



AI: Value Beyond the Hype



The impact of AI on hiring

With the rise of user-friendly AI tools like ChatGPT, leading businesses are asking, “What does AI mean for us, and how should we adapt?” To help answer this question, Indeed conducted a global survey of more than 7,000 job seekers and HR professionals across seven countries.

The Indeed Global AI Survey found that the majority of HR and TA leaders were optimistic that AI tools would free them to focus on the more “human” sides of their work.

- ➔ Most HR and TA leaders were already using AI (87%) for professional tasks like HR functions, summarizing or analyzing resumes, writing job descriptions or ads, and generating interview questions.
- ➔ Most talent leaders said AI is likely to make their jobs easier and reduce redundant tasks, allowing for more time to upskill, grow in their role, and focus on the human aspects of their jobs.

Though mostly optimistic, respondents definitely had concerns about AI replacing human judgment in hiring—and even replacing their jobs. Not to mention worries over data privacy and security, and replicating bias into the hiring process at scale.

Source: The Indeed Global AI Survey, 2023

Preparing for what’s to come

In 2025, AI technologies continue to evolve and many companies have integrated AI-driven tools into their recruitment systems. However, the concerns raised in our survey are still relevant today, and the industry has gained some valuable insights into responsible AI adoption. With the right strategies, companies are finding ways to integrate AI while minimizing risks and we’re delighted to share these learnings with you in this report.



Chapter 1

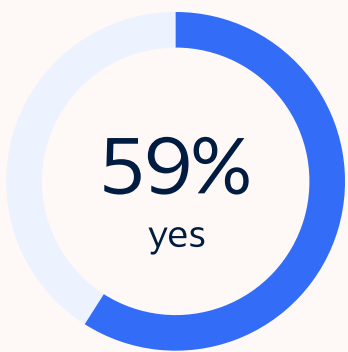
Capabilities and impact of AI



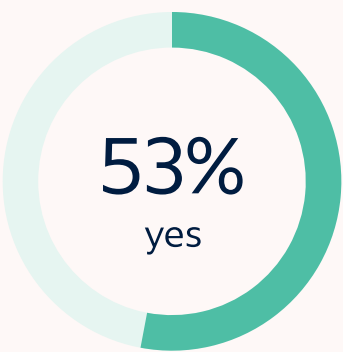
Capabilities and impact of AI

The rapid evolution of AI technologies is transforming the workplace. AI's ability to process large amounts of data quickly and accurately means workers can automate repetitive tasks and extract valuable insights to inform decision-making. However, as AI tools create new ways for workers to be more efficient and productive, they're also stoking fears of an impending mass displacement of human workers.

Do you think AI will replace human workers?



HR/TA leaders



Job seekers

Source: Indeed Data 2023

AI will support, not replace workers

Despite these concerns, research from Indeed suggests AI is more likely to assist workers than replace them. Rather than eliminating jobs, AI's efficiency helps employees focus on higher-level tasks that require human creativity and problem-solving skills.



Assessing AI's skills

Every occupation requires a worker to utilize a mix of skills across three key areas:



Obtaining, retaining, and providing theoretical knowledge related to those skills



