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DEBUNKING THE MYTH OF ARTIFICIAL INTELLIGENCE IN RECRUITMENT

Artificial Intelligence (AI) is one of the most popular trends in talent acquisition, with 30% of companies using these capabilities in some way. Yet many organizations lack clarity around what AI is and how it can impact their recruitment efforts. Given this uncertainty, many recruiters have misperceptions around AI and feel threatened that it will replace them in their organizations. This report, based on data collected in 2017, will help companies understand the value of AI, clear up any uncertainties, and provide key recommendations for selecting and adopting these solutions.

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INTRODUCTION

The topic of Artificial Intelligence (AI) has become mainstream in talent acquisition. Whether it's navigating through a stack of resumes to find the best fit, determining the right content to convert leads into applicants, or communicating with candidates in a more meaningful way, AI is everywhere. Yet most talent acquisition professionals are still unclear about what it is and how it can help improve their recruitment efforts. According to Aptitude's research, over 60% of companies are confused by AI. Additionally, many solution providers are misrepresenting themselves and their products, adding to the confusion and giving AI a negative reputation. As talent acquisition departments mature in their adoption of technology, the understanding of AI needs to change. This report based on data collected in 2017 will help organizations answer the following questions:

- What are the misperceptions around AI and what do I need to know?
- What is the value of AI to my recruitment efforts and overall business?
- What should I think about when evaluating and selecting the right provider?

THE MISPERCEPTIONS ABOUT AI

AI is maturing in talent acquisition: one in three companies plan to increase their investment in solutions with AI capabilities over the next year. The challenge is that many of these companies still do not understand what AI is and how it is used. AI is software that has the ability to learn on its own and become smarter and more effective over time. It is not necessarily a separate product or separate investment, and in fact, AI is most effective when it is embedded in core products such as recruitment marketing or candidate engagement solutions. It is the foundation for how these systems guide recruiters to make the best decisions and engage with candidates consistently throughout the process.

AI is familiar to most talent acquisition professionals because it is part of our daily consumer experience. When we use sites like Amazon, it learns to provide recommendations on what products we might want to purchase, or even 1-800-Flowers, where it learns an individual's preferences and behaves like a personal assistant when interpreting answers to questions, AI plays a pivotal role in how we engage with companies. It makes sense that AI has trickled into the candidate experience and the recruiter experience since 2 in 3 companies want more consistency between the candidate and customer experience. But talent acquisition professionals still do not trust AI the way the consumer world does.   Before talent acquisition can trust AI, they must clear up some of the misperceptions including:

- AI is a threat to the role of the recruiter;
- AI and data are the same; and
- AI hinders the candidate experience.

### *AI is an Immediate Threat to the Role of the Recruiter*

It should come as no surprise that many recruiters feel threatened that AI will replace their roles and the value they provide to the talent acquisition process. Forty-three percent (43%) of recruiters feel threatened by AI according to Aptitude's Hire, Engage, Retain 2017 study. Yet the reality is that AI can actually augment the role of the recruiter and empowers recruiters to make better decisions, relieving the administrative burden and allowing them to focus on more strategic initiatives. The role of the recruiter has changed and the modern talent acquisition professional must wear multiple hats (see Figure 1). They are responsible for more than filling positions quickly. They are responsible for aligning with business objectives and understanding data. Since AI can help recruiters by providing insight into

how to create requisitions and where and how to engage with candidates, they will be more successful in their roles. Sometimes referred to as "Augmented Intelligence" or "Artificial Assistant", AI can be a recruiter's best friend, rather than their biggest enemy.

It is important to note that AI cannot replace a recruiter's ability to detect emotional intelligence or personality traits in candidates. Recruiters can measure emotional quotients of candidates in areas such as self-awareness, empathy, social awareness, and relationship management. While AI can effectively filter candidates with the required competencies and experience for a job, recruiters can spend more time analyzing the human element that is critical for measuring organization fit.

