# Al in Hiring: Perspective from a Talent Acquisition Leader



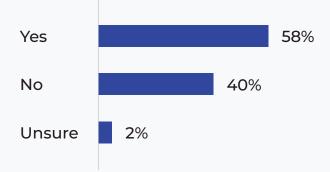
The talent environment remains highly competitive amidst an uncertain economic climate. And it requires companies to focus on increasing efficiencies to achieve their hiring goals.

To enhance speed of recruitment processes, some businesses have pursued automating their hiring workflows. Still other organizations have sought to complement recruitment automation by embracing and expanding their use of artificial intelligence (AI).

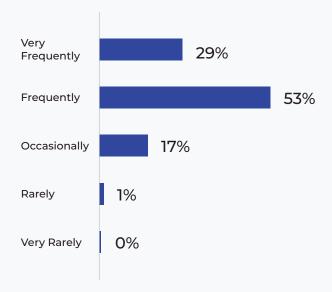
While recruiting automation has empowered companies of all sizes for more than two decades to streamline hiring tasks, increase recruiter productivity, speed time-to-hire, and reduce cost-per-hire, AI is newer to talent acquisition. But it has the attention of talent teams.

With AI now one of the fastest-growing areas to enhance recruitment technology, talent acquisition professionals have started adopting Al capabilities for more intelligent hiring. The 2023 **Employ Recruiter Nation Report**, which surveyed more than 1,200 HR decision makers and recruiters in North America in September 2023, revealed that 58% of respondents already use AI to augment their current recruitment technology stack. More than 8 in 10 reported using Al-powered tools frequently or very frequently.

## **Using AI to Augment Recruitment Technology**



## Frequency of Using AI to **Augment Recruitment Technology**



## Defining and Distinguishing Between Recruitment Automation and Al

Automation and AI are not synonymous in hiring. These two concepts are often used interchangeably, but they are distinct with their own ethical and technological implications.

Recruiting automation streamlines the recruiting process, taking tedious tasks away from recruiters and hiring managers, and freeing them up to do more important tasks like nurturing relationships, promoting the company's employer brand, and developing more strategic recruiting strategies, including diversity, equity, inclusion, and belonging (DEIB).

Artificial intelligence enables software to augment decision making processes, encompassing areas such as machine learning, natural language processing, and pattern detective. All has the power to learn and evolve, responding to data inputs and building upon that knowledge to continually improve its ability to perform tasks.

Leveraging AI in recruitment allows for greater efficiency and effectiveness, ultimately leading to better talent acquisition outcomes. For example, AI can assist in screening resumes, identifying the most qualified candidates, and even providing insights into potential fit of candidates.

While automation is one of the precursors to the development of AI technologies, automation lacks the learning and decision-making capabilities of AI. Further, leveraging artificial intelligence enables ongoing improvement based on a continuous feedback loop.

The use of AI in recruiting, however, presents a range of ethical considerations, including data privacy and protection, fairness, accountability, and transparency of its decision-making. Without careful consideration of these ethical implications, using AI could result in unintended consequences, potentially doing more harm than good in an organization's hiring processes.

To ensure that AI is integrated effectively and responsibly within organizations, it is crucial to address these ethical and technological distinctions. Only then can companies unlock the true potential of AI, empowering software to work alongside humans to achieve shared goals.

## Examining the Use of AI in Hiring

Where recruiters have previously leaned on applicant tracking systems and recruitment automation, enterprises are now searching for and incorporating more advanced solutions that take even more burden off humans to support better decision making and intelligence for their hiring efforts.



Automation and AI are not synonymous in hiring. These two concepts are often used interchangeably, but they are distinct with their own ethical and technological implications. Yet it is important to note that AI is not as new to recruiting as some companies may believe. Prior to the introduction of Generative AI, which is capable of creating text, images, and other media based on models that learn from large amounts of data and patterns, other forms of artificial intelligence have powered recruiting solutions from select providers for some time.

For example, Jobvite, an Employ Solution, has offered award-winning talent acquisition tools — powered by AI — to customers for years. One popular AI-powered recruiting tool from Jobvite is Zero-Click Intelligent Sourcing (ZCIS), which intelligently matches and ranks qualified candidates who meet the requirements, experience, and certifications of a job requisition found in the customer's candidate relationship management tool.



"I think you're spot on with the assessment that AI has been around far longer than we've been willing to admit."

– Zach Chertok, IDC Analyst

Yet since February 2023, the introduction of Generative AI has dominated news headlines and impacted the accessibility of artificial intelligence for individuals and hiring teams alike. Talent teams now have access to free and open source tools that support their company in faster sourcing, interviewing, candidate engagement, and onboarding.

However, it is important to note that free and open source tools take proprietary data, so companies no longer have control over protecting personal identifiable information (PII). To remedy this, it is important to be aware of the risks and consider steps to mitigate data privacy issues.

For example, companies many want to consider paying for accounts where data is not fed into the general pool or stripping PII and sensitive candidate information before sending it to the large language model (LLM).