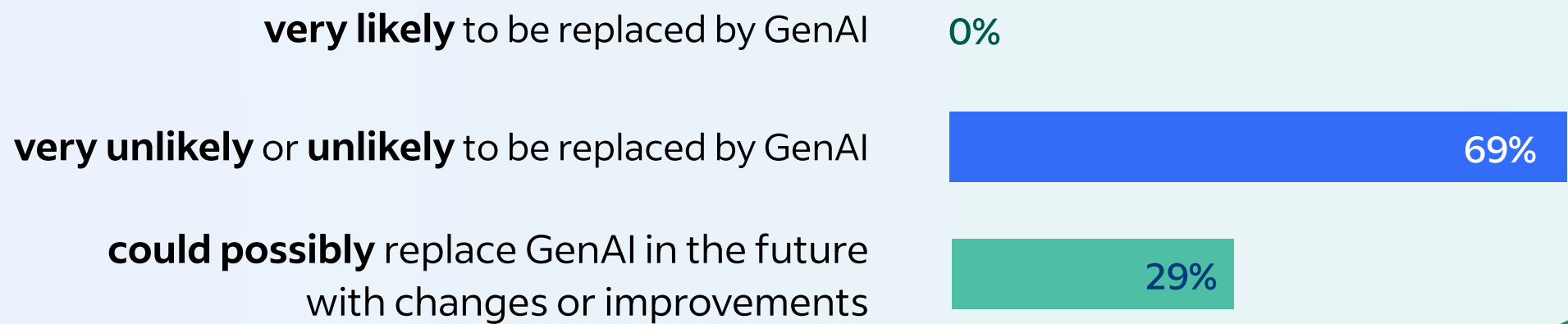
Using those skills to solve problems



Executing those skills, either in-person/ manually or digitally

Indeed conducted an analysis of 2,800 work skills (identified from its hundreds of millions of job postings) by asking OpenAI's GPT-4 large language model to evaluate its own ability to perform the skill across the three dimensions above.

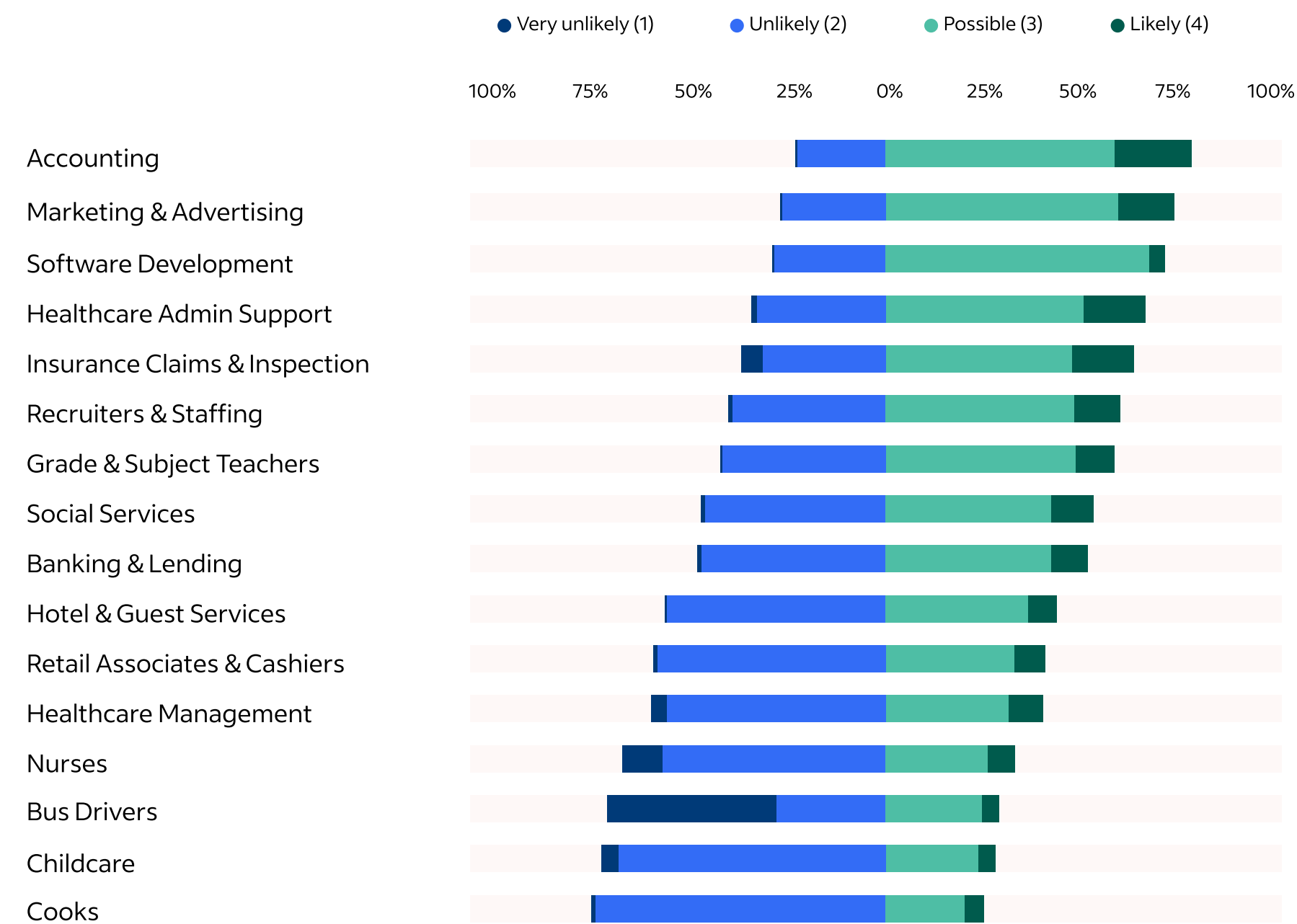
Of 2,800 work skills:



Source: Indeed

Replacement potential by Gen AI across occupations

This chart illustrates the likelihood of GenAI replacing a human in performing various skills, shown as the percentage share of skills in U.S. job postings on Indeed. The replacement potential is rated from very unlikely (1) to very likely (5). Data represents the average of daily values over the past year (August 1, 2023, to July 31, 2024). Accounting occupations have the highest replacement potential, while cooks fall into the lowest category.



Source: Indeed. No skills have been rated as "very likely (5)" for replacement potential.

As it stands today, GenAI is best suited to applying its skills to help with relatively straightforward work tasks that require only modest problem solving and no hands-on execution. Knowledge workers' roles, or those that can be done remotely, are potentially the most exposed to change from generative AI.

AI can help unlock skills-first hiring

One area where AI is having a notable impact is skills-first hiring. Also known as skills-based hiring, this approach focuses on sourcing and evaluating candidates based on skills rather than traditional requirements like degrees, prior positions, and years of industry experience. Using AI to help identify candidates' skills and assess their competencies can lead to more inclusive hiring practices and better job matches

“What’s exciting about skills-first hiring is that it has the potential to solve core employer challenges and open up new opportunities for job seekers who are too often screened out despite having the skills to do the job.”

Liz Voigt
Indeed Senior Manager of Social Impact

Use GenAI to uncover skills-based matches

Generative AI is able to digest, organize and formulate conclusions from large amounts of unstructured data. In the past, applicants would have to include the exact language used in a job description to be recognized as a potential match.

Employee has experience working the register at a café

Employer wants retail point-of-sale experience

Match

As AI models become more capable of identifying skills that constitute a quality match, they offer employers the opportunity to take a more proactive approach to hiring.

