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LinkedIn

Small Business, Big Opportunity

How AI is transforming hiring and unlocking talent

OCTOBER 2025

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Mandala is an economics research and advisory firm. Mandala specialises in combining cutting-edge data and advanced analytical techniques to generate new insights and fresh perspectives on the challenges facing businesses and governments.

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Executive Summary

Australia is at the cusp of an AI-driven economic transition, with small and medium-sized enterprises (SMEs) positioned to unlock a wave of productivity growth. LinkedIn data shows SMEs are adding employees, along with digital and AI skills, at faster rates than larger firms, demonstrating adaptability and potential to grow. With the right tools, SMEs can translate this momentum into broader economic benefits.

Despite their importance, SMEs face persistent challenges. Talent shortages, high turnover, and limited HR capacity are constraining SME growth, while the pace of technological change makes digital adoption and workforce upskilling essential for competitiveness.

A 'skills-first' approach prioritises a person's capabilities over traditional proxies such as degrees or past job titles. As skill requirements evolve faster than ever, harnessing AI to operationalise this approach enables employers to connect workers to roles more effectively — expanding talent pools, improving job fit, and accelerating workforce adaptation. This is especially powerful for SMEs, helping them compete more effectively for talent, while also unlocking productivity gains that benefit the wider economy and strengthen Australia's position in the AI era.

Key Insights

- *SMEs are growing despite constraints:* In 2024, their average headcount growth outpaced larger firms ninefold, highlighting their resilience and capacity to scale even in tight labour markets.
- *Skills-first hiring drives efficiency and inclusion:* This enables SMEs to match talent to roles more efficiently, expand candidate pools by sevenfold in Australia, and improve access to opportunities for women, older workers, and regional talent.
- *AI operationalises productivity gains:* AI enhances efficiency by implementing a skills-first approach, automating HR processes, reducing candidate uncertainty, and speeding up hiring. Early LinkedIn data shows that AI-assisted messages achieve 44% higher acceptance rates and are accepted 11% faster, helping SMEs fill roles more quickly and maintain robust hiring pipelines.
- *Enhancing competitiveness and market presence*: AI amplifies SMEs' market presence by increasing visibility, expanding brand reach, and enhancing their competitiveness relative to larger firms. When combined with a skills-first approach to hiring, these advantages compound into stronger talent pipelines, better job matches, and higher productivity.
- *Future-proofing the workforce*: AI helps SMEs navigate the AI transition, pivot rapidly, reskill employees, and access opportunities across emerging and high-growth sectors. The pace of AI skills growth has been stronger in SMEs, rising 59 percentage points versus 32 percentage points for larger enterprises.

Supporting SMEs to leverage AI and skills-first approaches can reduce labour-market frictions, boost workforce adaptability, and enhance business responsiveness.

By helping smaller firms hire efficiently, adapt to evolving skill demands and broaden their reach, AI empowers workers and unlocks business potential, creating a national productivity advantage that positions Australia to lead in the AI-driven economy.

Through case studies, product examples and data insights, this report shows how a responsible, skills-first use of AI can open talent pathways, reduce bias in hiring and create a more inclusive future of work.

1 Small businesses face workforce and upskilling challenges

Australia's labor market dynamics reveal significant structural challenges that disproportionately affect smaller organisations. While large enterprises have dedicated HR resources and established employer brands to attract talent, SMEs must navigate recruitment complexities with limited resources. Understanding these foundational challenges provides context for examining how AI tools can address persistent workforce barriers.

1.1

SMEs are a key hiring segment of Australia's economy

The employment impact of small and medium businesses (SMEs) in Australia is significant, with SMEs collectively employing 43% of Australia's workforce — representing 5.5 million employees whose livelihoods depend directly on small and medium enterprises.

As an encouraging sign for Australia's economic prospects, SMEs are growing their teams at faster rates than larger firms. In 2024, SMEs achieved average headcount growth of 3.7%, compared to just 0.4% for large enterprises **(Figure 1)**. This nine-fold difference underscores the disproportionate role of smaller firms in job creation and their capacity to fuel productivity growth.

LinkedIn data shows that in 2024, SMEs in Professional Services (52%) and Technology, Information and Media (15%) and Financial Services (9%) posted the highest share of job advertisements in Australia. This strong hiring demand signals high growth potential in sectors where skill needs are evolving quickly. Insights from the LinkedIn Mandala Generative AI report (February 2024) reveal these sectors are also among the most exposed to Generative AI disruption, suggesting SMEs are recruiting to adapt to shifting capabilities.

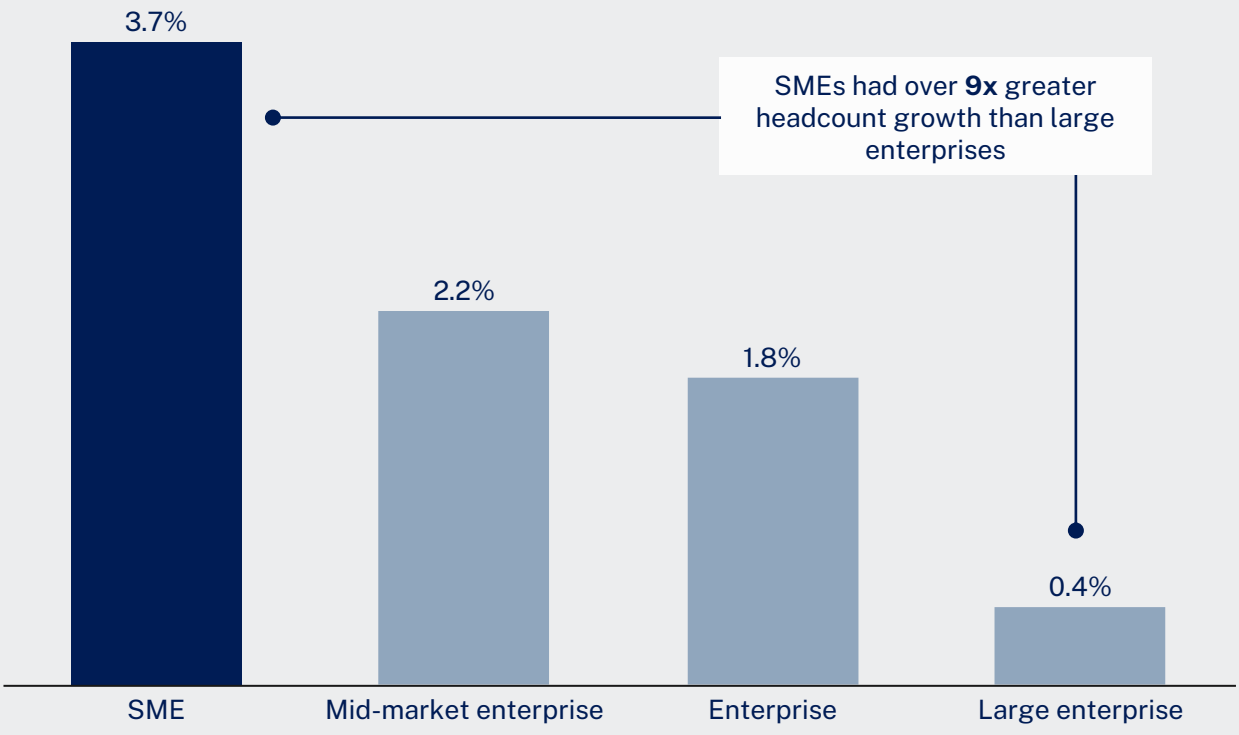
Many of the roles in these sectors require higher-level cognitive skills, making them particularly susceptible to transformation as AI systems are adopted, reinforcing the urgency of workforce development.

