

Table of Contents



Get AI Recruiting Software



Talent Management

Human Resources

State of Employee Recruitment Report

77% of HR Leaders Plan to Expand Recruitment in 2026
The Data Shows Why — and What to Expect

 Article



 Speak now

I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

I'm looking for support

Ask a question...  

This chat may be recorded for quality assurance.
You can view our privacy policy [here](#).

Hiring has always been competitive. But the scale has recently changed. A single job posting now routinely draws hundreds of

Request a Demo

applications. Candidates are applying to more roles than ever, and recruiter inboxes have outpaced recruiter bandwidth. Candidates are applying to more roles than ever, and the volume hitting recruiters' inboxes has grown faster than the teams responsible for sorting through it.

Applicants are using automation to write their resumes. Recruiters are using it to screen them. The hiring process has become increasingly AI-to-AI. That dynamic is creating pressure to add human judgment back into the places it matters most, from structured interviews and [one-way video screening](#) to candidate engagement and background verification.

Paylocity surveyed over 1,000 U.S.-based HR and recruitment leaders to find out where things stand. Automated hiring tools have crossed from experiment to expectation, and the leaders using these tools most extensively are also the most likely to cite missing qualified candidates as their top challenge — a tension the data surfaces clearly.

Confidence in these tools is high but not unconditional. Most leaders trust automated screening to treat candidates fairly. Their bigger anxiety is the tools are filtering out strong candidates they've never seen.

Developing a thoughtful [recruiting strategy](#) that balances the speed of moving candidates through the process with the quality of who ends up in the role. It also means being clear about what these tools are and aren't catch

I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

Key Takeaway

- Nearly all HR leaders (91%) say AI helped them with managing their current application volume, and almost as many (89%) say it's helped them find better candidates in the process.

This chat may be recorded for quality assurance.
You can view our privacy policy [here](#).

[Request a Demo](#)

- AI is saving 43% of recruitment teams at least 6 hours every week, or nearly a full working day freed up.
- Despite strong results, the work isn't done: 77% of leaders plan to expand their use of AI in recruitment over the next 12 months.
- 85% of leaders are confident their AI tools treat candidates fairly, yet their top challenge is qualified candidates getting screened out before a human ever sees them (26%).

Most HR leaders say AI is helping them find better candidates

Hiring automation in recruiting is now near-universal. 91% of leaders surveyed report active use somewhere in their recruitment process, and those remaining plan to adopt within the next 18 months.

The high-usage stages are process-heavy and repeatable: resume screening (67%), followed by interview scheduling (59%), and job description writing (57%). The two at the bottom, candidate engagement and interviews (both 35%), are where a wrong signal carries real consequences.