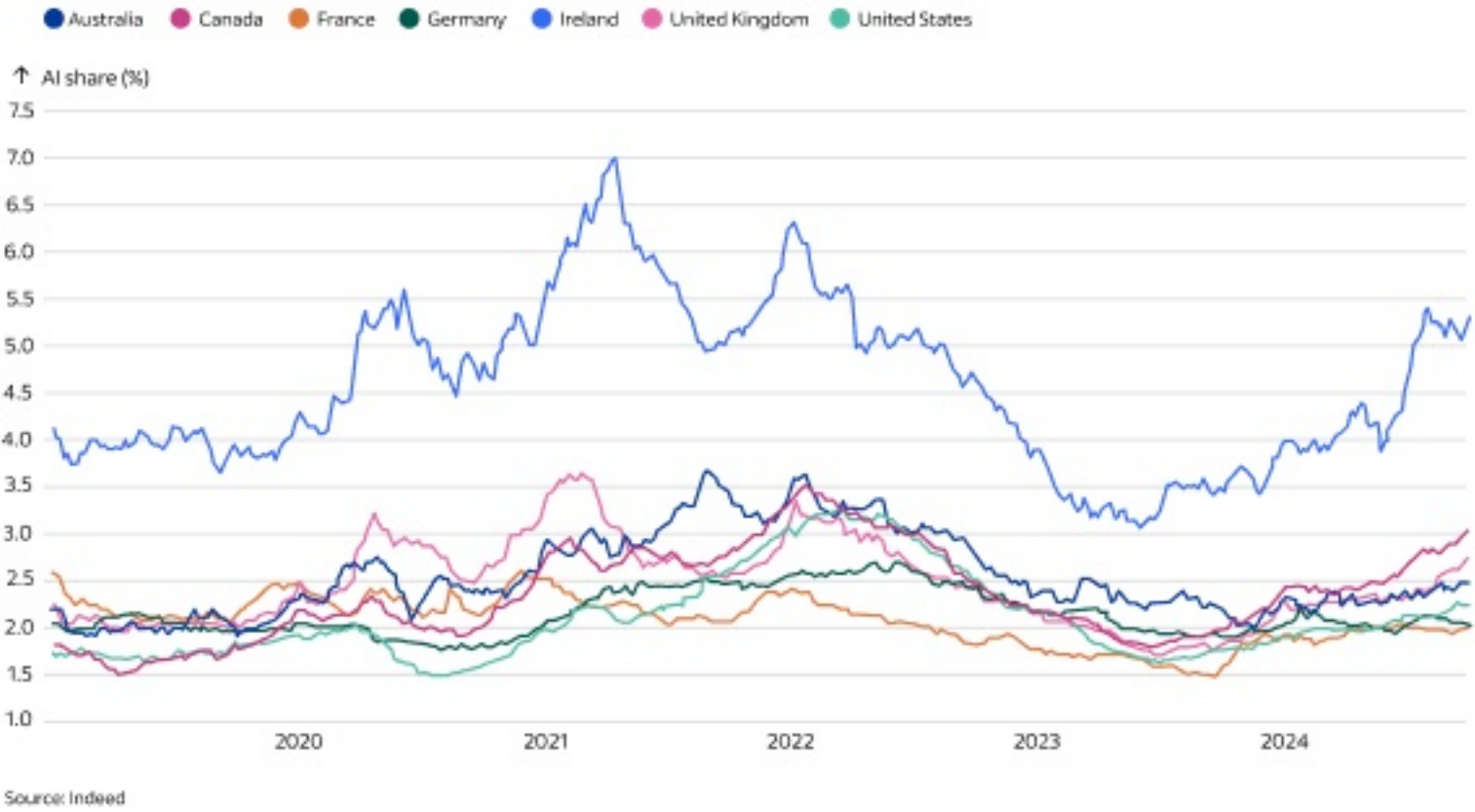
Chapter 2

The job market's view of AI



The job market's view of AI

For all the talk around the impact of AI on the job market, employers are still focusing on in-demand technical skills like basic computer literacy. In an analysis of job postings from 2019 to 2024 across the U.S., U.K., Canada, and France, a substantial share list elementary digital skills among the requirements—a reminder that not all workers possess these skills.