This combination of rapid growth, intense hiring demand and increased AI exposure presents both opportunity and risk: SMEs must adapt quickly to evolving skills to stay competitive while positioning themselves to capture the benefits of technological transformation.

FIGURE 1

Growth in headcount by company size

Average headcount growth over 12 months, Australia, 2024



Note: SME defined as 11-200 employees, mid-market enterprise as 201-1000 employees, enterprise as 1001-5000 employees, large enterprise as >5000 employees.

1.2

SMEs face difficulties finding suitable candidates

Australian SMEs are confronting recruitment challenges that reflect broader trends in talent scarcity and skills mismatches. Employers worldwide are increasingly struggling to fill positions due to insufficient available talent.[1] Hiring in Australia is particularly challenging, with the share of Australian employers reporting difficulty in filling roles now exceeding the OECD average and showing significant increase from around 40% in 2015 to just under 80% in 2023.[2]

These recruitment difficulties translate into measurable performance disadvantages that disproportionately impact smaller businesses. In financial year 2023, small businesses achieved a 52% vacancy fill rate compared to 65% for large businesses — a 13 percentage point difference **(Figure 2)**. With only about half of job vacancies getting filled, this disadvantage significantly constrains SMB growth potential and reflects the systemic challenges for SMEs in competing for talent.

Research by Jobs and Skills Australia demonstrates that the lower fill rates of small businesses stem from fundamental disadvantages in attracting candidate attention. Small businesses receive fewer total applicants per vacancy (13.2 versus 15.7 for large businesses), fewer qualified applicants per vacancy (4.0 versus 5.8), and critically, fewer suitable applicants per vacancy (1.9 versus 2.8).

The root causes of SME recruitment challenges extend beyond simple market dynamics to encompass practical operational constraints that larger businesses don't face. SME hiring managers typically hire sporadically throughout the year and therefore lack the ongoing experience and expertise that dedicated talent professionals develop. With limited hiring budgets and needs, SMEs tend not to employ staffing agencies or hire full-time recruiters who would possess the specialised knowledge and networks for effective talent acquisition.

For many SME hiring managers, recruitment represents an additional responsibility layered onto their primary roles rather than a core competency. This creates time pressures and knowledge gaps that impact hiring quality and consequently staff retention, as managers must balance immediate business operations with the complex demands of candidate assessment and selection.

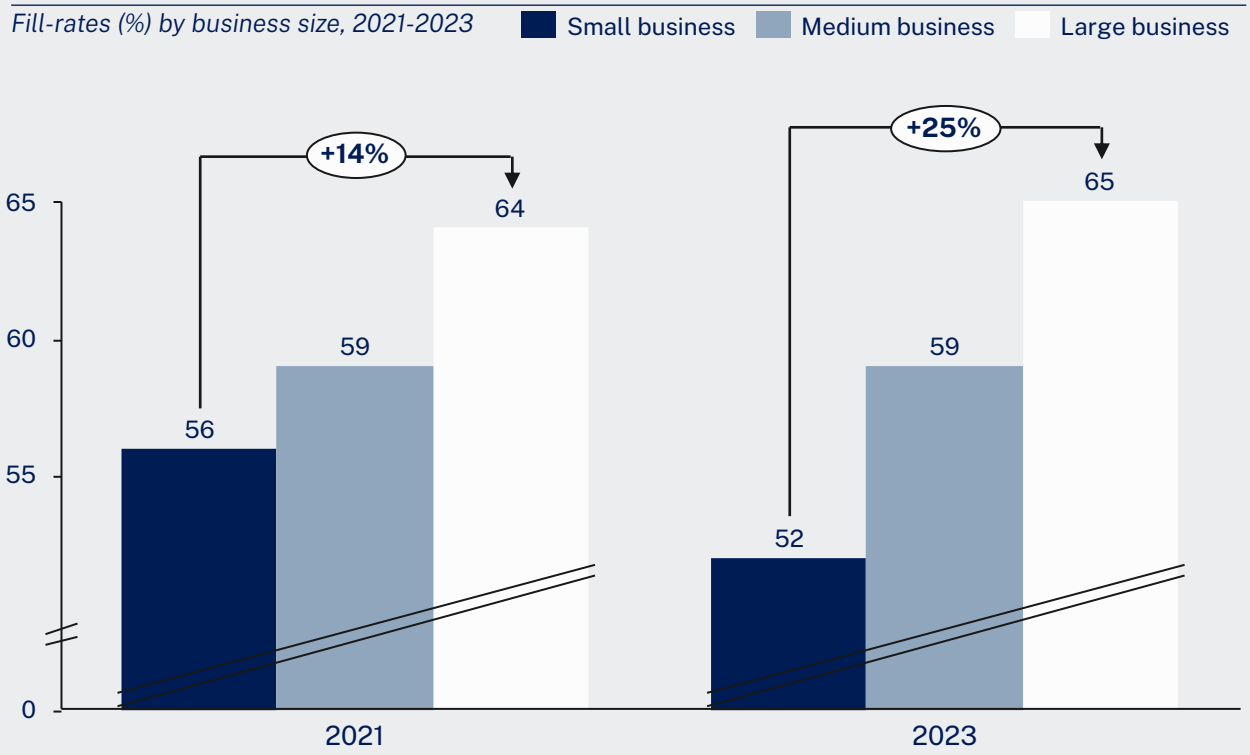
Without the operational scale and substantial budgets that enable large employers to achieve broad reach and precise targeting in their recruitment marketing, SME job advertisements often struggle with limited visibility and audience engagement. This constrained reach makes it difficult to ensure that high-quality candidates with relevant experience and qualifications are identified and successfully progressed through hiring processes, contributing to the cycle of extended vacancy periods and suboptimal matching.

In a survey about recruitment difficulties, 35% of SME respondents indicated that insufficient numbers of people were applying for their positions, while a majority of 56% specifically cited the lack of skilled and qualified candidates as their primary challenge.[3] These findings suggest that the recruitment crisis facing SMEs involves both quantity and quality dimensions that require targeted solutions.