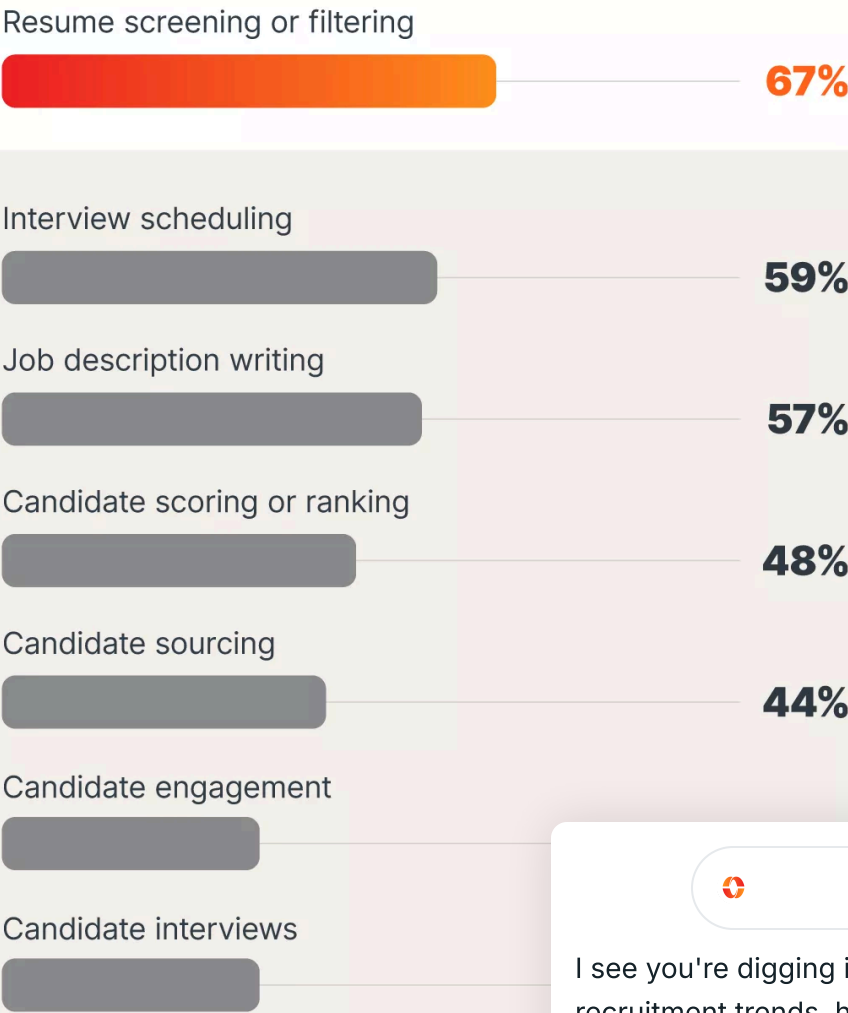
I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

This chat may be recorded for quality assurance.
You can view our privacy policy [here](#).

[Request a Demo](#)

Where organizations are using **AI in recruitment**

% of HR leaders using **AI at each hiring stage**



**Respondents were able to select more than one answer*
Source: Paylocity State of Employee Recruitment Survey

I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

That caution reflects a shift in how recruiting role. Automated tools handle the volume work who's actually worth a conversation.

The increased volume drives this change in philosophy. More than 9 in 10 of leaders say AI is essential to managing their current

Request a Demo

application volume, and 71% suspect more than half of the applications coming in were written with generative tools. The front end of the hiring funnel has been fundamentally reshaped, and teams that rely on [AI recruiting](#) tools to manage it aren't doing so by choice as much as by necessity.

Pressure isn't easing up anytime soon. Hiring remains active across the board: 46% of organizations hire in planned growth waves, 28% hire occasionally for backfills, and 26% are almost always hiring due to continuous demand and high turnover. Continuous churn hits the hardest for high-volume industries like manufacturing, retail, and hospitality, where front-line turnover requires immediate and ongoing recruitment.

And as hiring continues at that pace, the margin for mistakes narrows. When headcount is limited and every open role matters, getting the right person in the seat the first time becomes mission-critical.

Finding better candidates and worrying about missed ones aren't mutually exclusive. Automated screening doesn't fail by surfacing bad candidates. It fails because it never surfaces certain good ones. The leaders reporting strong results are working with AI, and most of them know it.

HR leaders say they trust their tools to evaluate candidates regardless of background while admitting the biggest challenge is filtering out the best candidates

85% of leaders say they trust their tools to evaluate candidates regardless of background.

But that confidence sits alongside something else.

When asked about their biggest challenge with AI in recruitment, 26% of leaders pointed to missing qualified candidates that AI screened out ahead of bias concerns (16%), compliance and regulatory risks (16%),



I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

This chat may be recorded for quality assurance. You can view our privacy policy [here](#).

[Request a Demo](#)

loss of control and transparency (11%), and candidate trust and drop-offs (11%). Only 21% reported no major challenges, meaning 4 in 5 leaders are actively navigating at least one issue with their AI tools.

Leaders trust AI to speed up screening. What worries them is the shortlist they never get to see.