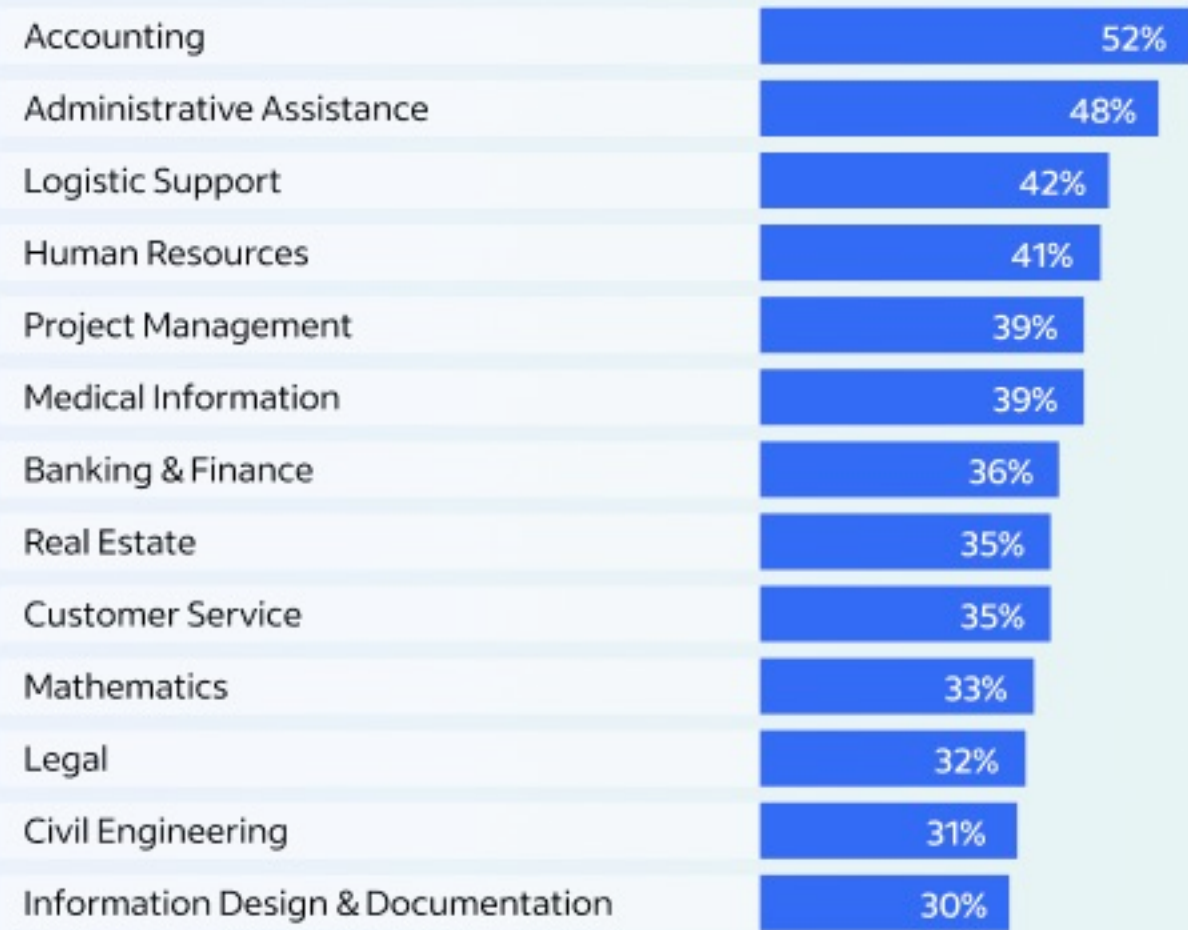


For most countries in our analysis of job postings, the share of AI jobs was only 2–3% of all postings, except for those in Ireland, which has more than 5%.

Basic digital skills are important in a range of occupations

While AI and other advanced technologies are likely to shape the future job market, the current reality is that many employers are simply seeking workers possessing basic computer skills. Office-based job categories have the highest share of postings noting these basic skills, led by accounting, administrative assistance, logistic support, and human resources.

Accounting and admin jobs most likely to list basic digital skills



The share of job postings by occupation mentioning basic computer skills from January 1 to July 1, 2024.

While policymakers are highly focused on the impact of AI, maintaining awareness of basic digital skill gaps is essential, as these gaps exclude many from opportunities and constrain talent pools for employers.

Skills and knowledge in demand

The demand for tech-specific knowledge is rapidly shifting, with AI and machine learning emerging as the most in-demand technologies. Information technology (IT), IT support, and network administration remain common in job postings, while areas like software development with generative AI and cybersecurity are experiencing the fastest growth. Despite the growing demand for machine learning and advanced AI experts, there is still a significant shortage of qualified professionals in these areas.



2%

2% of all U.S. job postings are AI-related



22%

22% of all U.S. software development jobs are AI-related

Source: Indeed Hiring Lab, U.S. job listings as of February 2024

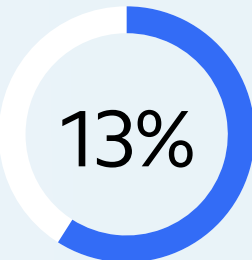
In the U.S. specifically, GenAI-related jobs still account for a small portion of total jobs but are growing dramatically, rising from three in 100,000 job postings in January 2023 to 11 in 10,000 by February 2024. This more than 30-fold increase shows a clear trend toward deeper integration of AI in the workforce.

Employers:



Prepare for a shortage of workers

In most developed nations, the share of the total population aged 25 to 54 is expected to decline. This suggests there will be more workers aging into retirement than entering the workforce to replace them, causing the labor force participation of all ages to fall globally.



more job postings are listed on Indeed today than in February 2020

Source: Indeed

With this trend, we're likely to feel the reality of a labor shortage by early 2026, if we're not already. Using AI to do more with less will be what helps teams across all industries overcome the impending labor shortage.