FIGURE 2

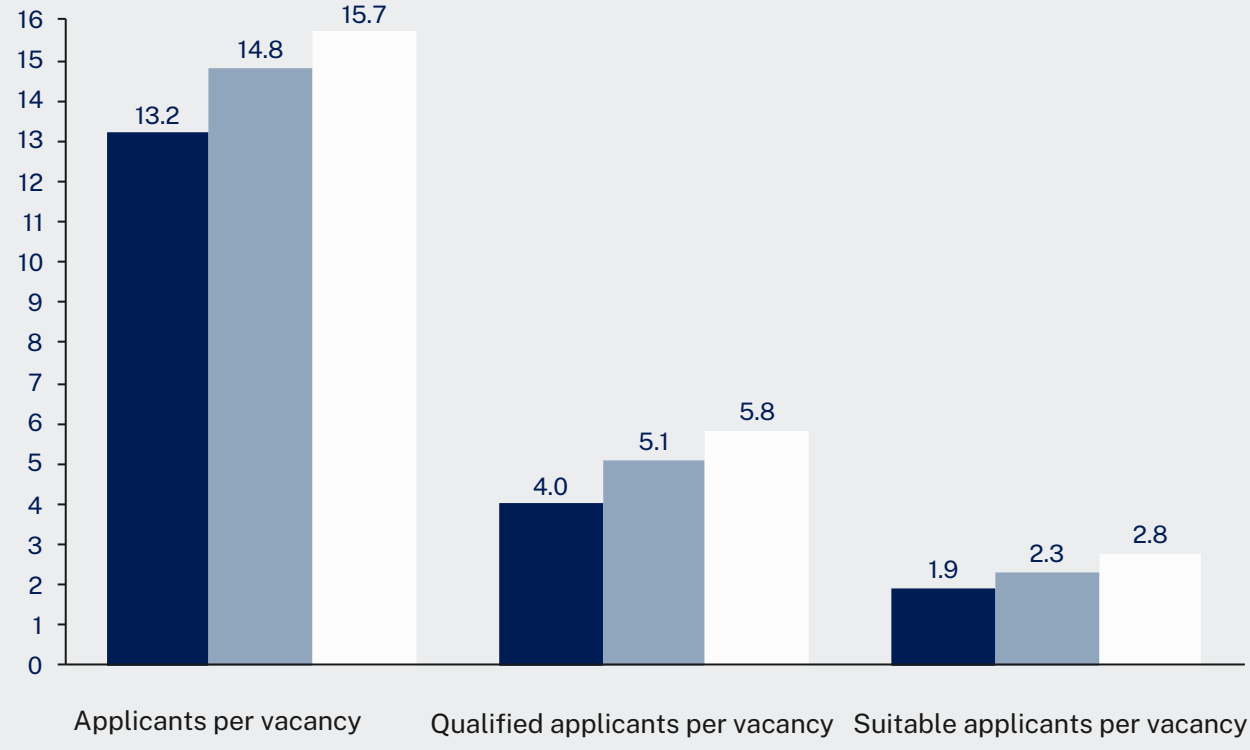
On average, larger firms have higher fill-rates than smaller businesses

Fill-rates (%) by business size, 2021-2023



Number of total applicants, qualified, and suitable applicants per vacancy

By business size, 2021-2023



Note: In this analysis, small businesses are defined as businesses with under 20 staff members but excluding sole traders. Medium businesses are those with more than 20 but under 100 staff members, while large businesses are those with more than 100 staff members.

Source: Jobs and Skills Australia (2024) *Skills Shortage Quarterly*.

1.3

SMEs need to upskill teams to keep up with technological disruption and retain staff

The imperative for workforce development has intensified as technological change accelerates across all sectors of the Australian economy. SMEs find themselves navigating a complex landscape where maintaining current staff capabilities while adapting to emerging technologies becomes essential for both competitiveness and employee retention. Smaller businesses often lack dedicated learning and development infrastructure but must compete for talent with organisations that offer professional development programs.

Global forecasts underscore the scale of the upskilling challenge, with the World Economic Forum estimating that 59% of the global workforce will require training by 2030 to keep pace with AI-driven skills demands.[4] The OECD projects that up to 40% of workers must significantly adjust their skill sets to remain competitive, even before considering the rapid acceleration from generative AI technologies.[5]

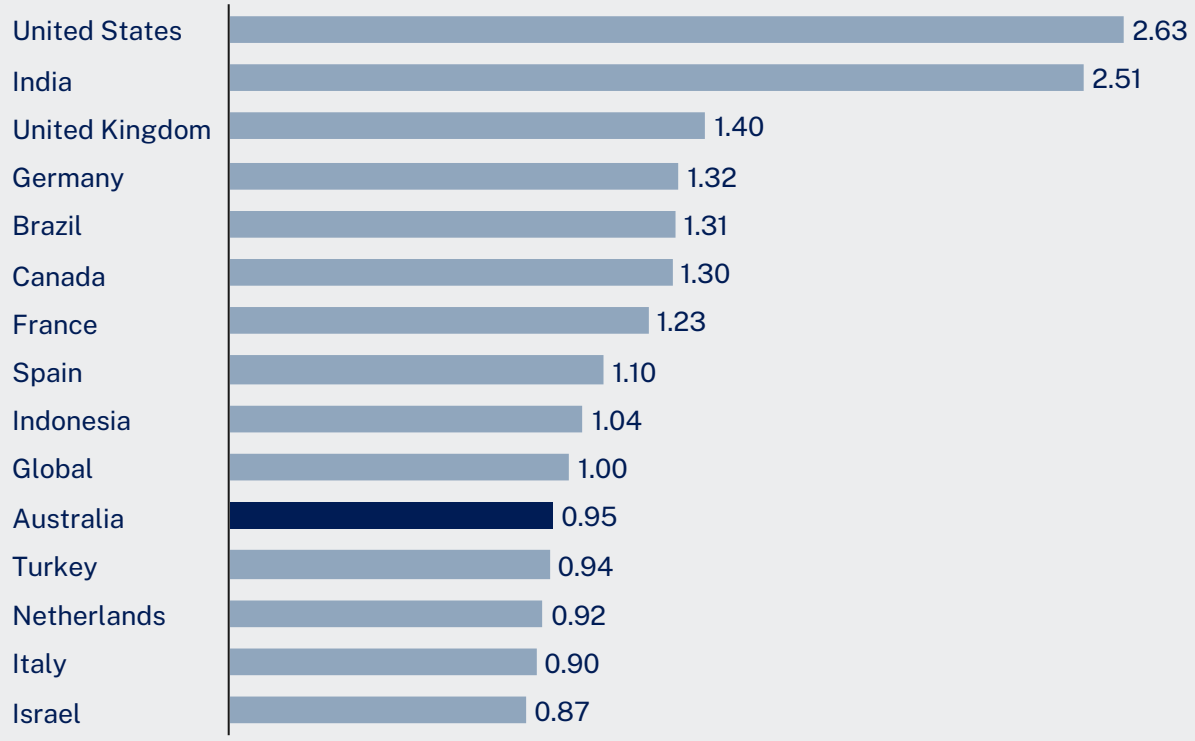
This skills development imperative is recognised by Australian SMEs themselves. In a recent survey of SMEs, 48% of respondents cited the need to have training as a barrier for adopting emerging technologies.[6] This training barrier becomes particularly acute when considered alongside the sectoral distribution of Australian SMEs. Many operate in industries simultaneously experiencing rapid technological disruption while facing the recruitment difficulties outlined earlier. This creates a dual pressure where businesses must both attract new talent with relevant skills and rapidly upskill existing employees to prevent capability gaps from undermining business performance.