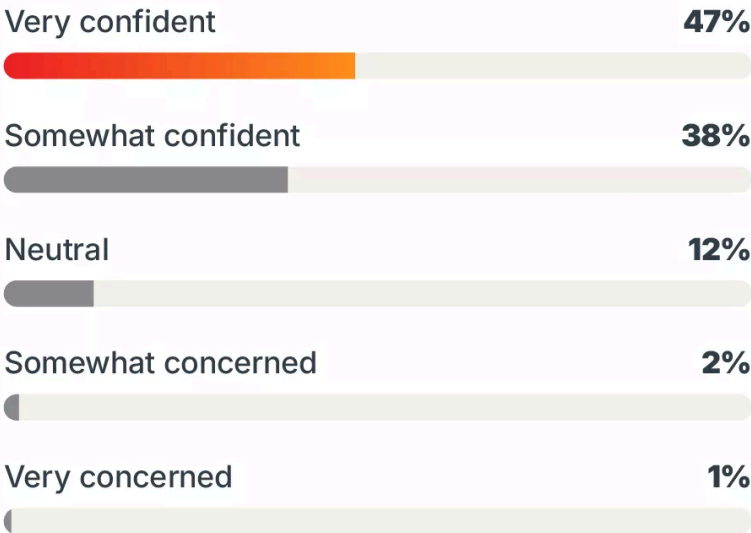
I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

This chat may be recorded for quality assurance.
You can view our privacy policy [here](#).

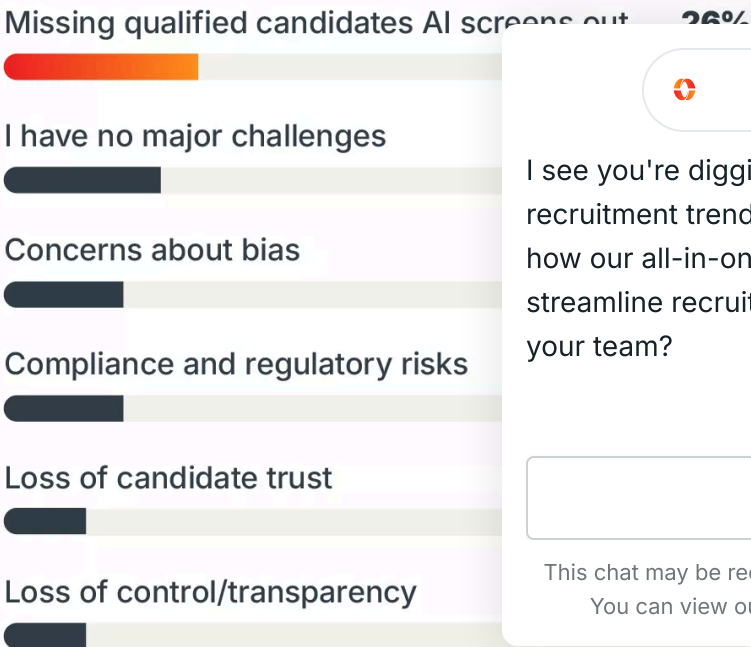
Request a Demo

HR leaders' AI confidence vs. their biggest challenges

Confidence that AI treats candidates fairly



Biggest challenge with AI in recruitment



I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

This chat may be recorded for quality assurance. You can view our privacy policy [here](#).

Request a Demo

Most recruiting teams operate across multiple tools (AI screening, ATS, sourcing platforms, scheduling systems, etc.), each optimizing for a different signal. With multiple tools in play, teams lose a clear view of why candidates drop out at each stage. A resume clears one filter, stalls in another, and never makes it to a human inbox. By the time a shortlist lands, no one can say exactly why half the candidates are gone.

The visibility gap is pushing the industry toward recruiting technology that can show its work: tools that surface not just who they recommended, but why. Paylocity's approach to job-candidate matching is built around transparency, giving recruiting teams the explainability they need to make confident decisions and catch what automated filtering might miss.

The [candidate experience](#) is also directly affected. When teams can see why candidates are being filtered out, they can start identifying where drop-offs happen and why acceptance rates shift. Visibility into the candidate pipeline makes the rest of the data actionable.

AI is saving 43% of recruiters a full working day every week

The numbers behind recruiter workload don't tell the whole story. Applications per hire tripled between 2019 and 2024, and recruiting teams now interview 36% to 52% more candidates than they did five years ago, according to [Ashby+](#). The recruiter workload problem has been compounded by AI.

