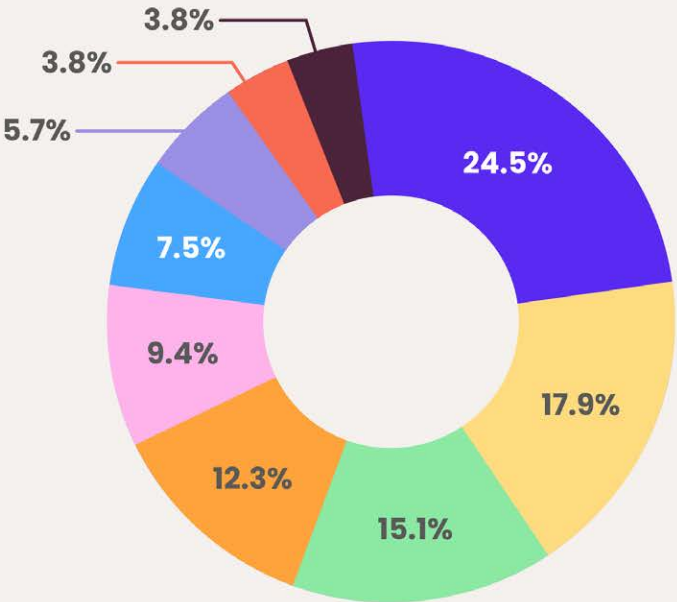
The third trend highlights a growing emphasis on upskilling and reskilling in the workplace, while the fourth trend reflects an increase in hybrid work arrangements alongside return-to-office mandates.

Given that [AI adoption was the key trend for 2024](#), and that people across industries have begun embracing this transformative technology, it’s only logical that the focus for this year shifts toward understanding its broader implications and deepening knowledge through contextual exploration and learning. While upskilling on this survey did not explicitly refer to AI, private conversations with hundreds of talent leaders anecdotally confirm this hunch.

It also seems the first (AI-proof assessments) and third (upskilling) trends hope to cancel out the impact of the second (decline in candidate quality). On one hand, hiring managers are generally open to candidates using AI, which aligns well with the expectations of top talent who anticipate leveraging AI in the workplace. On the other hand, there is growing concern about candidates using AI to craft flawless job applications—a scenario that doesn't necessarily reflect their ability to perform the actual job.

Helping employees to improve their ability to leverage technologies in their roles, combined with the use of "AI-proof" assessments, serves a dual purpose: it not only helps identify and filter out candidates who may not be a good fit but also reveals high-potential talent that might otherwise go unnoticed.

What do you anticipate will be the single most significant hiring trend in 2025?



- An increase in 'AI-resistant' candidate assessment methods
- An increase in the number of applications for jobs, but a decrease in average candidate quality
- An increased focus on upskilling and re-skilling, both soft and job specific
- Increased return-to-office mandates and hybrid roles
- Accelerated adoption of AI and automation in the recruitment process
- Growing emphasis on diversity, equity, and inclusion initiatives
- Expansion of gig economy and freelance hiring
- An increased focus on remote work and flexible schedules
- None of the above

Section 3
**Looking to 2025: Challenges and
Perspectives**

Looking to 2025: Challenges and Perspectives

Key takeaways:

- Data suggests a trend: Employers are gearing up to hire fewer employees but increase compensation.
- Challenges in attracting and retaining top talent are nearly identical year to year.
- Concerns about skills shortages have dropped from second to third place, indicating that employers increasingly view re-skilling as a manageable project to implement rather than a pressing issue.

Looking firmly to the future, what are talent and organizational leaders thinking about? Worried about? Expecting to happen? This section aims to address those questions.

Who's Hiring?

It seems modest growth is winning the day.

Compared to 2024, the proportion of respondents planning for a modest hiring increase stayed essentially the same (39% in 2024 vs. 40% in 2025). Everything else is different.

The largest change is a big decrease in "significant growth" hiring plans, dropping by almost half (now 17%, down from 33%). Moreover, far more companies are planning to keep current hiring levels in 2025 (28% vs. 16%) or reduce hiring efforts (14% vs. 10%).