Despite the need for technological adaptation, Australia's current AI skills penetration remains below global averages **(Figure 3)**. Australia's relative AI skills penetration sits slightly below the global average, while leading markets like the United States and

FIGURE 3

Relative AI skill penetration rate by geographic area

All businesses, 2015-2024, 1 = global average



Note: SME defined as 11-200 employees, mid-market enterprise as 201-1000 employees, enterprise as 1001-5000 employees, large enterprise as >5000 employees

India demonstrate significantly higher capabilities. For the dominant SME sectors, this skills gap is more pronounced, particularly in AI literacy.

Yet, within these constraints, SMEs are showing remarkable adaptability. They are investing in digital capabilities and AI literacy at a pace that often outstrips their larger counterparts. LinkedIn data reveals that SMEs achieved a 59% increase in AI skills among their workforce compared to just 32% for larger enterprises, while digital skills growth reached 14% for SMEs versus 7% for larger businesses **(Figure 4)**. Most striking is the growth in AI literacy, where SMEs recorded a 234% increase, essentially matching the 236% growth seen in larger enterprises despite having fewer dedicated training resources.

This technological adoption is not uniform across all sectors, with certain industries leading the charge in AI skills development. Retail businesses showed significant growth at 86% increase in AI skills, followed closely by Accommodation and Food Services at 83%, both exceeding the SME average of 59% **(Figure 5)**. These sectors, traditionally viewed as less technology-intensive, are rapidly evolving their capabilities to meet changing customer expectations and operational demands, suggesting that AI adoption is becoming essential across all business types rather than remaining confined to traditionally tech-forward industries.

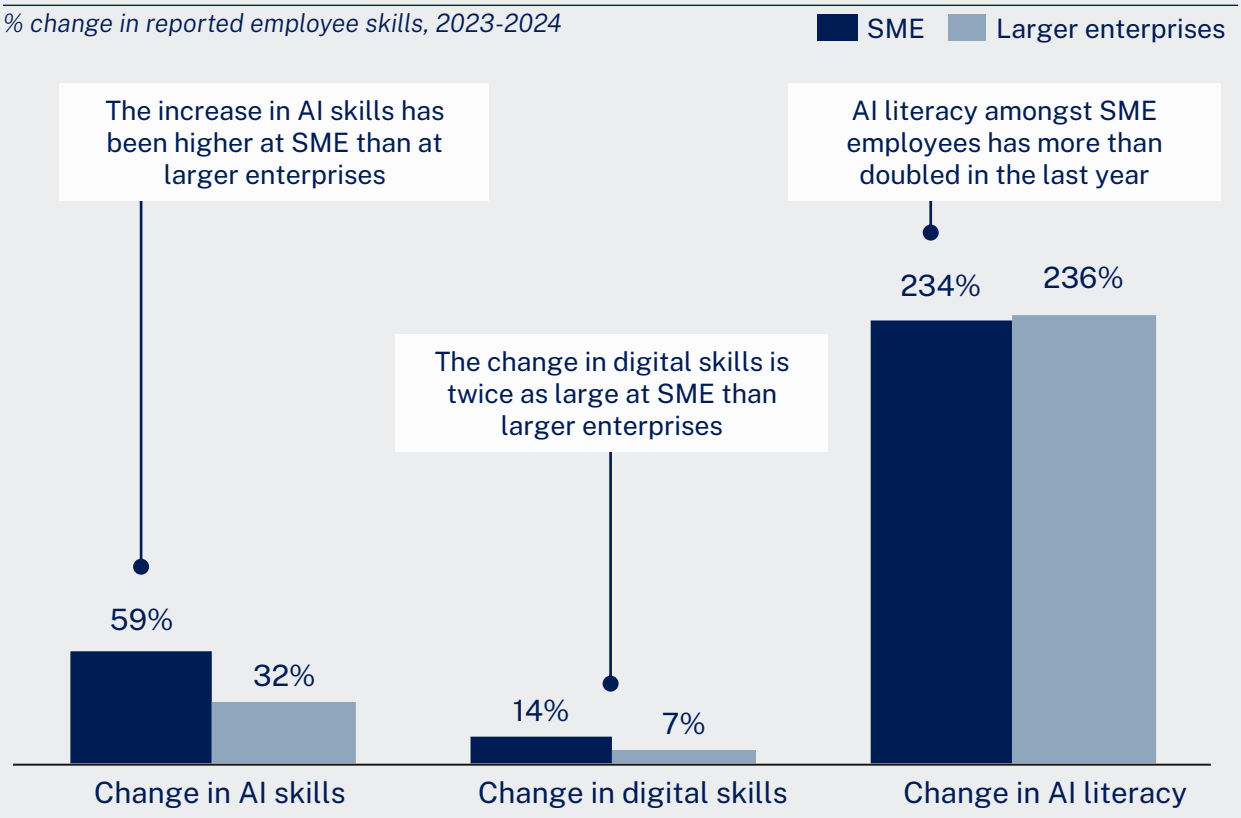
The Human Technology Institute's survey of 133 Australian SMEs found that generative AI tools such as ChatGPT and Microsoft Copilot are already exceeding expectations in practical business use (e.g., content creation, communication).[7] This early adoption underscores that while Australian SMEs are beginning to capture value from AI, the associated reskilling needs remain substantial across all sectors, particularly for smaller firms with limited resources.

These capability gaps represent both immediate operational challenges and longer-term strategic risks for Australian SMEs. As clients and customers increasingly expect AI-enhanced services and digital-first interactions, businesses without adequate skills development risk losing market share to more technologically capable competitors.