That context makes the time savings data look even more impressive. Recruiters say AI saves their recruitment teams an average of 43% of a full working day every week, equivalent to a full working day. The question is, where those hours are going and what recruiting teams are getting in return.



I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

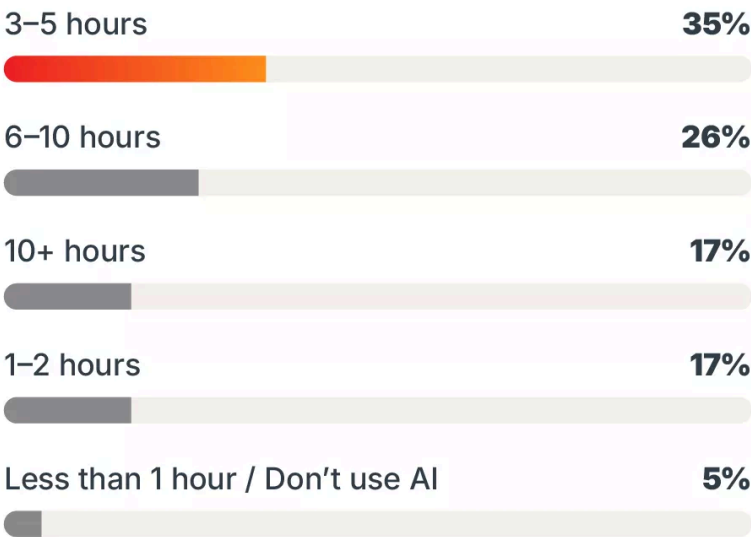
This chat may be recorded for quality assurance. You can view our privacy policy [here](#).

[Request a Demo](#)

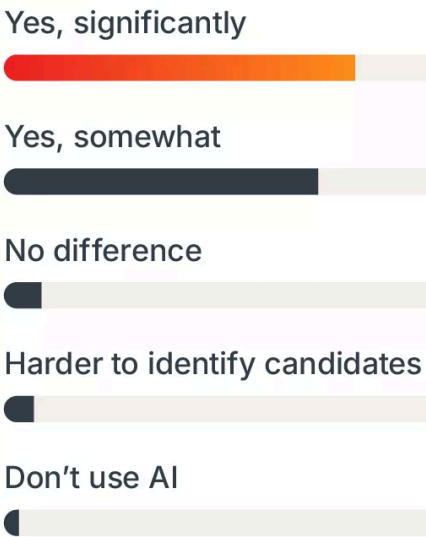
AI is saving recruiters hours every week — and surfacing better candidates

For teams managing hundreds of applications, **every hour recovered matters.**

Hours saved per week



Has AI helped find more qualified



I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

This chat may be recorded for quality assurance. You can view our privacy policy [here](#).

2%

Request a Demo

Source: Paylocity State of Employee Recruitment Survey



89% of leaders say AI has helped them identify more qualified candidates. The survey also found that missing qualified candidates remains the top challenge (26%).

Recruiting automation is surfacing better candidates from the pool it sees, but leaders aren't fully confident without knowing who isn't making it into the pool. Better pre-employment screening processes help close that divide, but only when teams have visibility and control into where filtering happens.

The visibility problem is compounded by the volume problem, which has grown faster than the teams responsible for managing it. 71% of leaders suspect most or nearly all applications coming in were written with AI assistance. When that's the baseline, screening at human-only speed stops being viable. A recruiter saving 6+ hours a week is just staying afloat with the increased volume.

It's no surprise, then, that investment in these tools is accelerating. 77% plan to expand their use of AI in recruitment over the next 12 months. Teams are doubling down on the tools that work.

What the data means for hiring in 2026

In the early 2020s, a recruiter's job was finding talent. Now, the inbox is full and the job is figuring out who to talk to. Conversation. It's a harder problem with less data.