In addition, multiple recruitment technology providers have begun incorporating Generative AI within their tools across job advertising, candidate sourcing, candidate matching, screening and fraud detection, content and outreach, and analytics tools.



"The Jobvite system has proven my point that AI is like having a super power in the recruitment world. You guys have set that bar."

- Alicia Mokwa, Talent Research Director, IDC

While these tools do provide some advantages, the recruiting industry is rapidly lacking standards and requires considerable client configuration for these technologies. Relying on more established Al-powered tools is a solid strategy for those organizations looking to make their hiring processes more intelligent.

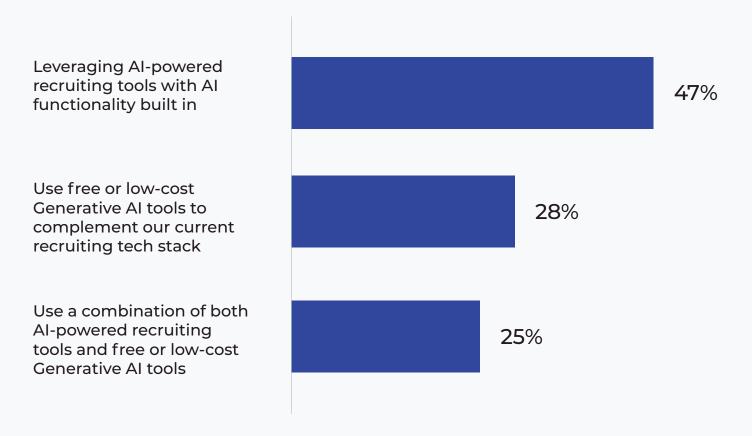
The figure below reveals how HR decision makers and recruiters currently leverage AI functionality from either built-in functionality, free or low-cost generative AI tools, or a combination of both based on data from the 2023 Employ Recruiter Nation Report.

Of the HR decision makers who currently use AI to augment recruiting technology, nearly half (47%) leverage AI-powered recruiting tools with AI functionality built in.

By allowing AI to inform decision making, recruiters can focus on activities where they provide the most value, such as selling the role, negotiations, community building, and personalization.

This enhancement not only elevates the experience for recruiters, but also significantly improves the candidate experience.

# How Talent Teams Leverage AI Functionality Across the Recruiting Technology Stack



## Specific Use Cases for AI in Talent Acquisition

When it comes to use cases in talent acquisition, teams are leveraging AI for multiple uses across the recruiting lifecycle.

Chatbots and intelligent candidate messaging (45%), job recommendations on career sites (41%), email and recruitment marketing content (39%), and screening candidates via automated messages (39%) are the top Al approaches currently leveraged in the hiring process.

This is followed by intelligent sourcing (38%), diversity, equity, inclusion, and belonging network balancing (37%), job description recommendations (37%), and candidate matching (36%), according to the Employ Recruiter Nation Report.

While there is no one-way to use artificial intelligence in recruiting, it is interesting that hiring teams have leveraged AI for a number of uses to streamline hiring across their recruiting functions.

## **How Talent Teams Leverage AI in the Recruiting Process**



## Challenges with AI: Skepticism In Recruiting

For all the promise of Al-powered technologies, some talent acquisition and recruiting practitioners are risk-averse when it comes to adopting these newer technologies.

## **Introduction of Bias in Hiring**

One of the greatest concerns of using AI in recruiting is the introduction of bias in the selection process. Without appropriate safeguards in place, AI can reflect the negative patterns it encounters. Because existing data sets inform AI tools on what to look for when defining qualified candidates, there have been very public instances where AI reinforces prevailing gender, racial, wealth or other biases.

For example, occurrences of favoring male candidates in programming positions, targeting women for nursing roles, or penalizing applicants who have an ethnic-sounding name or lack college degrees have made headlines. The fear that AI will amplify the conscious and unconscious bias of its creators is, therefore, based on reality.

## **Recent AI Legislation**

To combat the challenges of AI, new laws are being written to protect against it. According to the National Conference of State Legislatures, in 2023, 18 states and Puerto Rico adopted or enacted artificial intelligence bills of varying degrees to evaluate, study, limit or regulate how AI is used.

At the Federal level, President Biden issued the **Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence** in October 2023, establishing standards for Al safety, security, and protection of privacy for workers and citizens.

Related to employers and talent acquisition, the Consumer Financial Protection Bureau, Department of Justice, Equal Employment Opportunity Commission, and Federal Trade Commission issued a **joint statement** regarding employment discrimination. This statement highlighted the importance of protecting individual rights, applying existing laws to new technologies, and ensuring vigilance in Al employment practices.

#### At the state and local level, specific Al-related employment laws have been enacted around:

- Conducting annual bias audits around Automated Employ Decision Tools (New York City)
- · Informing candidates of the use of AI to evaluate video interviews (Illinois)
- Obtaining signed wavers providing applicant consent for facial recognition technology used during interviews (Maryland)
- Subjecting AI tools used in assessing criminal history to compliance requirements (California)

As these type of legislation become more widely adopted across the nation, organizations that leverage Al in the hiring process must ensure that the tools they use have been properly vetted from both an audit and compliance standpoint, and adhere to all local, state, and federal laws. Working with a trusted partner like Employ ensures companies can have confidence in the Al-powered tools they leverage to meet evolving employment laws.