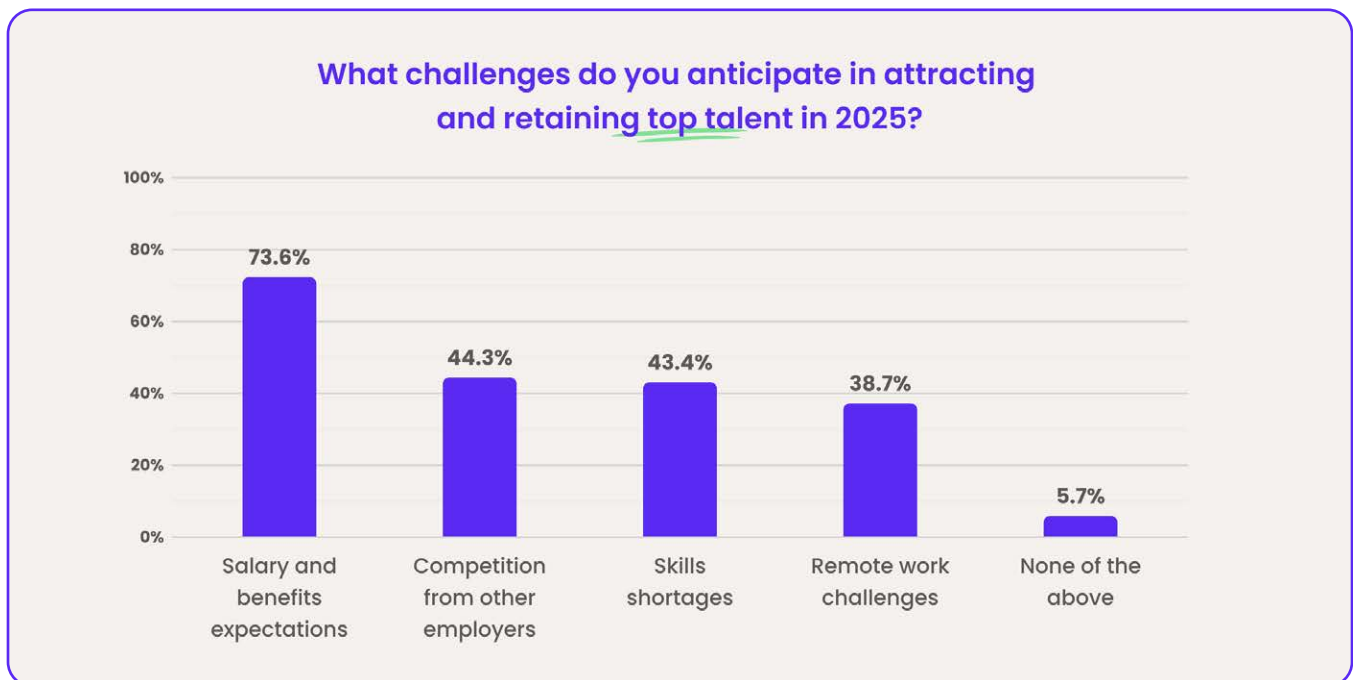


A Question of Pay

If a talent leader isn't thinking much about attracting lots of new talent in 2025, they still need to think about retention. Yet it seems, despite changes in the world around us, challenges in attracting and retaining top talent are nearly identical year to year.

By a clear margin, salary concerns were the top challenge cited. From there, with roughly the same proportion as 2024: competition from other employers, skills shortages, and remote work challenges.

Skills shortages were the second biggest concern in 2024, while it's now third in 2025. This is perhaps due to the fact that we've had a year of Gen AI tooling, so employers are more aware of the skills they need to hire for and train in employees—it's no longer a concern so much as a plan to be executed.



Organizations may not be planning to hire as significantly as they were in 2024, but that didn't translate to pay levels.

Across the board, companies appear to be more willing to loosen their purse strings. For instance, in 2024, only 21% were planning a significant salary increase; for 2025, that number has gone up to 27%.