Before, the challenge was limited candidate volume. Now, it's sourcing talent. Operational bottlenecks — too many steps, too much work — were the primary friction points. Now, it's managing an overwhelming candidate volume and difficulty in differentiating talent. The holdups are decision-based: signal clarity, trust in the data, and visibility into what's being filtered out. Automated hiring



I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

This chat may be recorded for quality assurance.
You can view our privacy policy [here](#).

[Request a Demo](#)

addressed the first set of problems well. The second set is where the work is still happening.

The leaders navigating this shift are making decisions now about which tools to trust and, increasingly, the teams getting it right are moving toward unified recruiting systems with end-to-end visibility rather than stacking point solutions that each optimize for something different.

That integration is what makes the data usable. To make AI adoption trustworthy, the next phase of AI in recruiting must be building visibility and human oversight.

Paylocity's [acquisition of Grayscale](#) in April 2026 brings AI-powered candidate engagement directly into the platform, addressing two of the gaps this data surfaces most clearly: the stages where AI adoption is lowest and the high-turnover environments where speed and consistency matter most.

See how [Paylocity](#) connects HR and hiring workflows on one platform, giving recruiting teams end-to-end visibility into the candidate pipeline.

Methodology

The survey was conducted by Centiment for Paylocity and was fielded from May 7–14, 2026. Results are based on responses from U.S.-based managers and executives across all levels over talent acquisition, recruitment strategy and technology across organizations with 100 or more employees. The survey included roles in Human Resources, Talent Acquisition, HR Technology and Executive Leadership across a range of industries. The margin of error is approximately $\pm 3\%$ at the 95% confidence level.



I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

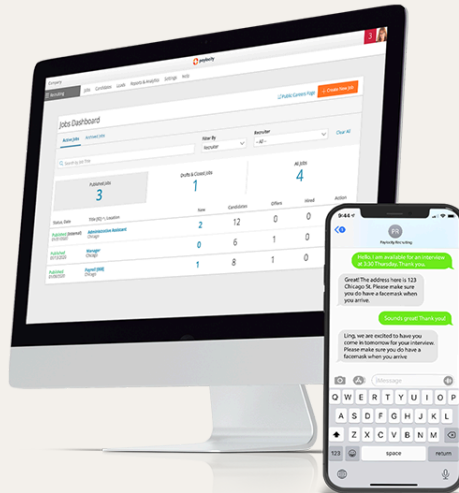
This chat may be recorded for quality assurance. You can view our privacy policy [here](#).

About the Author

[Request a Demo](#)

**Paylocity Editorial Team**

Paylocity



Smart recruiting

Attracting top talent is crucial today. Our recruiting tool streamlines processes using data and modern communication.

Recruit talent

I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

This chat may be recorded for quality assurance.
You can view our privacy policy [here](#).

Request a Demo



Request a Demo

Demo our unified platform



Email Address

Request a Demo



paylocity
Forward Together.

Who We Serve

Small Business
Midsize Business
Enterprise
Industries
Partners

Platform

HR
Finance
IT

Services

Elevate Solutions

HR

Payroll
Global Payroll
Human Resources
Time & Labor
Talent
Benefits
Employee Experience
Talent Management

Why Paylocity

Reviews and Ratings
Case Studies
Compare

Finance

Expense Management
Software
Corporate Cards



I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

This chat may be recorded for quality assurance.
You can view our privacy policy [here](#).

Request a Demo

Resources

Guides

Podcasts

Webinars

Events

Tax & Compliance Resources

Year-End Resources

Product Training Courses

IT

Asset Management

Access Management & Identity

Company

About Us

Careers

Investors

Newsroom

Our Culture

Serving You

Protecting Our Clients

Awards

Leadership

Capabilities

Integrations

AI

Mobile

Workflows

Reporting & Insights

Contact Us

Client Support

Partner Form

Request a Demo

Pricing

Increase Contrast

in

X

f

I

▶

o

Copyright © 2026 Paylocity | All Rights Reserved | Privacy Center | Ter

I see you're digging into employee recruitment trends, how about exploring how our all-in-one platform can streamline recruiting and onboarding for your team?

This chat may be recorded for quality assurance. You can view our privacy policy [here](#) .

Request a Demo