FIGURE 4

Change in AI skills, digital skills and AI literacy

% change in reported employee skills, 2023-2024



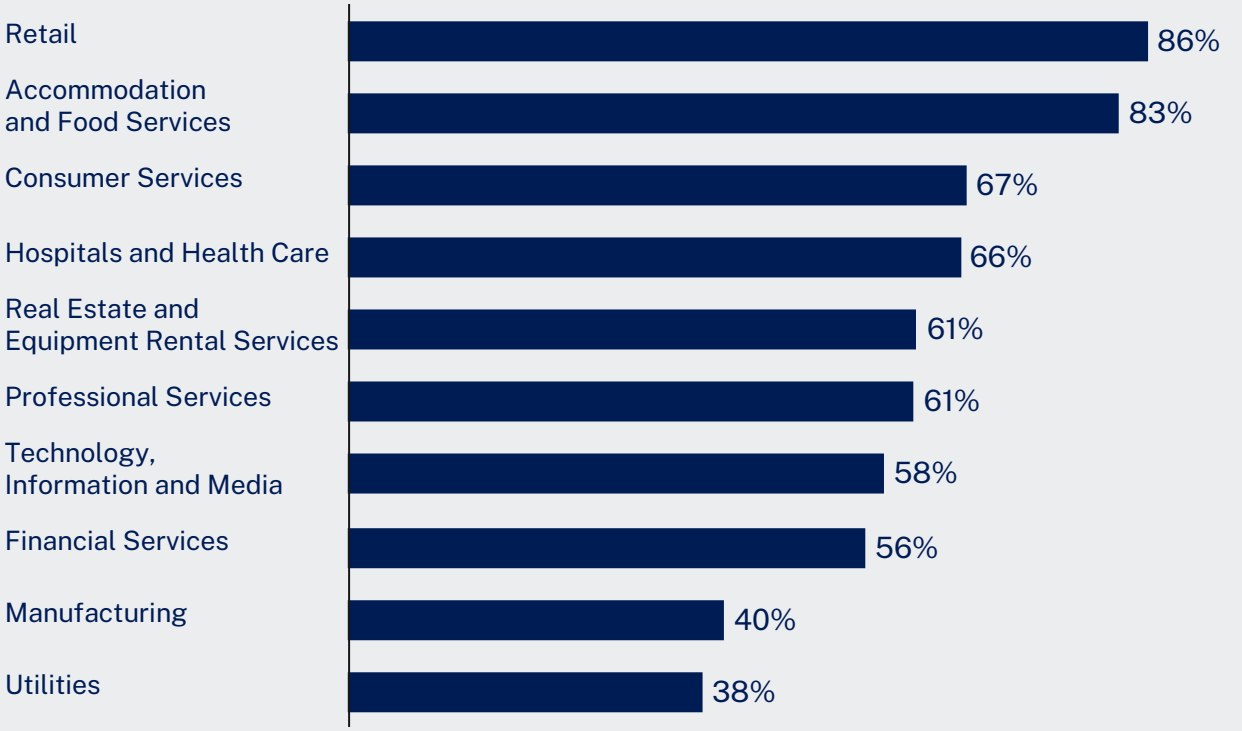
Note: SME defined as 11-200 employees, larger enterprises >200 employees. See appendix for more details on skills.

Source: LinkedIn data.

FIGURE 5

Change in AI skills at SME by industry

% change in reported employee skills, 2023-2024



Note: SME defined as 11-200 employees, larger enterprises >200 employees.

Source: LinkedIn data.

2 AI supports SMEs adopt a ‘skills-first’ approach to hiring and upskilling

AI is changing how businesses approach persistent workforce challenges, offering new solutions to longstanding recruitment and skills development obstacles. AI addresses three fundamental friction points that have historically disadvantaged smaller organisations: information asymmetries in talent markets, high search and recruitment costs, and systemic hiring biases.

2.1

A focus on skills helps unlock talent and productivity

Australia stands at a pivotal moment where technological innovation can address longstanding structural challenges in its labour market. One such innovation is the shift towards a skills-first approach: a hiring and workforce development strategy that prioritises abilities and competencies over formal qualifications and job titles. This enables employers to match workers to roles more efficiently and unlock talent that might otherwise be overlooked.

Empowering SMEs to adopt an AI-enabled, skills-first approach to building and upskilling teams offers the potential to democratise access to talent, reduce underemployment and drive productivity gains across the economy.

SMEs are already demonstrating adaptability in embracing AI technologies. Their growth in AI skills signals curiosity and readiness to use these tools for competitive advantage. However, current recruitment challenges limit their growth potential and economic contribution.

LinkedIn data shows that in Australia, adopting a skills-first approach could expand candidate pools by 7.7 times **(Figure 6)**, enabling firms to identify talent that might otherwise be overlooked.

This expansion creates pathways for underrepresented groups, career changers, women, older workers and geographically dispersed Australians — broadening access to opportunities that traditional recruitment processes have historically left unrealised. It also delivers economy-wide benefits: reducing under-utilisation of skills, increasing workforce participation, improving labour mobility, and strengthening regional workforce resilience where attracting and retaining talent is more challenging.

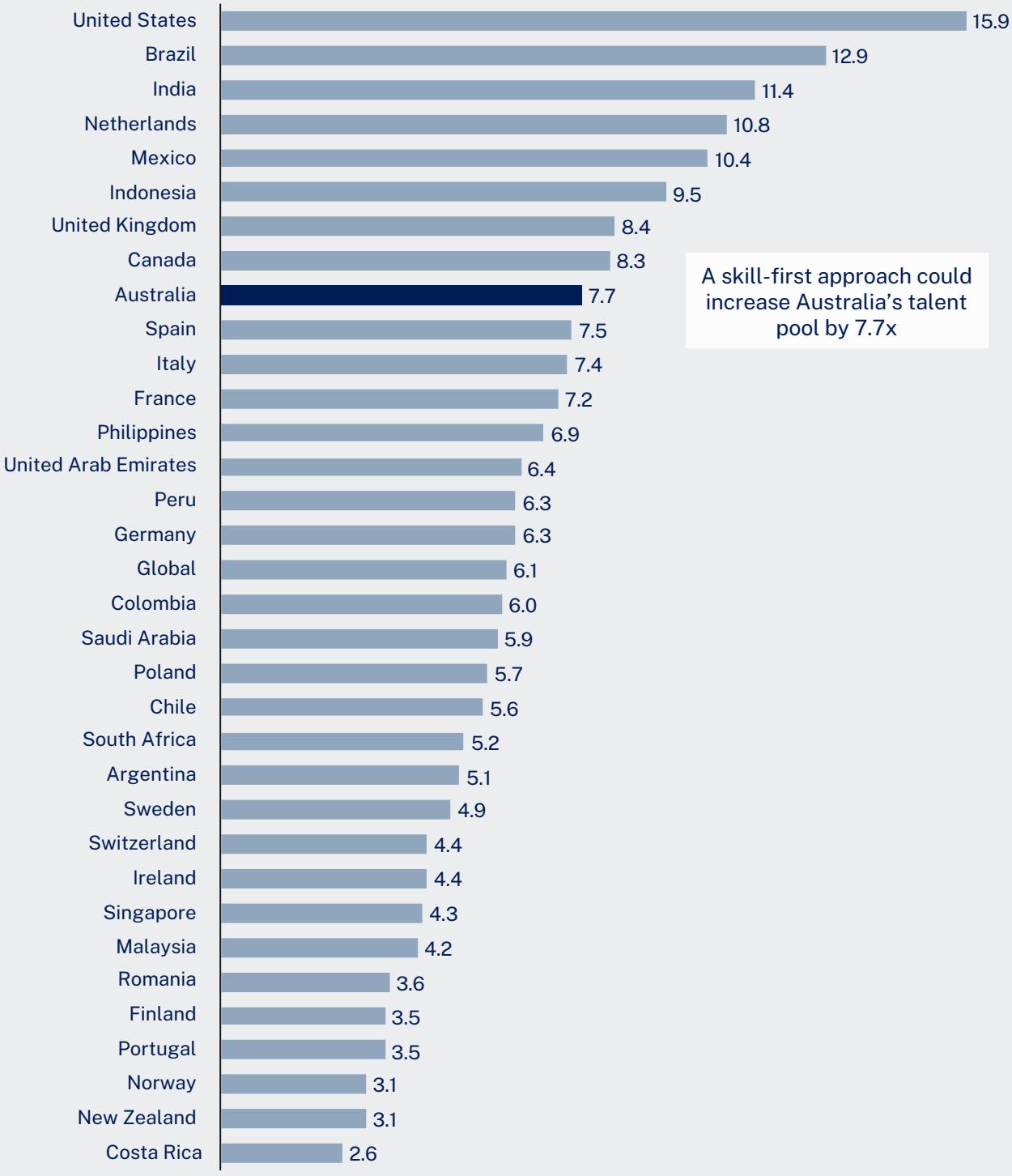
In an economy increasingly shaped by AI and rapid technological change, effectively implementing a skills-first approach relies on AI, because the skills required for jobs are evolving so quickly. AI-powered recruitment tools make this possible by identifying candidates whose capabilities align with job requirements regardless of their formal qualifications, educational background, or previous job titles. LinkedIn data shows that the skills needed in Australia are projected to change by 66% by 2030 compared to 2016.