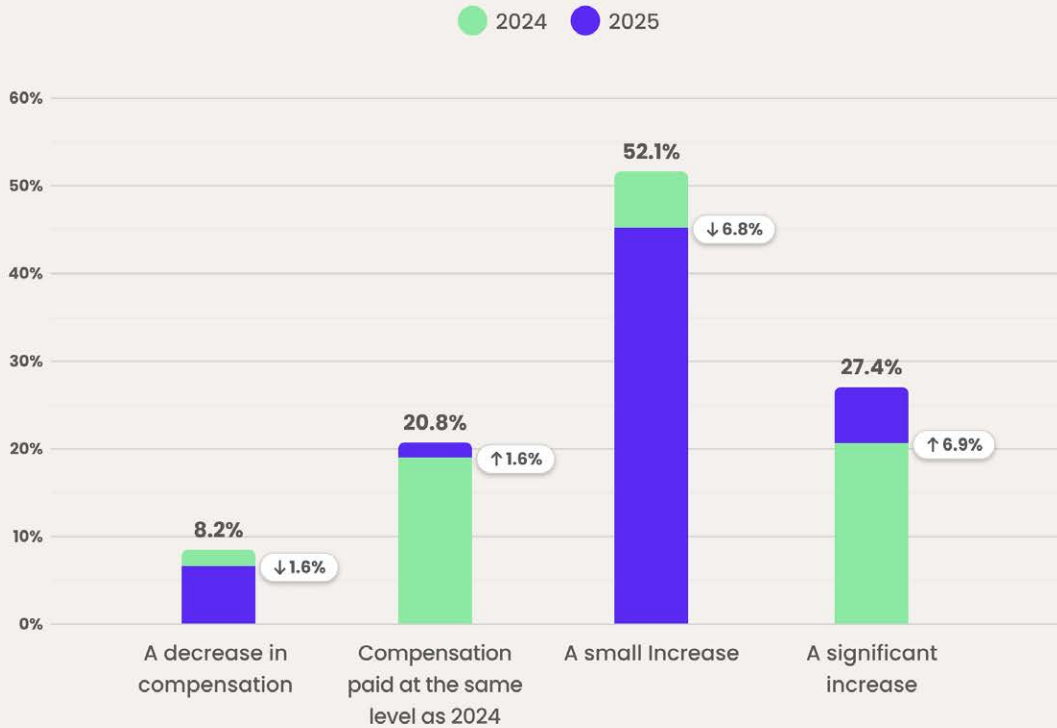
Meanwhile, fewer companies are planning a decrease in salary (7% in 2025 compared to 8% previously) and the proportion of companies planning to keep compensation the same are nearly identical year over year (21% vs. 19%).

What's significantly shrunk is the proportion of companies planning only a small increase (45%, down from 52%). This approximately seven percentage point drop is equal to the growth in companies planning a significant increase.

Perhaps this is the shadow of AI. Are company leaders warming up to the idea of fewer, more highly skilled, and more highly-paid employees to get the job done?

This could have interesting ramifications for how people build businesses. However, as much as we've seen much opining on the topic, including the belief that AI can help someone build the world's first [one-employee unicorn](#) (with the ensuing [reality check](#) and [counter-prediction](#)), this conversation is far from mature.

How do you anticipate salary compensation for new roles changing?



Section 4
**Talent Strategies, Plans, and
Investments for 2025**

Talent Strategies, Plans, and Investments for 2025

Key takeaways:

- More than three quarters (78%) are planning to increase their investment in re-skilling and upskilling employees.
- Nearly 40% of companies currently use AI in hiring and plan to use it more in 2025.
- Almost one quarter (23%) say they will **not** use AI in their hiring processes in 2025.

Where are talent and organizational leaders prioritizing resources in 2025?

It's not just about financial investment but also about focus and organizational mindshare. With limited resources and the challenge of navigating an uncertain future, where businesses choose to allocate their efforts offers an interesting glimpse into their true priorities.

Let's take a look.

Talent Investments

Companies are planning to make investments in flex work, employee retention, and up-skilling.

