

Early talent in peril

How HR can strategically select and develop the workforce of tomorrow



Featuring insights from:



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Background

Everyone remembers their first job. The nerves of the first interview, the excitement of a first paycheck. That first job served as a critical first step into the workforce: a way to build skills, confidence, and career momentum.

But what happens when AI takes on the mundane and repetitive tasks historically assigned to entry-level workers? This was the question we started asking when we published our [Future of Work Predictions](#) report in October of 2025.



Since then, we've watched entry-level jobs become increasingly hard to find, bringing this question into sharper focus. Early talent candidates report spending months applying to hundreds of roles with little success. At the same time, for the roles that are available at the entry level, HR teams are overwhelmed by increasing applicant volume, struggling to distinguish real signals of fit and potential in a market increasingly shaped by AI-generated resumes and applications.

With this as our starting position, we sought to understand a growing contradiction. Organizations are deeply concerned about the shifting nature of work and future skill shortages. And yet, opportunities are disappearing for the segment of the workforce that is most eager to learn and unburdened by the knowledge of how things were done in the past. Through this research, we propose a reset of the business case for investments in early talent, revealing actionable strategies for HR professionals to select and nurture the next generation of talent.

For the purposes of this research, “early talent” is defined as those with 0-5 years of professional experience.

Insights generated from SmartRecruiters system throughout this research are indicated by footnote 1.

Insights generated from the Findem platform throughout this research are indicated by footnote 2.

Methodology

To answer this key question, we took a multi-method approach, including semi-structured interviews with 15 HR leaders and a global survey of 1,344 early talent workers and 441 early talent job seekers. This research also included data insights from both SmartRecruiters¹ and Findem².

About SmartRecruiters, an SAP company

[SmartRecruiters](#) is an AI-powered end-to-end recruiting platform. For this research, insights were based on anonymized and aggregated platform data across 1,310 organizations and 1,220,758 early-talent requisitions from 01/01/2020 to 02/19/2026.

About Findem

[Findem](#) is the AI platform built for talent outcomes. Its Labeling Engine transforms billions of unstructured people data points into verified Success Signals. For this research, Findem contributed proprietary data on early-career talent pipelines, entry-level hiring trends, and workforce mobility patterns drawn from more than 850 million professional profiles.



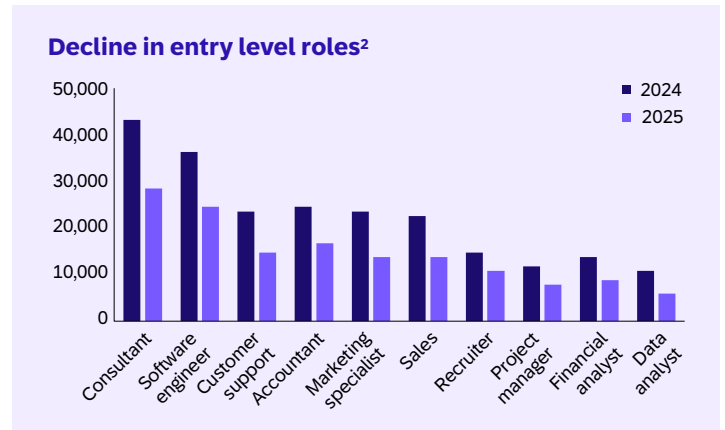
Current state of early talent job market

The early talent job market has entered a period of profound strain. Roles that traditionally served as entry points into the workforce are contracting at the same time as application volume for new job seekers is surging, creating a competitive and often discouraging environment for new entrants.


Across all jobs and industries, the total share of open jobs at the entry level has **declined 10%** since 2021¹. When sub-setting to just the 10 most common entry level job titles, job openings **declined 35%** within a one-year period from 2024 to 2025².

This slowdown is already having a measurable impact on outcomes for new graduates. Since 2021, the share of new graduates able to secure a job within their graduation year has dropped by **10%**².

On average, early talent job seekers now spend **eight months** searching for roles, dedicating approximately **64 hours per month** to applications and submitting an average of **48 applications** per month. From start to finish, this equates to **512 hours spent applying to roughly 384 jobs** before successfully securing employment.