For employers, this creates a powerful advantage: helping them find the right people faster, improve job fit, and boost productivity, even with limited resources. For workers, it opens up new pathways into roles that might otherwise have been out of reach — making the labour market more inclusive while strengthening the overall resilience of the economy.

FIGURE 6

Skills-first talent pool increase by country

Skills-based pool / previous job-pool



Source: LinkedIn data.

FIGURE 7

Top benefits of Gen AI tools for recruiters

Percentage of recruiting pros reporting outcomes from using Gen AI tools

Source: LinkedIn data.

2.2

AI addresses fundamental friction points in talent competition

Three fundamental labour market friction points have historically disadvantaged smaller businesses in talent competition: information asymmetry, search costs and unconscious biases. Using AI tools in recruitment and hiring can support SMEs address these and level the playing field with larger enterprises.

- **Eliminating information asymmetry:** Traditional hiring often suffers from incomplete information, which can drive adverse selection, while societal biases can entrench inequities in access to opportunity. AI systems can analyse vast datasets to assess candidate-job fit beyond job title and qualifications, to include incorporating career trajectory, skill development patterns and soft skills — indicators that human recruiters might miss or lack time to evaluate thoroughly. Advanced natural language processing (NLP) capabilities enable nuanced understanding of both resumes and job descriptions, matching specific skills rather than relying on keyword matching or credential screening. AI can also provide near real-time labour market insights, reducing information gaps that contribute to failed negotiations or unrealistic expectations.
- **Dramatically reducing search costs:** The manual effort required for traditional recruitment creates prohibitive search costs, slowing down the recruitment process and can lead to unfilled vacancies or suboptimal hires — which can be costly. According to LinkedIn, recruiters are spending three to five hours a day reviewing applications, and 64% report that less than half of those applications meet all of the listed criteria. AI systems automate repetitive sourcing tasks, dramatically reducing manual effort while maintaining or improving selection quality. These systems can proactively suggest relevant opportunities to candidates based on inferred skills and career preferences, reducing wasted applications and improving match quality on both the demand and supply side. The automation of routine communications and interview scheduling enables SMEs to maintain professional, responsive candidate experiences without dedicating excessive management time to administrative coordination.
- **Accessing hidden talent through bias reduction:** Systemic and unconscious biases in hiring processes can distort talent allocation and reduce labour market efficiency. AI systems can be configured to focus on skills-based criteria while minimising demographic influences lead to more objective candidate evaluation and expanded talent pool consideration. With 1.3 million Australian workers preferring and available to work additional hours,[8] plus nearly a quarter of permanent skilled migrants over-qualified for their current positions,[9] significant human capital remains underutilised by current market mechanisms. AI-powered skills development for small business workforce resilience.

FIGURE 8

How AI addresses labour market frictions

Market challenge	AI solution
Information gaps: employers and candidates lack complete information about job fit	▪ Natural language processing (NLP) used to analyse skills beyond keywords. ▪ Analyse large datasets to predict candidate-job fit beyond simple credentials, improving match quality. ▪ Real-time salary and demand insights to both employers and applicants, reducing search time.
High search costs: finding and screening candidates requires significant time and resources	▪ Proactive job suggestions matches candidates to opportunities based on inferred skills, preferences, and career trajectory. ▪ Streamlined process of automated scheduling and communications speeds up the hiring pipeline. ▪ Shortlist candidates quickly, dramatically reducing the manual effort recruiters spend filtering.
Hiring bias: systemic and unconscious biases in hiring processes limits access to suitable candidates	▪ A skills-based evaluation focuses on capabilities over credentials. ▪ Removing demographic identifiers supports bias mitigation.

Source: Mandala analysis

2.3

Responsible AI hiring requires fairness, transparency, and accountability

AI has the potential to transform hiring by helping employers make faster, fairer and more inclusive decisions. But the benefits depend on how responsibly these systems are designed and used. Poorly implemented tools can replicate existing inequities, reduce trust and ultimately undermine hiring outcomes. Ensuring responsible use is therefore not only an ethical obligation but also a practical requirement for sustainable adoption.

A key consideration is fairness across the hiring process. AI systems should be tested for bias in training data and hiring outcomes, with ongoing monitoring to ensure they support equitable decision-making processes. Skills-based approaches naturally reinforce this by focusing on a person's capabilities, rather than their background, helping AI tools proactively address potential bias and discrimination. Human oversight is essential to keep AI systems accountable, trustworthy and aligned with broadly accepted principles of responsible AI.[1]

Responsible use of AI in hiring also requires a proactive approach to privacy, security and safety. Trust is built through rigorous safeguards, ongoing assessment and clear information that helps users understand and make informed choices about how they engage with AI tools. Providing transparency, education and meaningful control over personal data further ensures that individuals remain at the centre of the hiring process.[2]

Ultimately, responsibility in AI-driven hiring means ensuring technology supports fair and inclusive decision-making through appropriate human oversight. Clear governance, transparency and accountability help maintain trust, while regular assessment of outcomes ensures AI continues to align with ethical and practical standards. When implemented responsibly, AI strengthens a skills-first approach to hiring and contributes to more equitable labour market outcomes.

1 For reference, see LinkedIn's Responsible AI Principles: https://business.linkedin.com/talent-solutions/ai-transparency.
2 See, for example, LinkedIn's guidance on AI transparency, including explainability, user control and data privacy in hiring systems: https://business.linkedin.com/talent-solutions/ai-transparency.

2.4

AI-powered skills development supports SME workforce resilience

Unlike larger organisations with dedicated learning and development teams, SMEs must find efficient ways to maintain workforce relevance while focusing on core business operations. Given that 48% of Australian SMEs cite training needs as their primary barrier to technology adoption, the challenge becomes finding solutions that don't overwhelm already stretched resources or divert attention from revenue-generating activities. AI-powered skills development tools enable SMEs to build adaptive workforce capabilities that can respond to market changes, technology disruptions, and competitive pressures. This adaptability becomes a sustainable competitive advantage in increasingly volatile business environments, allowing smaller businesses to compete effectively with larger organisations that have more extensive training resources.