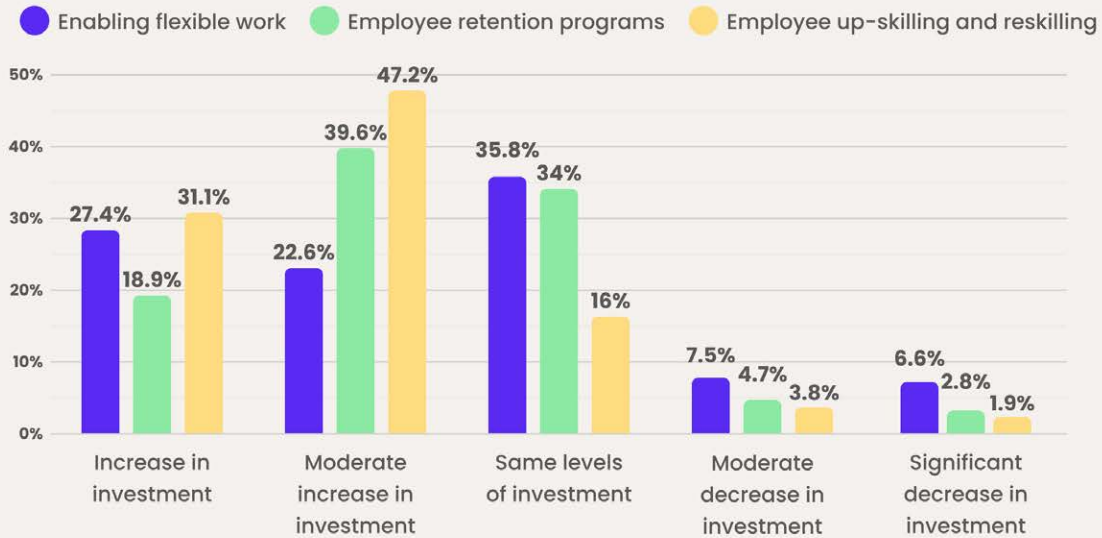
It's a majority in all cases, but upskilling was the clear winner with 78% increasing their levels of investment (compared to 59% for retention programs and 50% for flexibility programs).

By design, these programs have some overlap. For instance, flexibility at work is a form of a retention program, since [many employees cite flexibility as the top desire](#) at work.

"Flexibility is important for hiring, engagement, retention, and inclusion because it respects the different people who want to work—or are used to working—differently. Whether that's a caregiving role, parents, or simply preference, it's about giving people some autonomy to govern their day, within the context of the new work reality" — Jodi Kovitz, CEO, Human Resources Professionals Association (HRPA), said in an interview for the [Willo Embracing Flexibility Ebook](#).



Is your organization planning to invest more or less in the following categories?



The Rise of “Now What?” AI

AI hype is so 2024. Now what?

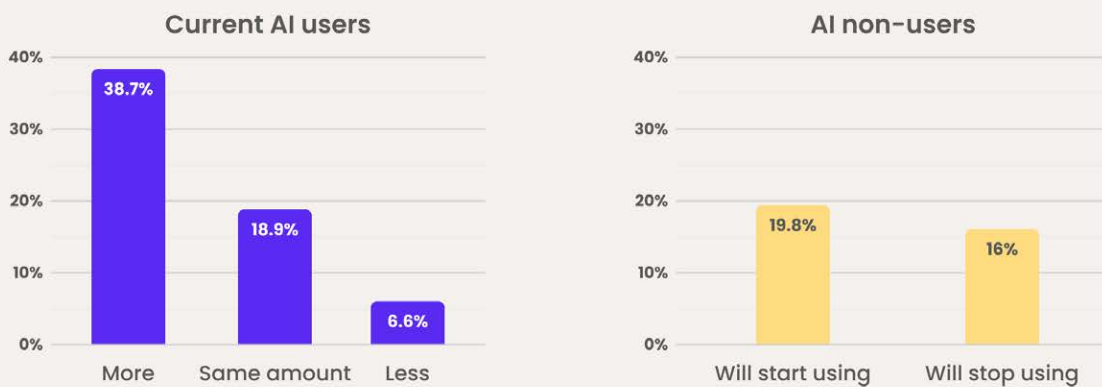
As highlighted earlier in this report, sentiments about AI have remained relatively consistent year over year, with a slight increase in individuals shifting from being merely concerned to outright critics. However, the key next question for 2025 is what comes next.