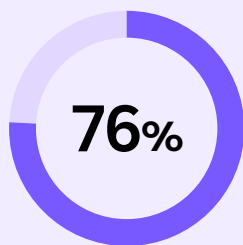
How much effort does it take for early talent to find employment today?

 **8 months**

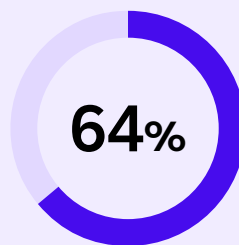
 **512 hours**

 **384 applications**

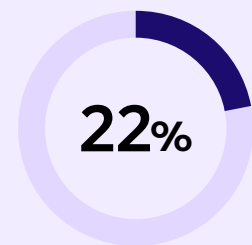
Early talent job seekers are experiencing heightened psychological strain, with nearly **three-quarters (73%)** of early talent job seekers reporting “substantial stress” during their job search. These market conditions suggest that early talent may be at elevated risk of burnout before they even start their first day of work. When asked what they attribute to employment challenges, top responses from early talent include:



Poor job market conditions



Lacking relevant work experience



Lacking required credentials

The impact of AI on the early talent job market



HR leaders suggest that declines in early talent hiring are largely tied to broader business factors such as hiring freezes, budget constraints, and uncertainty around the return on investment of early talent hiring. Although leaders today did not cite AI as a primary reason for reducing entry level roles, the growing uncertainty around the future need for entry-level workers, combined with strong pressures to reduce costs, suggest a more indirect impact of AI on the early talent job market today.

AI is having a direct impact on how early talent finds work, with 52% of current job seekers reporting that they use AI to help them in their job search process. While the most common candidate uses of AI may be permissible or even encouraged (for example,

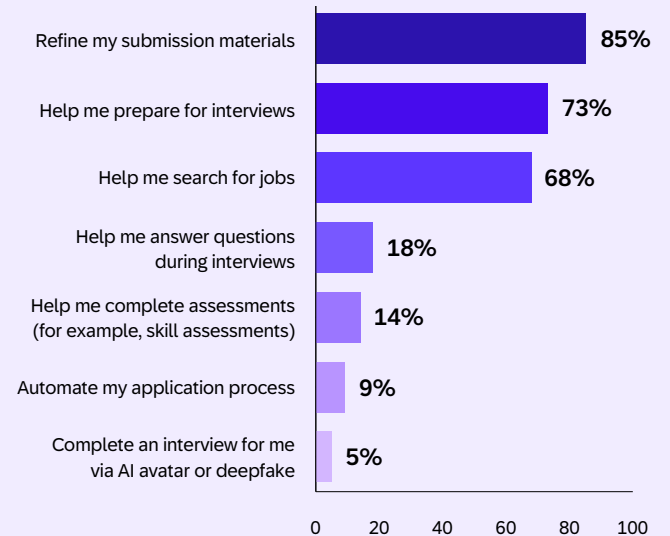
refining CVs), some candidates are also leveraging AI in more nefarious ways, such as using it to complete assessments (14%) or having AI complete interviews on their behalf (5%).

As candidates struggle to find employment and turn to AI to help refine and automate their applications, HR teams now have even greater difficulty managing and differentiating candidates. The number of applicants per early talent job opening has increased **2x** since 2021¹, and HR leaders cite candidate pipeline management **as their number one challenge** in early talent recruiting; noting the lack of high-fidelity signals to reliably infer and differentiate skills, potential, and organizational fit.