Workers:



Future-proof by upskilling

There's significant potential for GenAI to continue learning and one day replace humans for certain skills, but meaningful changes in digitalization and working norms will need to happen first. As such, it's likely that deep, diverse, and uniquely human knowledge will stay in high demand. However, a person's capacity for on-the-job adaptation and lifelong learning, already critical today, will only become more important tomorrow.

Chapter 3

Strategies for adopting AI in hiring



Strategies for adopting AI in hiring

Integrating AI into your hiring process requires a thoughtful approach that aligns with your organization's goals and values. Rather than implementing AI just to follow trends, it's important to see these tools as a way to enhance efficiency within your organization's specific goals while keeping the human element central to recruitment. However you decide to proceed, make sure you understand the systems you're deploying and select vendors who can provide solutions that won't leave you exposed to ethical, legal, or operational risks.



1 Carve your own path

When adopting new AI technology, don't compare your progress with others. Take your time choosing AI recruitment tools that work for you, and then support adoption gradually. Start by picking one process that shapes your day-to-day and automating it, prioritizing progress over perfection.

2 Reevaluate your current recruiting tools

Before spending on new tools, focus on maximizing the impact of the tools you already have. Is there embedded technology you're not taking advantage of yet or that you could use more effectively? Ask new hires for their opinions. As outsiders, they may be able to offer fresh insights to help you pinpoint opportunities for improvement.

3 How to get buy-in on new AI tools

One of the biggest hurdles to implementing AI in talent acquisition is getting individual recruiters to use these tools consistently. Introduce AI tools gradually through pilot programs, involve diverse teams across silos from the beginning, and provide open channels for feedback.

4 Balance automation with a human experience

While AI can boost hiring efficiency and results, keeping a human touch is crucial. Think of AI as a recruiting “assistant,” similar to another colleague acting as an initial reviewer in the sourcing process while humans make the final decisions and interactions.

5 Measure the impact of AI recruiting tools

Metrics play an important role in evaluating the effectiveness of AI in recruiting. Despite technological advancements, the primary indicators of success in the hiring process remain the same: quality candidates, conversion rates, and candidate satisfaction.

6 Don't expect perfection

You may try an AI initiative that doesn't ultimately work. That's okay. Mistakes come with experimentation and innovation. Human diversity and critical thinking will help your teams evolve from these mistakes and prevent them from happening again.