Traditional skills development approaches often fail SMEs due to resource constraints and limited training infrastructure. Conventional training methods typically require significant upfront investment, dedicated training time that reduces billable hours, and ongoing management overhead that many SMBs cannot afford. The result is often ad-hoc, inconsistent skills development that fails to address systematic capability gaps. AI-powered learning tools can address these challenges by:

- **Personalised learning pathways:** AI can create personalised learning journeys tailored to an employee's industry, experience, and career goals. By combining profile features (skills, industry, and experience) with course metadata (such as difficulty, category, and skills), AI surfaces the most relevant courses. For smaller businesses, this means training investments go further, building in-demand skills, boosting engagement, and delivering stronger returns on limited learning and development budgets. By making learning more targeted and impactful, SMEs can strengthen workforce capabilities and stay competitive in rapidly changing markets.
- **Real-time skills gap identification:** AI platforms can monitor industry trends alongside product or sevice demands to anticipate emerging skill needs before they become critical gaps. This foresight enables SMEs to prepare for market shifts rather than react to them. For SMEs operating in rapidly evolving sectors like retail and professional services, this early-warning capability allows them to develop capabilities earlier or more effectively than they otherwise could, positioning them as innovation leaders rather than followers in their local markets.
- **Scalable training delivery:** AI-powered platforms can deliver consistent, high-quality training experiences across distributed teams without requiring dedicated training personnel. This scalability is particularly valuable for SMBs with limited HR infrastructure. AI-enabled learning allows for flexible, asynchronous skill development that accommodates operational demands while ensuring comprehensive capability building.
- **Continuous adaptation:** As job requirements evolve, AI learning systems can automatically update training content and recommendations to reflect new industry standards and emerging best practices. This dynamic approach is essential given the pace of technological change. Traditional training materials quickly become outdated, but AI-powered systems can incorporate new developments in real-time, ensuring SMB workforces remain current with rapidly evolving technological landscapes.

The implementation of AI-powered skills development also addresses the dual pressure identified earlier: the need to both attract talent with relevant skills and rapidly upskill existing employees. By demonstrating commitment to workforce development through sophisticated learning tools, SMEs can improve their attractiveness as employers while simultaneously building internal capability. This creates a virtuous cycle where improved skills lead to better business outcomes, which in turn support further investment in team development and competitiveness in talent markets.

FIGURE 9

Top barriers for implementing skills-based hiring

Australian businesses with 51-200 employees

Source: LinkedIn survey conducted in September 2025.

2.5

Benefits for SMEs spillover to the broader economy

The skills-first approach delivers multiple advantages for smaller businesses. When employees' skills align more closely with job requirements, they perform more effectively from day one and require less training investment. The expanded talent pool allows SMEs to find candidates with precise skill combinations needed for their specific business contexts, rather than settling for approximate matches based on credentials alone.

AI-powered recruitment also reduces costly hiring mistakes. Poor hiring decisions impose disproportionate costs on SMEs, where each team member represents a larger share of overall workforce capability. By improving candidate assessment accuracy, AI helps SMEs avoid the productivity losses, wasted training, and replacement costs, while also improving retention by matching people to roles where they can thrive. Crucially, a skills-first, AI-enhanced approach helps level the playing field. Smaller businesses can project a strong employer brand, extending their reach, provide a smoother candidate experience, and compete more effectively with larger firms for in-demand talent. This agility positions SMEs to respond faster to shifting market conditions and sustain long-term growth.

The productivity gains from better talent allocation create positive economic spillovers that extend beyond individual businesses. When SMEs can more effectively identify and hire appropriate candidates, resulting productivity improvements and reduced vacancy periods benefit suppliers, customers and communities. This democratisation of talent access can accelerate business formation, support industry diversification and enhance Australia's economic competitiveness in global markets.

Skills-based hiring also supports a more inclusive, equitable economy. **Rural and regional SMEs can potentially access overlooked local talent within their communities, while also drawing on urban talent during periods of economic change — expanding the regional talent pool and lowering geographic barriers that have traditionally limited access to skills.** In Australia, where the pay gap between men and women in comparable positions is 12.1%,[10] AI algorithms configured to focus on skills and relevant experience while omitting demographic variables can contribute to more equitable hiring outcomes.

3 Australian businesses are already benefitting from integrating AI tools

From tourism operators sourcing seasonal talent across remote locations to toy companies upskilling global workforces, Australian enterprises are demonstrating AI adoption that goes beyond simple automation.

3.1

AI-enabled hiring and upskilling in practice

The adoption of artificial intelligence tools in recruitment, hiring, and workforce development represents a significant shift in how Australian businesses approach talent management. While survey data provides insights into intentions and attitudes toward AI implementation, examining actual usage patterns reveals the practical applications and operational impacts of these technologies.

The following case studies document how five Australian businesses across different sectors have integrated LinkedIn's AI-powered tools into their operations. These examples illustrate the diverse ways AI is currently being deployed to address workforce challenges, from geographic recruitment constraints to skills development at scale. These cases demonstrate that AI adoption extends beyond experimental use to fundamental operational integration, particularly in addressing talent acquisition challenges in competitive markets and building technical capabilities across distributed workforces.

LinkedIn AI tools

AI agent for small businesses

- Puts together a personalised hiring plan, including drafting job posts, searching and finding people to invite to apply.
- The AI-assistant helps with the most time-consuming parts of hiring, so that leaders can focus on growing their business.
- 86% of small businesses get a qualified candidate within 24 hours of posting a job on LinkedIn.

AI-powered coaching in LinkedIn Learning

- A conversational experience that offers both real-time advice and tailored content recommendations all personalised for the user, based on job title, career goal, and the skills they follow.
- Learners who engage with this feature spend 25% more time learning.
- LinkedIn Learning has over 1,000 AI courses and its AI Academy helps talent leaders and recruitment professionals build, practice, and showcase in-demand AI skills.

Hiring Assistant

- Takes on a recruiter's most repetitive tasks so they can spend more time on their most impactful work e.g. advising hiring managers, connecting with candidates, and creating exceptional candidate experiences.
- Recruiters save over 4 hours per role and reviewing 62% fewer profiles, cutting time reviewing applicants in time allowing them to focus on growing their business.
- Improves outreach effectiveness, with InMail acceptance rates up to 69% higher than traditional sourcing.

AI-powered coaching in courses for organisations

- Learners can ask for summaries of content or clarifying questions and get real time insights and takeaways directly on course pages.
- For example, learners can ask "Can you simplify this?" or "How does this apply to me?" and they will get an answer right away.

AI-assisted hiring through LinkedIn Recruiter:

- AI-assisted search: Talent leaders explain their hiring goal in their own words (e.g. "I want to hire a senior growth marketing leader") and LinkedIn's platform will infer the type of candidate the hirer is looking for.
- AI-assisted messages: Helps to create personalised messages and save time, increase candidate engagement, and build meaningful connections. AI-assisted messages have a 44% higher acceptance rate and are accepted 11% faster by job seekers.
- Compared with other sources, hires made with LinkedIn are 37% less likely to leave before the end of their first year.