“ We may eventually pause hiring for some entry-level roles, but we are still waiting to see the ROI of our AI investments. ”

HR Strategic Programs Lead, Utilities organization

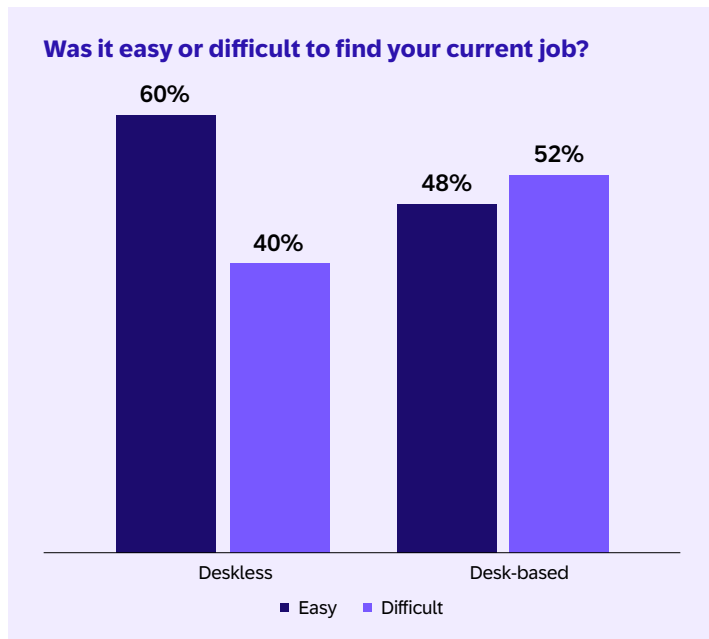
Candidate AI use



Variations in the early talent job market

While finding a job is especially difficult now, not all early talent applicants have the same experience. Today, the largest concentration of early talent hiring is within the **consumer products, retail, and hospitality** industries¹.

Additionally, early talent in deskless roles, such as frontline and service-based positions, are experiencing a comparatively stronger job market. This relative ease of job access suggests that demand for hands-on, location-based work remains resilient to automation pressures, providing more immediate opportunities for early entrants.



However, this advantage is not without tradeoffs. Deskless early talent is **13% more likely to report burnout at work and 11% more likely to report poor financial wellbeing**, highlighting that stronger labor demand does not necessarily translate into more sustainable or healthy work experiences. While deskless jobs may be easier to secure, they can be more physically demanding, provide lower compensation, or offer fewer long-term development pathways.

It appears those specifically educated in a **skilled trade** find themselves best positioned in today's market, reporting they are **35% more likely** to have an easy time finding employment, but **without** the relative hit to mental or financial wellbeing.



Early talent readiness

As the early talent job market becomes more competitive, questions of early talent readiness also come into focus.

Only **52% of early talent** report feeling that their education adequately prepared them to find employment. Employers also expressed concerns about readiness gaps and described deficiencies across two key areas:



Foundational business skills

Professional communication, email writing, time management, understanding of professional norms and processes