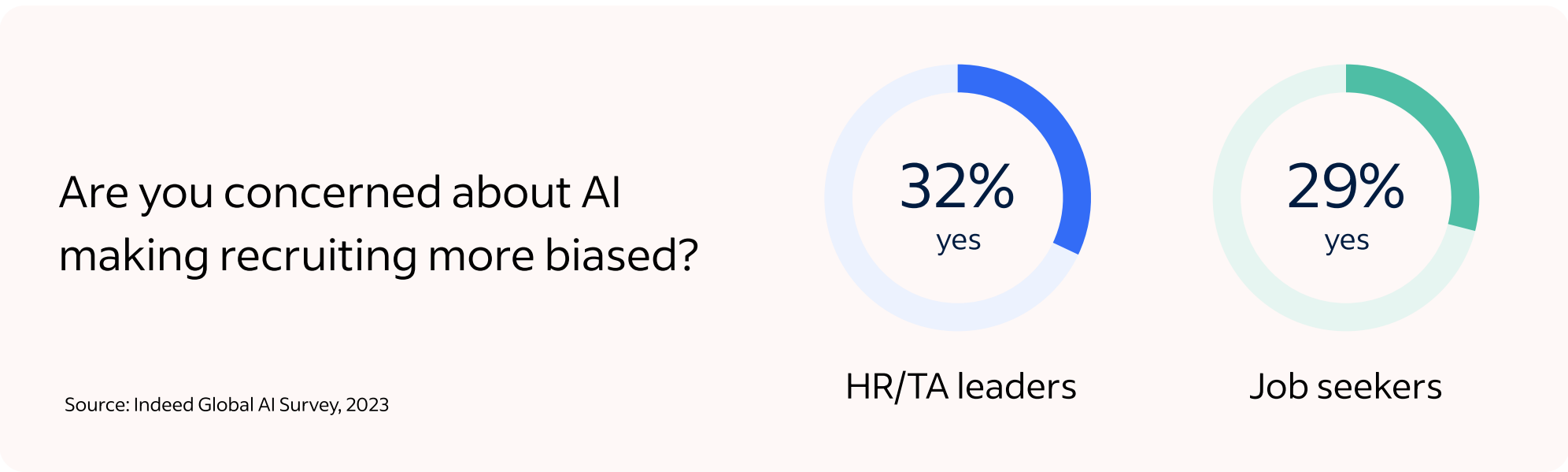
Chapter 4

Using AI responsibly in hiring



Using AI responsibly in hiring

Most talent professionals understand the potential for improved efficiency that AI technologies offer. As we've seen, many are already using AI tools to help them with repetitive day-to-day tasks. However, there is also a significant concern that these technologies may also make the hiring process more biased.



“When we allow AI to communicate in the way it has learned from the world at large, it replicates all kinds of bias.”

Abby Holtfort
Indeed Workplace Operations Coordinator and iPride & Gender Identity Co-Chair

Further DEIB goals with AI

When implemented correctly, AI tools can help companies achieve their diversity, equity, inclusion, and belonging (DEIB) objectives by ensuring employers evaluate workers based on objective metrics rather than subjective factors.

They can use AI to:

- ➔ Review job descriptions to ensure that the language is inclusive.
- ➔ Develop localized versions of HR resources, like training content in different languages.
- ➔ Uncover systemic HR issues. For example, if your company uses AI to sift through open responses to employee surveys, it might discover that concerns about flexibility are concentrated among female employees. This could perhaps lead to a new “core hours” policy for not scheduling meetings during times when parents take kids to and from school.
- ➔ Identify people within your organization who could be ready for advancement. This can create more diverse internal pools of candidates for future opportunities than relying purely on the social profile or visibility of candidates.
- ➔ Focus on skills and capabilities, rather than traditional resume items such as degrees or previous industry experience, to better evaluate candidate potential and suitability.

How AI can undermine DEIB progress

It must be noted, however, that because humans create AI systems, some can unintentionally carry human biases that may undermine DEIB efforts. AI tools are trained on vast data sets that can include data which can contribute to stereotyping or exclusion. Know that these inputs may influence even the simplest tasks you entrust to AI.

Are you concerned about bias in AI training data?



HR/TA leaders



Job seekers

Source: Indeed Global AI Survey, 2023

Even something as straightforward as asking a generative AI tool to develop best practices for interviewing may be susceptible to bias. Depending on the role, those interview tactics could be unintentionally skewed toward groups that have historically been part of those interview conversations to begin with.

The risk of complacency

Beyond bias, over-reliance on AI can create another negative outcome: complacency. For instance, an AI tool may show that a company is hitting its DEIB goals without asking deeper questions about where underrepresented groups actually sit in the corporate hierarchy.

Best practices for responsible AI use

It's essential to regularly audit and refine our AI tools to ensure they align with DEIB goals and contribute to fair, unbiased hiring practices. Here are some tips for maintaining the integrity of your hiring process as you integrate AI technologies into your systems:

- Have an employee who is aware of inclusive hiring practices check AI-generated job descriptions before posting.
- Write holistic and inclusive equal opportunity employer statements that cover more under your policies than what is legally required.
- Take the time to assure marginalized groups they are encouraged to apply, and translate that into your hiring practices.
- Consider forming an AI ethics committee to define organizational AI principles, set guidelines for ethical AI use, and regularly assess the implementation of new technologies.
- Offer your teams adequate education and training to leverage generative AI technology responsibly and safely in the course of their jobs.



Responsible AI is a tool for growth

Based on current trends, generative AI jobs will soon represent a substantial portion of the job market. However, while AI brings opportunities for increased productivity and efficiency, it also presents challenges—particularly around bias, data privacy, and job displacement.

As businesses consider AI adoption, it's important to approach it thoughtfully and strategically as a tool for growth, rather than a force of disruption. By integrating AI into recruitment processes in a responsible way, businesses can enhance their capabilities, improve hiring outcomes, and future-proof their workforce.

“

We often think about things we can automate, but technological innovation enables new things to happen that you haven't done yet. The question to ask is: 'What couldn't we do before that we can do now with access to new tools?'"

Trey Causey
Indeed Senior Director of Responsible Technology





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