Here, we’re taking usage and satisfaction with current AI tools as a proxy for the value people get from it. In a world of tightening corporate budgets and increased scrutiny on spending, will people use AI more or less? Add more tools? Switch tools?

Let’s dive in.

Nearly 40% expect to use AI more, while about 20% plan to start using AI in 2025. However, 16% don’t use AI now and don’t plan to next year, while 7% actually plan to use AI less in the coming year.

When it comes to AI usage in hiring, what are your usage plans in 2025?

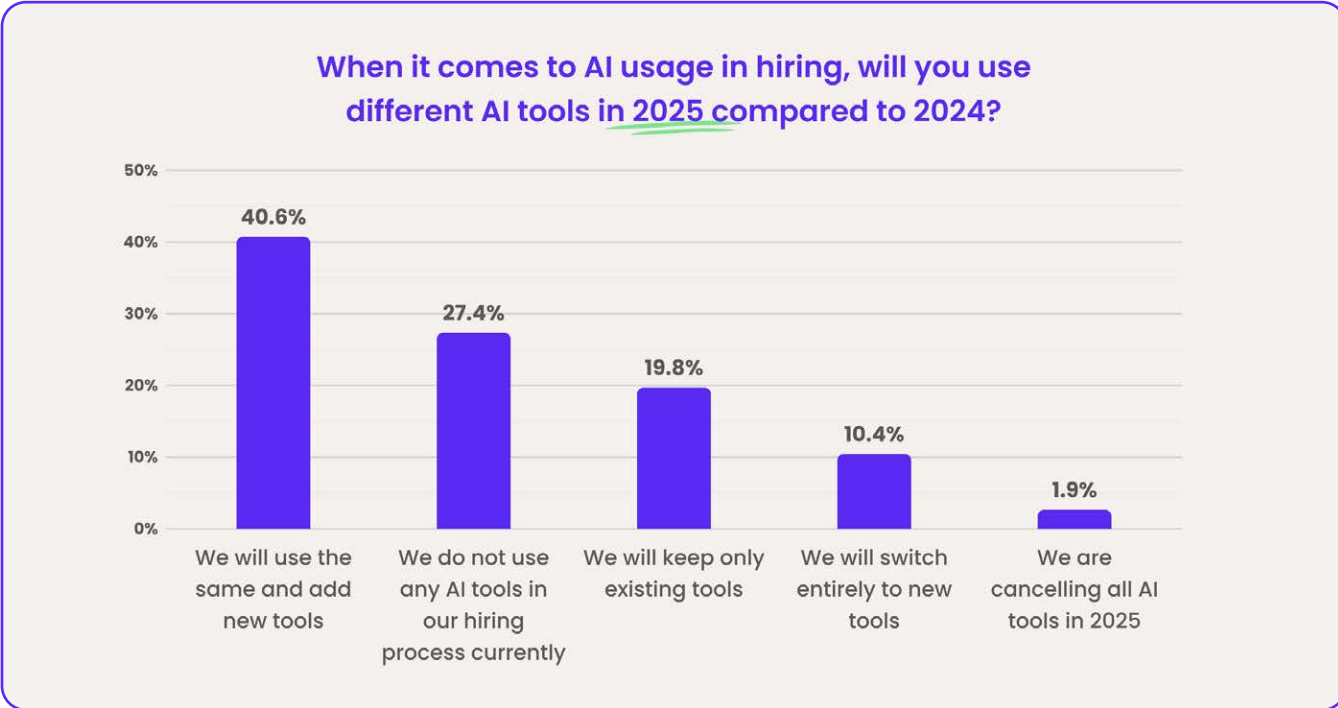


This prompts a deeper question about how our relationship with AI is evolving. In 2025, fewer leaders plan to adopt AI for the first time than those scaling back or opting out. Does this signal a shift toward deeper, strategic use of proven solutions, or recognition that some AI tools need further maturity for broader adoption?