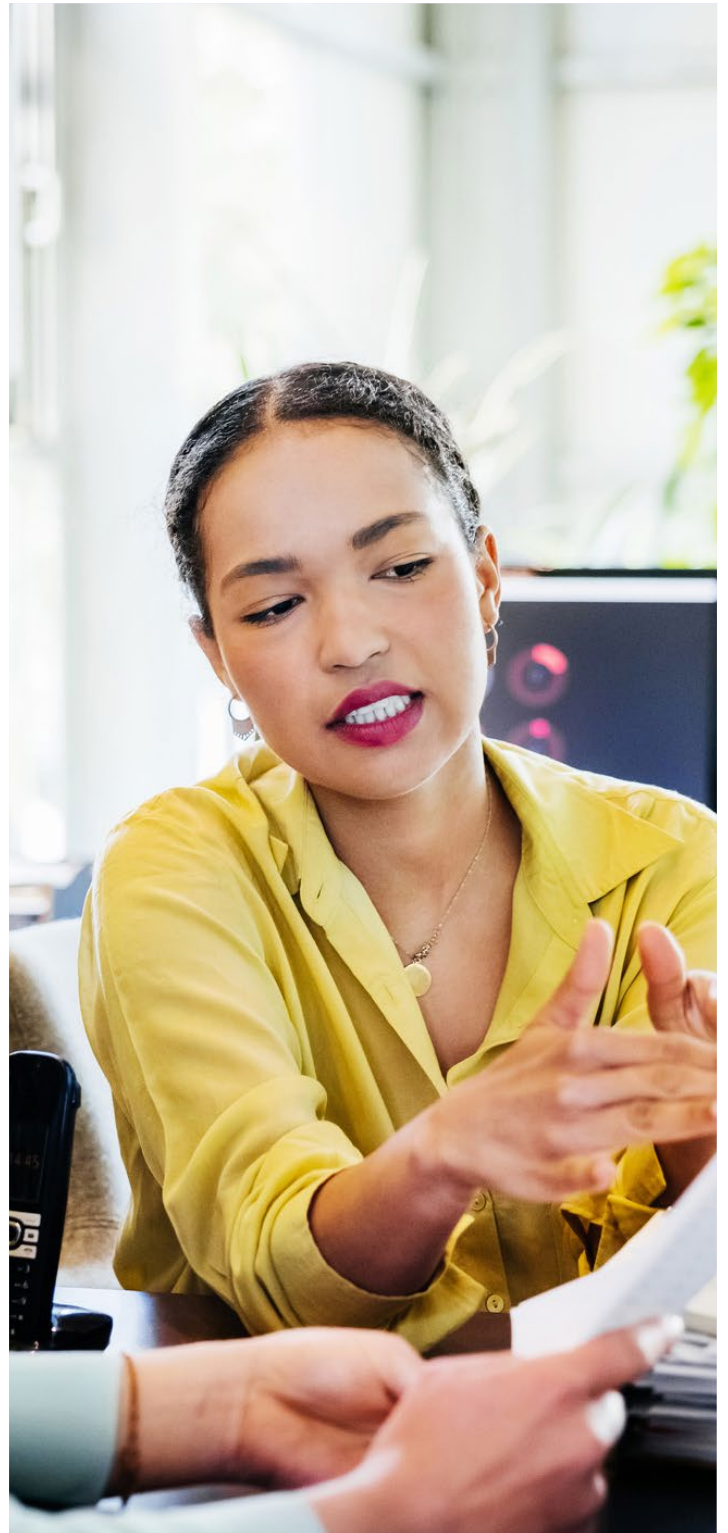
Soft skills

Critical thinking, adaptability, resilience, discipline, patience

Leaders consistently emphasize that these gaps make it difficult to assess early talent potential, and call into question early talent's ability to transition into professional environments.

“The gaps are huge. There needs to be a better match between the skills businesses need and what institutions teach.”

L&D Leader, Travel & transportation organization




The importance of work-based learning




Across both early talent and HR perspectives, **work-based learning (WBL)** consistently emerges as one of the strongest indicators of readiness and employability. **Eighty-one percent** of early talent say that WBL experiences helped them be more competitive on the job market.


What early talent says would have helped prepare them:

 **#1 WBL**

“WBL would have helped us understand how jobs actually work and feel more prepared.”

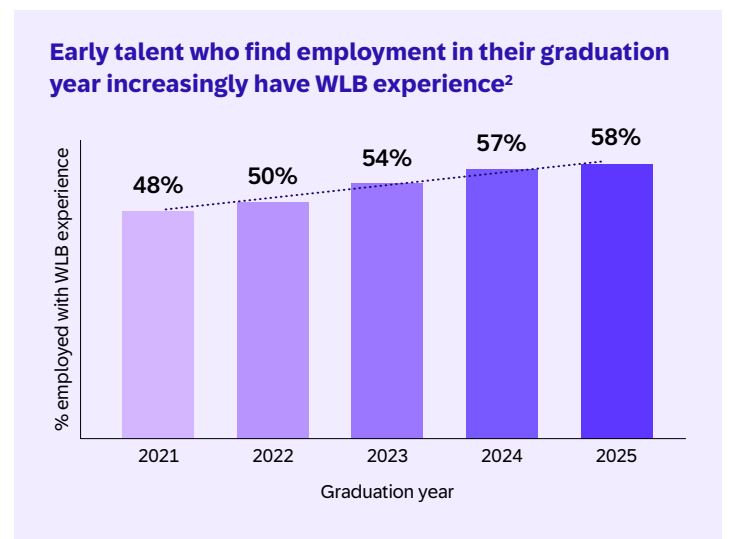
 **#2 Foundational work skills**

“We should be taught the basics, like how to write an email and programs like Excel.”