## **Data Privacy and Protection**

Protecting sensitive candidate and hiring data is crucial to maintaining operations and ensuring compliance for employers today. Organizations must be aware that using AI to process personal data activates the General Data Protection Regulation (GDPR) and the protections that surround it in guarding candidate data. Similarly, the California Consumer Privacy Act (CCPA) requires businesses to respect individual data privacy in processing personal data.

In general, companies should ensure that there is an actual need to process the candidate data using AI. They must keep the data as secure as possible and process as little personal identifiable information as possible. Scrutinizing vendors to ensure they legally process sensitive information using AI is also critical, and informing candidates about AI data processing is essential. Companies must also be aware of how long the AI tools will keep sensitive candidate data and respond to requests to delete data in a timely manner.

#### **Concerns About Obsolescence**

Another fear many recruiters share is that AI will take their jobs. The truth, however, is talent teams that embrace automation, analysis, and insights that AI provides will likely have greater job security and a more strategic role within their organization.

Less effort spent on the time-consuming work of sourcing, sorting, and screening applicants gives recruiters more time for personal interaction with both qualified applicants and hiring managers to accelerate identifying, interviewing and hiring the right candidate.

While recruiter burnout is real, recruiting AI provides a support system to improve their workload and the quality of their performance. This means that AI-powered recruiters have more opportunities to grow and achieve impactful recruiting outcomes.

Al, however, will cause the recruiter's role to evolve. At the heart of Al is the automation of routine and repetitive tasks. Recruiting Al excels at helping to reach hiring decisions more quickly. By summarizing multiple complex inputs against stated hiring criteria, Al can help recruiters make objective decisions faster.

Automation is needed to extract the value of these decisions. All is incorporated into technology systems to follow a set of orders programmed by humans. Still, in the end, it is up to recruiting staff to use their higher cognitive skills to review the data, derive results, assess opportunities, and develop strategies. The combination of Al and human recruiters will dominate the future of recruiting.

## The Role of AI in Supporting DEIB

Diversity, equity, inclusion, and belonging are not only important for employees and organizational culture, they can also increase performance of the business. But while most companies value hiring more diverse individuals, no one is immune from unconscious and conscious bias.

Despite attempts to reduce bias in recruiting, unconscious biases still plague hiring processes. Al-powered recruiting tools can help address this issue by incorporating algorithms that assess candidates solely on their qualifications and experience.

#### Recruitment technology that leverages AI to reduce bias empowers hiring teams to:

- Scrub data around race, gender, and age. This allows the screening process to focus solely on a candidate's job history and skills rather than on qualities that don't contribute to their job performance.
- Approach bias mitigation with caution. Recruitment technology should be able to prove that it follows a stringent framework that mitigates bias appropriately.

By minimizing the impact of bias in the hiring process, AI-powered recruiting tools can help ensure a fairer and more meritocratic selection of candidates.

# Final Thoughts: Striking the Right Balance of AI and Human Ability

While efficiency gains have been realized through Al-powered tools, many recruiting processes will benefit from further advances in Al.

The challenge, however, is one that goes beyond technology. The human element of recruitment remains crucial, and effective collaboration between HR professionals and AI-powered tools can significantly enhance the effectiveness of recruitment strategies.

It requires people — TA experts, hiring managers, and recruiting professionals — to embrace both the risks and rewards of AI-powered solutions. Companies must strike a balance between AI's ability to streamline recruitment processes and the need for human intervention at crucial stages of the recruitment process.

When it comes to adoption, remember, it is important to consider AI as a co-pilot or support mechanism. AI assistants should complement the work of recruiters. AI can elevate and empower human interactions, big-picture thinking, creativity, and decision-making. However, AI will not, and should not, replace human judgment and experience.

But there is a need to tread cautiously. Organizations must invest in the right set of AI tools with a trusted provider that fits their culture, values, and hiring needs. Look for a partner like Employ that offers built-in, secure AI capabilities for companies of all sizes and recruiting complexities. Ensure that AI tools meet the needs of your business, align to your goals, and guide your AI and TA journey.

Deploying automated recruiting and Al-powered solutions accelerates hiring initiatives. But to use them effectively for talent acquisition, companies must understand their differences and recognize how to develop the people and processes that guide successful deployment of each.

Ultimately, as companies continue to navigate through the rapid changes presented by AI, the human element of hiring will continue to play a central role into how and where these technologies are adopted across the hiring lifecycle.

## **About Employ**

Employ Inc. empowers organizations of all sizes to overcome their greatest recruiting and talent acquisition challenges. Offering a combination of purpose-built, intelligent technologies, services, and industry expertise, Employ provides SMB to global enterprises with a single solution for recruiting and growing a diverse workforce. Through its JazzHR, Lever, Jobvite, and NXTThing RPO brands, Employ serves more than 21,000 customers across industries. For more information, visit www.employinc.com.

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