

# Chipotle: Strategizing AI Hiring at Scale

**Deep Prakash Chellapilla, Rutuja Sanjay Chavan, Nupur Jain, Sanchit Mangai, Amol S. Dhaigude**

*S. P. Jain Institute of Management and Research, Bhavan's Campus, Mumbai, India*

**Abstract.** This case examines how Chipotle Mexican Grill approached the strategic challenge of scaling artificial intelligence in frontline hiring. In early 2025, Ilene Eskenazi, Chief Human Resources Officer, faced a critical decision regarding the expansion of “Ava Cado”, an AI-powered conversational hiring assistant designed to streamline recruitment across Chipotle’s rapidly expanding restaurant network. As the company pursued an ambitious target of operating 7,000 restaurants in North America, the need to hire thousands of employees quickly placed immense pressure on its hiring systems. The AI pilot demonstrated substantial operational benefits, including an increase in application completion rates from roughly 50 percent to over 85 percent and a reduction in time-to-hire from 12 days to four. However, the rollout also generated operational and ethical challenges, including scheduling errors, candidate dissatisfaction, and a reported vendor security vulnerability. Against this backdrop, Eskenazi must decide whether to scale full automation, revert to a human-led hiring process, or implement a hybrid approach combining AI efficiency with human oversight. The case invites students to evaluate trade-offs between efficiency, candidate experience, regulatory compliance, and brand values while designing scalable HR strategies in technology-driven service organizations.

**Keywords:** Artificial Intelligence in HR, AI-enabled recruitment, talent acquisition automation, HR digital transformation, ethical AI in hiring.

**Declaration:** This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of Chipotle or any of its employees.

In March 2025, *Ilene Eskenazi*, Chief Human Resources Officer (CHRO) at Chipotle Mexican Grill, faced a pivotal decision. With Chipotle aiming to operate 7,000 restaurants across North America, Eskenazi had to determine how to scale “Ava Cado,” the company’s AI-based conversational hiring assistant.

## CHIPOTLE: COMPANY HISTORY

Chipotle Mexican Grill (NYSE: CMG)<sup>1</sup>, founded in Denver, Colorado, in 1993, built its brand on “Food with Integrity” (see EXHIBIT 1). Its mission, “Cultivate a Better World”, translated to a commitment to high-quality ingredients, ethical sourcing, and environmental sustainability. This focus on quality and authenticity

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*Any enquiries, please contact the Publishing Editor, Peter Neilson [pneilson@neilsonjournals.com](mailto:pneilson@neilsonjournals.com)*

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also extended to its people, evidenced by a high internal promotion rate (see EXHIBIT 2).

By the mid-2020s, the U.S. fast-casual Mexican restaurant segment was growing strongly. Rising disposable incomes and changing demographics broadened demand for quick-service meals featuring high-quality ingredients (Le, 2025). Analysts noted that fast-casual chains like Chipotle, Qdoba, and Moe's offered the speed of fast food with ingredients closer to casual dining, taking market share from full-service restaurants (Le, 2025). However, competition remained intense and fragmented: no single chain held more than 5% of the Mexican restaurant market (Le, 2025). This context implied that Chipotle's growth strategy must navigate competitive rivalry, supplier pressures (e.g., costs for sustainably sourced produce), and strong customer bargaining power focused on value and ethical sourcing (see EXHIBIT 3).

Chipotle's organizational culture was deeply rooted in transparency, employee engagement, and people-first leadership. Ex-CEO Brian Niccol and Chief People Officer Marissa Andrada hosted weekly "Chip Chats", open calls where all employees were invited to share feelings, ideas, and concerns directly with the executive team, ensuring that every voice was heard regardless of hierarchy (Bergeron, 2021). In a SHRM annual event in 2021, Andrada noted that when she joined in 2018, Chipotle did not even have a formal HR department, making the cultural transformation she led all the more significant (Bergeron, 2021). In the same event, Niccol consistently emphasized that company decisions were guided by core values, and that executives performed better when they related to their teams on both personal and professional levels. The underlying philosophy was straightforward, a company was only as good as its people, and that belief shaped every operational and strategic decision Chipotle made.

In late 2022, under Ex-CEO Brian Niccol, the company accelerated its growth, setting a clear long-term target of 7,000 restaurants in North America (Lebowitz, 2022). Scott Boatwright was working as the current Chief Executive Officer who was appointed in November 2024 (Chipotle, n.d.-b). There were over 3,700 restaurants as of December 31, 2024, in the United States, Canada, the United Kingdom, France, Germany, Kuwait, and United Arab Emirates (Chipotle, 2025). It was the only restaurant company of its size that owned and operated all its restaurants in North America and Europe (Chipotle, 2025). Given that the current store count was just over 3,700, achieving the goal required opening between 315 to 345 new locations per year. Each new restaurant demanded an average of 30 new employees, creating an unprecedented hiring volume. The stakes were high: failed staffing meant disrupted operations and undermining the in-store customer experience that Chipotle's reputation relied upon.