 **#3 More practical instruction**

“We needed more work with practical relevance; it was all very theoretical.”

Participation in WBL, such as internships, have been increasingly associated with improved job placement outcomes². Some early talent (15%) have also started turning to the gig and contractor market as another form of WBL, with “building my skills and work portfolio” cited as a primary motivator for engaging in gig work. These experiences help early talent translate theoretical knowledge into applied skills, build confidence navigating workplace environments, and help them develop clearer professional identities.

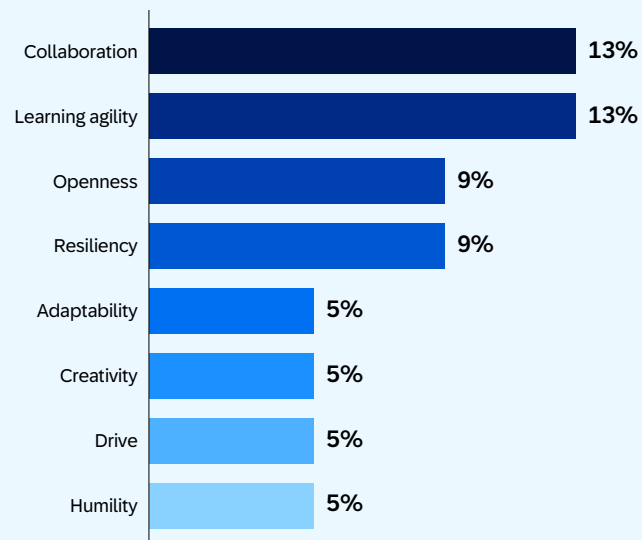


Importantly, HR leaders view WBL favorably, particularly as a signal of adaptability, exposure, and readiness. Some HR leaders even expressed that gig or contract-based work may become a primary pathway to full-time employment for early talent in the future. In a crowded market where resumes offer limited differentiation, applied experience provides clearer evidence of capability and potential.

What is HR prioritizing in early talent hiring?

When asked what they look for in early talent, HR leaders consistently emphasize **soft skills and personality traits** over technical depth. Leaders shared that technical skills can largely be taught on the job, while qualities such as adaptability, resilience, collaboration, creativity, drive, and openness are viewed as more enduring indicators of long-term success.

What capabilities are you prioritizing for early talent hiring?



Numbers represent the % of 56 total listed capabilities

However, in practice there seems to be a gap between what capabilities HR claims to prioritize and who actually gets hired. Employed early talent profiles consistently demonstrate **deeper specialization in technical and domain-specific skills**, while unemployed early talent profiles show higher prevalence of **generalized soft skills** and **basic workplace competencies**².

Comparing the profiles of employed vs. unemployed early talent²...



Employed

Deeper specialization in technical skills and domain expertise

Example – software engineer:

19% increase in Python skills

21% increase in SQL skills

14% increase in data analysis skills



Unemployed

Higher signaling of soft skills and basic work skills

Skills with higher prevalence on unemployed profiles:

Communication, leadership, teamwork, and Microsoft 365 apps such as Excel and PowerPoint

At the core of this contradiction is likely the challenge of capability signal detection. Soft skills are difficult to assess, easy to claim, and widely listed on resumes, particularly among early career candidates who lack extensive work history. As a result, these attributes provide limited differentiation at scale. So, while soft skills may be viewed as foundational requirements, they are **not sufficient differentiators** in a crowded early talent market.