It's possible that AI usage will continue to increase, though it will not be marketed as artificial intelligence. Instead, continuing with a benefit-first or customer-problems marketing methodology, companies may simply explain what their platform can do. If it uses AI to accomplish some (or all) of a given task, that's great. However, marketing and sales leaders may opt against using "AI-powered" language.

Saying "we use AI" was beneficial as a signalling device when GenAI and Large Language Models (LLM) were completely novel. However, that may no longer provide the edge companies are looking for—we're already seeing saturation of "AI for this" and "AI for that," devaluing the entire phrase.

In the end, more AI could come into the talent function but be entirely in the background. In time, there is potential that using AI becomes similar to saying you use the internet: obvious, expected, and even a bit weird to make that a core part of your go-to-market message.



With that in mind, it's not shocking that 53% of respondents plan to change their AI tech stack in some way. The bulk (41%) plan to add new tools to their stack, while 10% plan to switch entirely to new tools. A very small minority (2%) are cancelling all existing AI tools with no plans yet for the future, while 20% are happy with the tools they have.

There's a small discrepancy here. While 65% say they have used AI in hiring use cases, only 27% say they don't have AI tools, suggesting an actual usage rate of over 70% (if having a tool is equal to usage). One possible reason for this gap is people signing up for tools just to explore, suggesting they have not meaningfully "used" AI in 2024.

Talent is a Moving Target

Many recruiters are feeling optimistic about the hiring landscape this year. While you can debate the foundation of the belief—and ask whether it's truly going to be good for all, or just good for some—there is no denying that a majority feeling of positivity can have self-fulfilling consequences.

Looking purely at the data, though, there seems to be reason to feel optimistic.

For most leaders, 2024 went exactly as predicted; a kind of stability that offers breathing room for the next year. Further, companies may be scaling back their hiring plans a bit, but are still hiring—and planning larger compensation increases. And on top of all that, there is a maturation coming to AI use as companies figure out their policies, approach, and build a relevant tech stack.

While optimism can be challenging, especially during periods of short-term chaos or inconsistency, it is often through a positive outlook that meaningful and successful futures are forged.

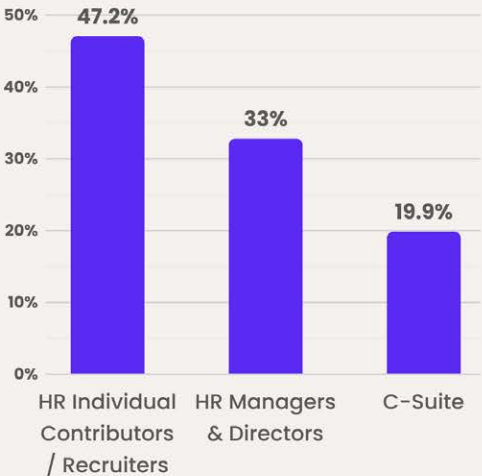
As fellow builders, we wish you success in 2025.



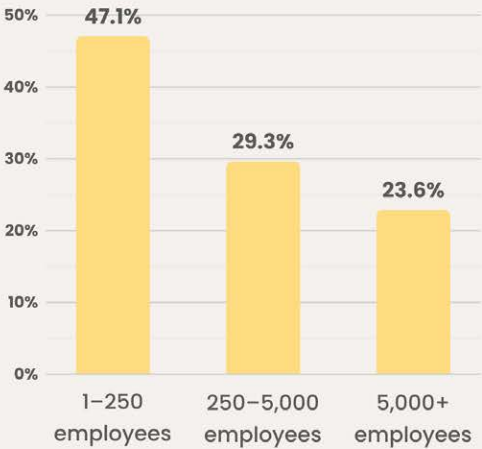
Survey Respondents

All respondents are directly involved in hiring decisions. One fifth are C-Suite executives, 33% are people leaders (such as hiring managers or HR Directors), and 47% are individual contributors working in HR functions. Respondents work in organizations spanning 5,000+ employees (24%), 250 to 5,000 employees (29%) and one to 250 employees (47%).

