

AI Talent Is Expensive. Now What?

By [Anna Bianca Roach](#) June 2, 2025

As more companies seek to attract top tech talent to help oversee and build out their artificial intelligence strategies, boards are considering innovative compensation structures, according to a recent [report](#) by **Compensation Advisory Partners**.

Talent is critical to the success of any AI initiative, but it's a challenge that requires bridging the gap between each company's individual corporate culture and the more innovative and often expensive benefits often offered by tech companies and venture-backed startups.

"Spending on AI is up 10x. ... That's not just the actual hardware. That's also the people." Ryan Colucci
Compensation Advisory Partners

Sources said boards will need to balance the technology's potential with the high price tag associated with practitioners and the risk that bringing in an additional team of highly paid talent could create friction with valuable long-term employees who are not receiving the same pay bump.

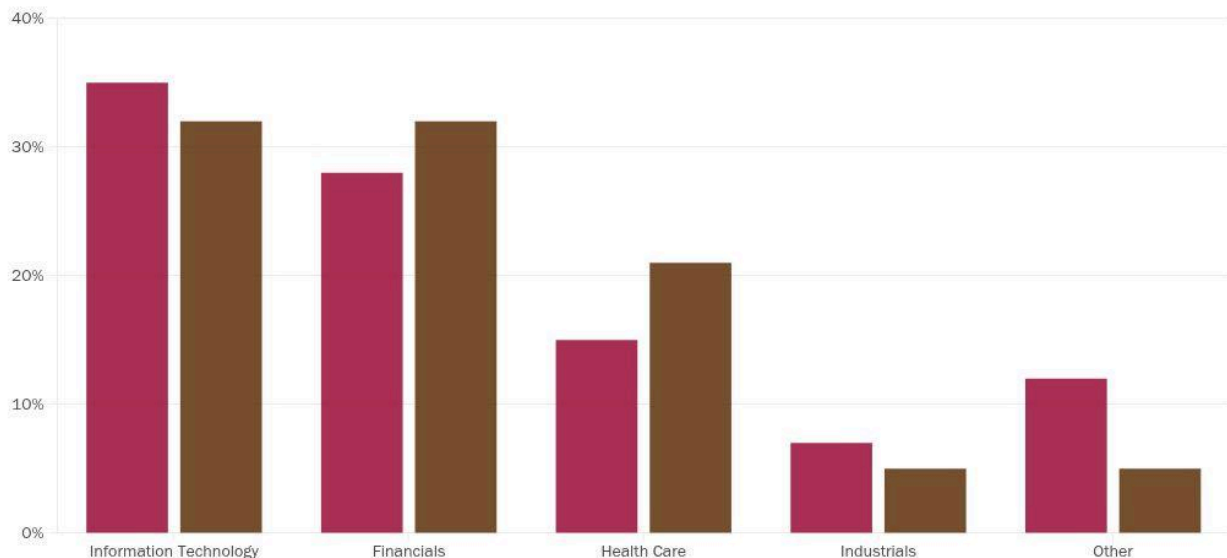
It's a good time for boards to review their company's AI strategy and [reevaluate whether it will still create value](#) given the cost of talent, said **Mallory Bucher** of the **National Association of Corporate Directors**.

"If AI talent costs push the opportunities outside the organization's established risk tolerance or cost threshold, then the board may have to reevaluate the proposed AI strategy with management," she added.

What Sectors Have the Most AI Roles?

Percentage of S&P 500 companies that have disclosed an AI role at the senior or C-suite level.

■ Any Senior AI Role ■ C-Suite Level AI Roles



Source: [Compensation Advisory Partners](#)

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A few major companies have already started culling their AI programs: **Johnson & Johnson** recently announced that it has [shut down](#) most of its AI pilots, refocusing on the highest-value use cases. **Klarna** has [doubled back](#) on its AI-first strategy after learning that using the technology to cut costs led to lower-quality customer service, Bloomberg reports.

Top Talent, Top Dollar "Spending on AI is up 10x," said **Ryan Colucci**, the CAP partner who authored the report. "That's not just the actual hardware. That's also the people."

That's because much of the country's top tech talent is currently housed either at major players like **Google** or **Meta** or at startups backed by venture capital, he said. In both cases, luring them away from their current employers is likely to be expensive, he said. Prospective employers have to compete not just with the tech industry's location and innovative culture — but also with its compensation practices.

Some companies that are continuing to move forward with their AI strategy have approved sign-on awards large enough to require approval from the compensation committee, Colucci said.

"Given the scarcity of top AI talent, boards must be ready to offer customized packages that may exceed standard C-suite compensation bands," said **Bashar Kilani**, a managing partner at **Boyden UAE**. That could mean equity grants, long-term incentives or retention bonuses benchmarked against the norms of the tech sector, he added.

More Pay, More Problems? Companies have to find a way to attract the AI talent needed to fulfill their strategies without creating friction with longtime employees who receive lower pay packages, Colucci said.

One way to mitigate the potential for pay imbalances could include reviewing how AI responsibilities are shifting or being assigned across roles and redefining role scopes and updating compensation accordingly, said Kilani.

Doing that can also help with shareholder communications by pinpointing specifically where on the board responsibility for AI oversight lies. Over this year's proxy season, investors have shown a strong interest in transparency and good governance around the use of the technology, said **Lindsey Stewart**, director of stewardship research at **Morningstar Sustainalytics**.

This year at **Amazon**, for instance, a [proposal](#) asking for a third-party assessment of how the board oversees human rights risks associated with the technology [received](#) 10% of shareholder support.

Boards should also consider ways they can make themselves more competitive in the job market outside of compensation, Kilani added. "While competitive pay is crucial, elite AI leaders are increasingly drawn to environments where they can create strategic impact, work with strong data infrastructure and operate under visionary leadership," he said.

To show top candidates that they will be properly supported throughout the process, companies can communicate a thought-out and committed [data strategy](#), Kilani said. They can also

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disclose more about their ethical AI guidelines, he said. A robust understanding of the technology's risks will both attract leaders in the field and assuage investors who have been clamoring for more disclosure around AI governance.

Companies should also not overlook their own internal resources. "There are several steps company management might take before jumping to hire this high-in-demand AI talent, such as considering whether the company can use employees with more traditional compensation levels," said Bucher of the NACD.

"Look outside of this limited talent pool and understand what the company really needs and if upskilling can suffice."