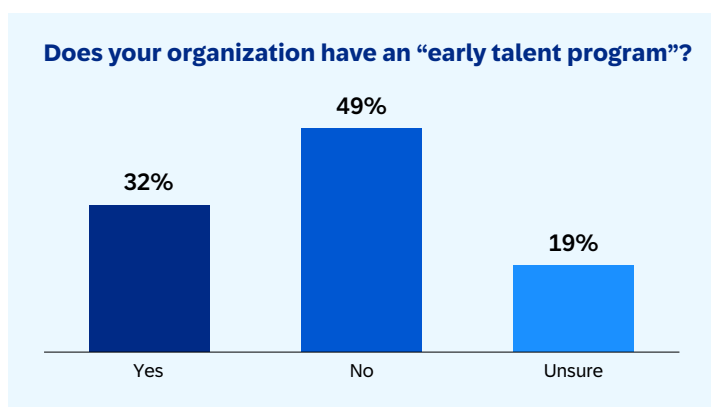
“ We can always teach them the technical skills, so we really try to prioritize soft skills and strategic fit with our business. ”

Careers & Pathways Manager,
Mill product and mining organization

What is the current experience of early talent employees?

For early talent that do secure employment, entering the workforce does not mark the end of uncertainty. Many early career employees describe an experience shaped by uneven support, unclear development pathways, and concern about long-term stability.

Early talent employees overwhelmingly report positive outcomes when they participate in structured early talent programs. **Eighty-six percent** of early talent employees say that their organization's early talent program helped set them up for success.



Despite this strong endorsement, relatively few employees have access to such programs. Only **32%** of early talent report participating in an early talent program, while nearly half (**49%**) say their organization does not offer one at all. This gap suggests that while early talent programs are effective, most organizations have not yet integrated them into their standard talent development practices.

While this is one example of the mismatch between the development opportunities organizations most frequently provide and the experiences early talent finds most valuable, it isn't the only one. Our data suggests that early talent values **experiential and exposure-based learning** far more than passive or content-driven development, yet these opportunities are relatively less common.

Beyond immediate development concerns, many early talent employees express uncertainty about their future opportunities. Only **35%** of early talent employees report that they have been given sufficient transparency into which roles in their organization may be automated in the future. At the same time, **1 in 3** say they are concerned that their job may not exist at all in the future due to technological advancements.

Development resources offered

- #1 Mentorship (51%)
- #2 Virtual learning (46%)
- #3 Job shadowing (27%)
- #4 Career planning (26%)
- #5 Job rotation (24%)
- #6 On-site learning (23%)
- #7 Internal fellowships (14%)

Development resource value ranking

- #1 Job shadowing
- #2 Mentorship
- #3 Internal fellowships
- #4 On-site learning
- #5 Job rotation
- #6 Career planning
- #7 Virtual learning

HR leaders echo this lack of clarity, noting that while stable career paths exist for some roles, many pathways are now fluid due to business volatility and shifting skill demands. For early talent, this ambiguity makes it difficult to understand which skills to invest in for their long-term growth and success.

These conditions are shaping not just how early talent works, but how they relate to their employers. HR leaders express concern about early talent retention while employees today exhibit the strongest levels of **continuance commitment**, in other words, remaining in their roles because they feel they lack viable alternatives rather than because they feel a strong sense of connection to their business.

“Often times, we don't have visibility into where opportunities will be available in the future.”

Senior L&D Manager, Consumer products organization

What are the risks of not investing in early talent?

In an environment where early talent readiness and value are being called into question, many organizations may question the value of their early talent investments. And although reducing entry-level hiring may alleviate near-term cost pressures, HR leader insights point to significant downstream risks.

The risks of not investing in early talent are substantial, yet that does not mean HR should continue doing things the way they were done in the past. Instead, HR has the opportunity to be far more intentional about **who** they bring in at the entry level and **how** they structure roles and develop early talent for long-term potential.

Risk #1

Erosion of talent pipelines

HR leaders express concern that declines in early talent hiring will weaken their long-term talent pipeline. Entry-level roles have traditionally served as the foundation for building internal capability and leadership. Without these on-ramps, organizations risk losing a generation of talent before they ever enter the workforce.

“Ultimately if we stop investing in early talent, we will wind up eliminating our talent pipeline.”