Respondent Job Type



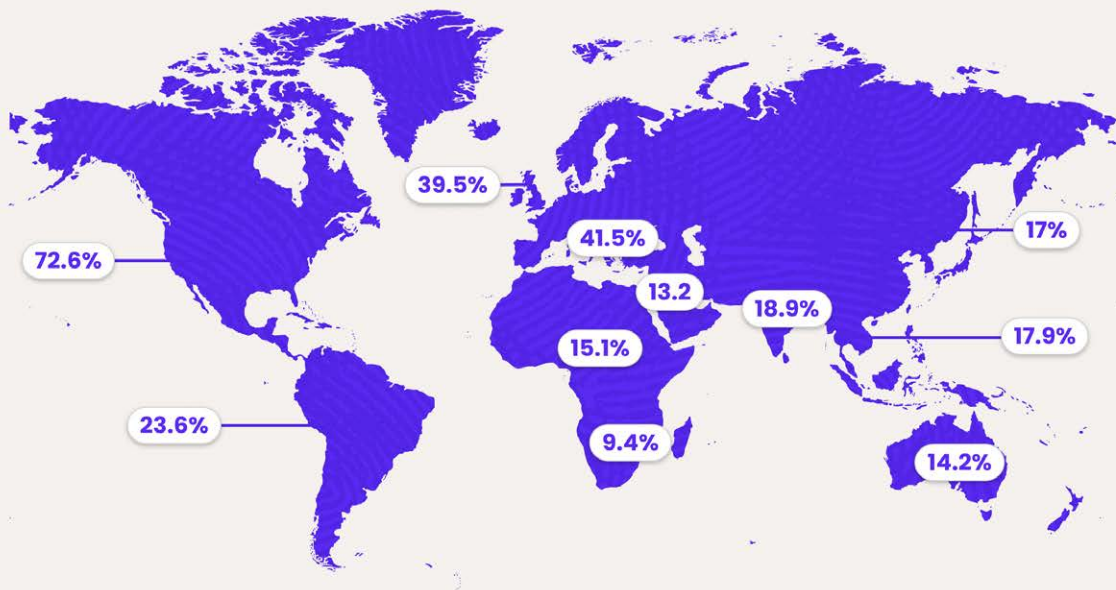
Respondent Company Size



Major industries are tech (21.7%) and business services (13.2%). The remainder are an equal mix of financial services, nonprofit, agency services, educational services, or other industries.

Primary operating geographies are US (50%), UK (40%), South Asia (36.8%), and Western Europe such as France and Germany (28%). However, as expected when one quarter of respondents are organizations with over 5,000 employees, many organizations operate globally. This leads to healthy percentages across Canada, Mexico, the rest of Europe, and Asia, with fewer operating in South America, Central America, Africa, or Oceania.

Where Respondent Organizations Operate



About Willo

Willo is a candidate screening platform that helps companies around the world save time and make more confident hiring decisions.

Our features include:

- One-way video interview platform.
- Ability to ask for video, audio, text, or document uploads from candidates.
- Scorecards to fairly and accurately assess candidate interview responses.
- Customizable branding so the platform looks and feels like your organization.
- Over 5,000 secure integrations from Willo to major HR and ATS platforms.
- [Willo Intelligence](#), the AI-powered tools that give you superhuman hiring powers by instantly searching, summarizing, and surfacing the best candidates, all while keeping you in control of every decision.
- Willo is localized into some of the most spoken languages on earth, including Arabic, Chinese Simplified, Chinese Traditional, Dutch, English, French, German, Greek, Haitian Creole, Hindi, Italian, Japanese, Korean, Indonesian, Russian, Spanish, Ukrainian, and Welsh—with more languages coming soon.
- Identity, DBS, and right-to-work checks globally.

Methodology

Survey conducted from October 21st to December 10th, 2024, shared widely via LinkedIn, paid methods, and embedded into the Willo platform used by thousands of talent professionals. 154 people started the survey; we filtered responses to solely those involved in hiring decisions. N = 106. All numbers in text are rounded to the nearest integer. Numbers to the first decimal point are in charts.

[Learn more about Willo.](#)



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By Rachel Thomson and Stefan Palios
Willo Technologies Limited
20 Woodside Place
Glasgow
United Kingdom