Source: LinkedIn data.

CASE STUDY

AI tools helped Heidi Health scale smart while going global

Clinical AI company Heidi Health has a mission: doubling healthcare's capacity without dehumanising it. When they grew from 35 to nearly 200 employees across eight countries in just 18 months, their lean recruitment team relied on AI-powered recruitment tools. Traditional recruitment approaches couldn't support hiring 100+ people annually while covering Australia, United States, United Kingdom, Canada, Spain, France, Philippines, and South Africa.

AI search functionality became Heidi's force multiplier. Natural language prompting enabled simple candidate identification, with phrasing such as "find SME account executives with healthcare experience in the UK" generating targeted shortlists within minutes rather than hours of manual research.

The enterprise platform facilitated simultaneous job posting across multiple markets, while AI-driven insights helped identify 'builder' profiles — professionals from larger companies seeking growth-stage opportunities. This targeting proved crucial given Heidi's positioning against established tech companies with higher compensation packages.

AI automation also eliminated administrative research, allowing the talent team to focus on relationship building and candidate experience rather than data mining.

"The AI search functionality gives us immediate access to exactly the talent we need, whether we're hiring in markets where we have no network or testing entirely new regions."

— Nell Hardie, Head of People, Heidi Health

CASE STUDY

Upskilling at Moose Toys through playful experimentation with AI

Moose Toys is an Australian toy company with a mission to become "the most innovative toy company in the world." The leadership team understood that AI adoption was critical for maintaining competitive advantage and staying true to their goal of embracing innovation, which stretches well beyond product development.

To support upskilling a diverse, fast-paced workforce across multiple time zones and cultures, Moose Toys implemented a comprehensive AI upskilling strategy using LinkedIn Learning as the foundation. They created an "AI Hub" serving as a one-stop resource center featuring company guardrails, FAQs, and curated LinkedIn Learning pathways for responsible AI use and prompting techniques.

Moose Toys stayed true to their core values of being "outrageously playful" with "wild imagination" when bringing AI to teams. To foster a culture of approaching AI with curiosity rather than anxiety, the company introduced "AI Play" – 15 minutes every Friday for employees to experiment with AI tools without pressure. Other tactics included weekly support sessions and an ambassador program for advanced users. LinkedIn Learning's multilingual capabilities enabled consistent training across their global workforce, while the AI Coach and role-play features provided real-time feedback for skill development.

"We deliberately chose LinkedIn Learning because of the varied content, multilingual capabilities, and accessibility of the online platform."

— Mardi Wyndham, Global Learning & Organisational Development Director, Moose Toys

CASE STUDY

G'day Group uses AI for bringing global talent to rural Australia

Australia's leading regional tourism operator G'day Group is home to a network of more than 330 holiday parks and resorts across the continent. The company encompasses Discovery Parks and Resorts, the G'day Parks licensed network, Wiki Camps (Australia's top tourism app), and the Bookeasy booking system platform.

G'day Group's business model requires sourcing specialised talent for seasonal operations in rural and remote locations, where there are limited talent pools. Beyond tour operators, G'day Group hires for resort managers, skippers, chefs and plumbers for locations from the Kimberley to the Red Centre. Due to the seasonal nature of their business, they are also constantly recruiting to fill positions.

LinkedIn's advanced search capabilities transformed G'day Group's approach to recruitment by allowing for specific skills targeting and access to global talent. The market mapping tool provided unprecedented intelligence, revealing exactly how many with skill-set lived in the region or identifying potential candidates globally based on educational background and career trajectory.

Talent Acquisition staff can also search based on personal ties to the location they are recruiting for, such as graduates of Australian universities now working overseas or Adelaide natives with international resort experience who might be more willing to live and work in rural Australia.

"Our talent acquisition leads spend about 80% of their time sourcing from LinkedIn. The time, quality, and costs to field candidates is vastly better than traditional methods."

— Kate Berry, Chief People Officer, G'day Group

Image of Discovery Parks Goolwa

CASE STUDY

Social marketing supports espresso Displays growth journey

espresso Displays is a growing Australian consumer electronics company designing portable monitors for mobile professionals. Founded by university students through a Kickstarter campaign, the company is a leader in portable displays — a market segment it helped create.

The founders at espresso Displays leverage LinkedIn to create buzz and excitement as their business matures, aiming to engage both businesses and customers more effectively and on a larger scale. Customers, investors and potential employees followed along for the growth journey, cheering on for posts such as espresso Displays first getting featured in JB Hi-Fi.

Given their product is used for mobile workers, the team also began using LinkedIn for marketing purposes. In the background, LinkedIn's AI supported broader reach, as AI eliminated the need for complex audience segmentation. Instead, the algorithm identifies mobile professionals, field engineers, and remote workers who would be interested in displays.

espresso Displays has also used LinkedIn's thought leadership features, which has enabled personal posts from founders to be promoted alongside company content, creating authentic engagement that resonated more effectively than traditional brand messaging.

"LinkedIn has become our most effective advertising channel by far. We're spending more there than we ever have because the results speak for themselves — it finds customers we never would have thought to target."

— Scott McKeon, Co-Founder, espresso Displays

Methodology

Small and Medium Enterprise (SME) Definitions

This report focuses on small and medium-sized businesses (SMEs) with 11-200 employees, though slightly different SME definitions are used depending on the data source:

- LinkedIn data analysis (Figures 1, 3-6): SME defined as 11-200 employees, with mid-market enterprise (201-1000), enterprise (1001-5000), and large enterprise (>5000 employees)
- Jobs and Skills Australia data (Figure 2): Small business (<20 staff, excluding sole traders), medium business (20-100 staff), large business (>100 staff)
- Survey data (Figure 9): Australian businesses with 51-200 employees

Survey Methodology (Figure 9)

Figure 9 data derives from fieldwork commissioned by LinkedIn and conducted online between 3-11 September 2025 among the general public and SMEs. The survey included n=1,000 SME decision-makers (employing <1,000 people). Figure 9 data is based on a subgroup for SMEs with 51-200 employees.

Quotas were set at sample design and post-stratification weights applied to correct minor imbalances. The SME sample reflects the national SME universe by company size-band, sector and region. Research followed ESOMAR and Market Research Society professional standards.

LinkedIn Skills Definitions

Digital Skills: Refers to a broad umbrella of digital-type skills, which includes Microsoft Office, Microsoft Excel, Microsoft Word, Microsoft PowerPoint, Microsoft Outlook, Microsoft Access, Computer Literacy, Office 365, Mac, Spreadsheets.

LinkedIn categorises AI skills into two mutually exclusive groups: AI Engineering and AI Literacy. Broadly, AI Engineering skills refers to the technical expertise and practical competencies required to design, develop, deploy and maintain AI systems. AI Literacy refers to the knowledge, abilities and critical thinking competencies needed to understand, evaluate, and effectively interact with AI technologies.

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