Global Head of Early Talent Programs,
High tech organization

Risk #2

Growing skill shortages

Slowing early talent hiring also increases the likelihood of future skill gaps. As experienced workers retire or exit the workforce, the absence of early-career cohorts creates a vacuum that cannot be filled quickly or cost-effectively. HR leaders warn that if current trend persist, organizations risk **increasing skill shortages** in the coming years, particularly in roles requiring firm-specific knowledge, technical depth, or long-term development.

“If we continue down this path and don’t provide a way for early talent to get started, it’s going to lead to massive skill shortages in the future.”

Senior HR Director,
High tech organization

Risk #3

Failing to leverage AI-native talent

Beyond pipeline erosion and skill shortages, organizations face a distinct and growing risk by underinvesting in early talent: **missing the opportunity to leverage early talent as AI-native capability builders.**

HR leaders consistently describe early talent as the most digitally fluent segment of the workforce, individuals who have grown up alongside AI-enabled tools and are already integrating AI into how they learn, work, and solve problems. Failing to invest in early talent today risks leaving the organization less capable, less adaptive, and less competitive in an AI-driven future.

“We expect our early talent to become ‘change agents’ and teach AI fluency to the rest of the business.”

Head of Talent Acquisition,
Agribusiness organization

How can HR strategically select and develop early talent? Redesign early talent roles and experiences



As the nature of work changes, HR has the opportunity to re-design what entry level jobs actually look like. Early talent is no longer primarily needed to perform routine, repetitive tasks. Our [prior research](#) found that 88% of CHROs believe early talent is leveraging AI to make them role-ready faster than before. Now is the time to redesign early talent jobs in ways that maximize their impact and foster **affective commitment**.

The presence of structured early talent programs also plays a meaningful role in enabling positive experiences for early talent. Early talent with access to these programs report significantly higher levels of affective commitment than those who do not. The structure provided by these programs demonstrate intent, clarity around expectations, opportunities for feedback, exposure to different parts of the business, and a clearer line of sight into opportunities for growth.

Understanding the different types of employee commitment



Affective Commitment:

Employees feel connected to their organization



Continuance Commitment:

Employees feel that they lack viable alternatives



Normative Commitment:

Employees feel a sense of moral obligation

Meyer & Allen, 1991

Our data highlights three ways to redesign early talent jobs that would yield the most positive impacts on affective commitment among early talent:

- #1** Build consistent feedback loops into early talent roles (for example, regular check-ins, performance coaching).
- #2** With guidance, assign early talent to business-critical work with clear meaning, rather than just routine or “helper” tasks.
- #3** Design roles so early talent can see the impact of their work (such as end-to-end ownership, customer exposure).

Impact of early talent programs on affective commitment



Redesigning early talent roles should also prompt HR to revisit “who” will be most successful in those jobs. As expectations shift, HR should also re-evaluate the capabilities that predict success and strategically update recruiting processes to assess and select for those capabilities.

How can HR strategically select and develop early talent? Re-invent your early talent business case

While organizations today may feel stuck between short-term cost pressures and long-term capability needs, HR leaders indicate they are struggling to adequately measure and communicate the importance of early talent investments.



1/3

of HR leaders say they have no way of measuring or demonstrating the value of their early talent investments today

For those that do have an established business case, many are not capturing the emerging value of early talent. Here are three suggested ways to reframe the value of early talent investments:

#1 Early talent as AI native process champions

One of the strongest emerging value propositions for early talent is leveraging them as AI-native process champions. Early talent employees are often the most comfortable experimenting with new tools, questioning existing workflows, and integrating AI into day-to-day work. When leveraged intentionally, early talent can help organizations:

- Identify inefficiencies in existing processes
- Test and scale AI-enabled ways of working
- Accelerate AI adoption across the business

#2 Not just “time to productivity” but “time to meaningful work”

As early talent roles are redesigned with access to new technologies in mind, they should more quickly be able to engage in high value work and contribute to outcomes that matter to the business. Therefore, the traditional metric of “time to productivity” is no longer sufficient evidence of early talent value.

By shifting early talent impact measurement instead towards “time to meaningful work,” organizations can better capture the value of early talent while also building engagement and affective commitment.

#3 Harness early talent’s eagerness for upskilling

As organizations grow increasingly concerned about skill shortages, our research shows that the **#1 way** early talent employees want to spend more time in the future is on reskilling and upskilling, particularly as they recognize the pace at which skills become outdated.

This curiosity can be strategic asset. When supported with structure, guidance, and effective learning tools, early talent can rapidly build capabilities in emerging skill areas, helping organizations respond more quickly to changing demands without relying exclusively on external hiring.

How can HR strategically select and develop early talent? The role of technology

As early talent hiring and development grow more complex, technology is playing an increasingly critical role in helping organizations scale intent, improve signal quality, and demonstrate impact.



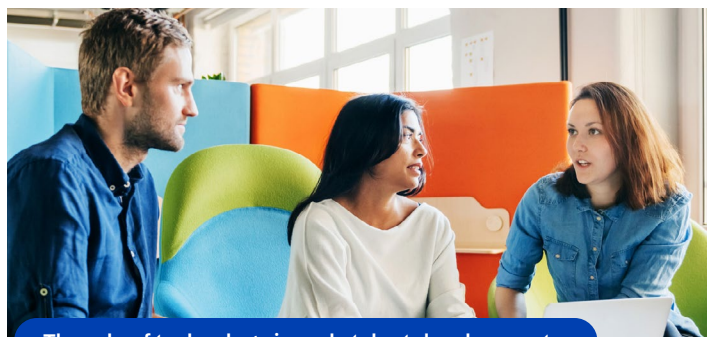
The role of technology in early talent selection

Candidate engagement

In today's constrained job market, organizations are engaging with larger volumes of early talent candidates over longer periods of time. HR leaders note that early talent pipelines are fragmented, with few effective ways to maintain sustained relationships with candidates. Technology will play a key role in enabling ongoing engagement, allowing organizations to stay connected with early talent over time rather than restarting sourcing efforts from scratch each cycle.

Signal detection

As AI-generated resumes and applications become more prevalent, HR leaders report declining confidence in traditional screening signals. This has slowed selection processes and made it harder to infer skills, readiness, and fit, particularly for early career candidates with limited work history. Recruiting technologies that emphasize skills validation and high-fidelity signals are increasingly viewed as essential to restoring confidence in hiring decisions.



The role of technology in early talent development

Demonstration of impact

Many organizations struggle to demonstrate the value of early talent investments. Analytics and reporting technologies that provide clear visibility into participation, progression, and outcomes are increasingly important for building a defensible business case and informing strategic decisions about early talent investments.

Personalized development at scale

Early talent populations are diverse in background, aspiration, and readiness. HR leaders see technology, particularly AI-enabled coaching tools, as a way to provide more individualized guidance and learning support, helping eliminate those critical early talent readiness gaps.

Opportunity matching

Early talent employees often report feeling overwhelmed by choices or uncertain about where to focus development efforts. HR leaders view internal talent marketplaces as a key mechanism to help early talent navigate opportunities, gain exposure to various parts of the business, and make more informed decisions about skill development and career direction.

Conclusion

The early talent job market is undergoing a fundamental shift, with shrinking entry-level opportunities, rising competition, and growing misalignment between education and employer expectations.

At the same time, early talent represents a powerful but underleveraged asset: a digitally fluent, AI-native workforce eager to learn, contribute, and grow. Organizations that stop investing in early talent risk eroding future capability, innovation, and resilience. On the other hand, those that intentionally redesign early talent roles, experiences, and investments can turn a fragile moment into a strategic advantage, building stronger pipelines, accelerating AI adoption, and shaping the workforce of tomorrow. In our next paper, we will further explore how HR can strategically craft the future of early talent selection and development.



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The Future of Work Research Lab is comprised of organizational scientists who are experts on the world of work. The team leads organizational research for SAP SuccessFactors to identify emerging trends in the future of work and HR. Through an original research agenda, they generate valuable insights that guide human capital management strategies, practices, and technology recommendations. Using a diverse array of research methodologies, the team delves into organizational dynamics, trends, priorities, problems, and needs across a diverse set of personas.



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