Figure 1: The Modern Talent Acquisition Professional
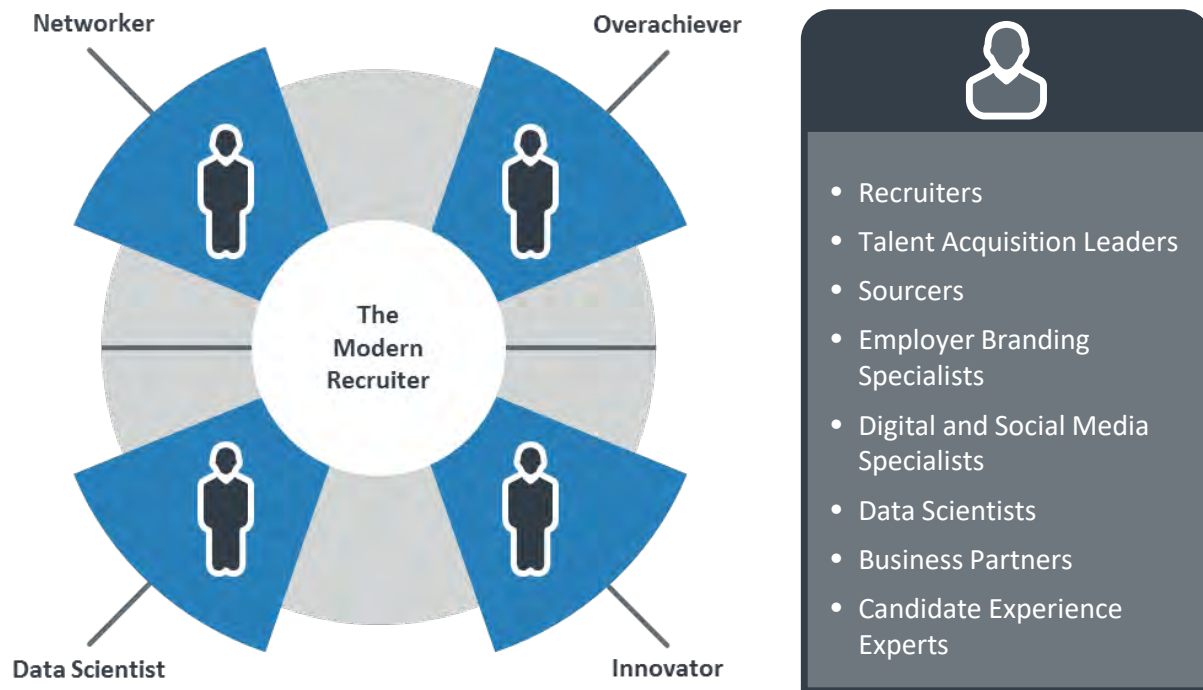

AI and Data are Not the Same Thing

Data is the foundation of AI. Without a large of amount of historical data and context, AI is not effective. Data gives recruiters insight to make the best decisions possible. Yet, too often, companies confuse data and AI as one in the same. AI puts data into action by giving that data context. Currently, most companies are not effective at taking action on data. The most valuable area of AI is in expert solutions. An expert system employs knowledge about its application domain to solve complex

problems that would otherwise require a human expert making a decision or taking an action. This type of AI approaches are essentially "if-then" logic rules, which are designed to make sure the right things are always happening at the right times.

According to Aptitude's Workforce Management study, less than half of organizations are using data to build a talent acquisition strategy, and less than 40% of companies are using data to identify high potentials and improve the candidate experience (Figure 2). AI can take data to the next level. AI provides cognitive skills such as learning from the available and appropriate data set.

Figure 2: Data to Action
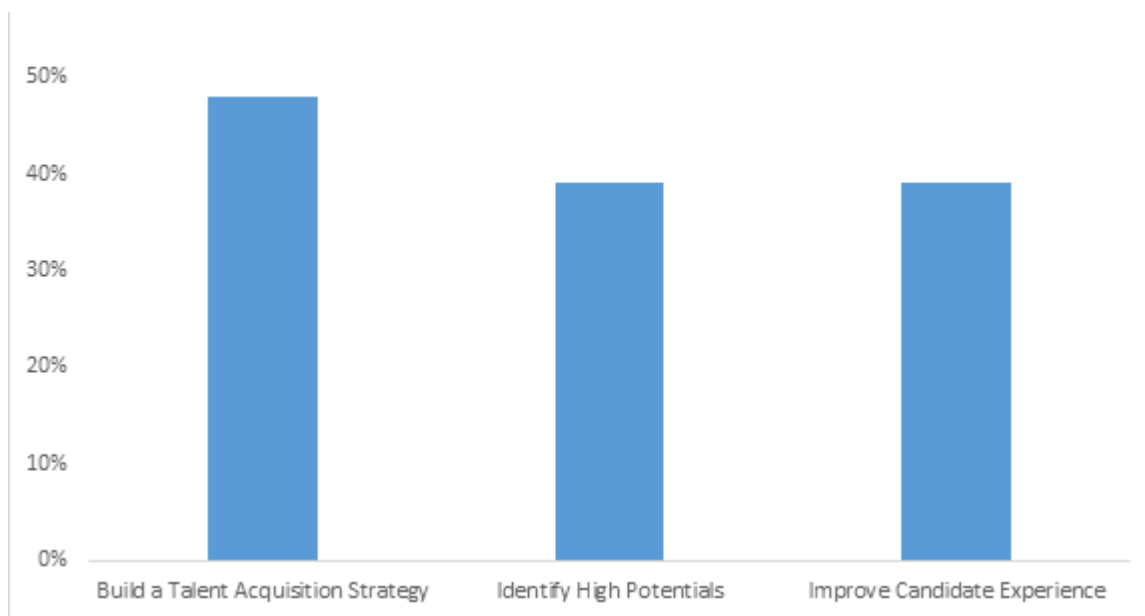
Source: Aptitude Research Partners. Workforce Management, 2016. N=316

AI Hinders the Candidate Experience

Companies have a tendency to think of AI as a barrier to a positive candidate experience. They characterize interaction with the technology as impersonal. According to Aptitude Research Partners, companies with AI capabilities in place are three times more likely to improve the candidate experience. Candidates want better communication and feedback, and AI solutions make that communication mandatory and consistent. They also free the recruiter up from many administrative tasks, such as sorting through requisitions and scheduling, to better engage with candidates. According to Aptitude's 2016 Hire, Engage and Retain study, a consistent candidate experience and candidate feedback were the top priorities for organizations.

Figure 3: Talent Acquisition Priorities
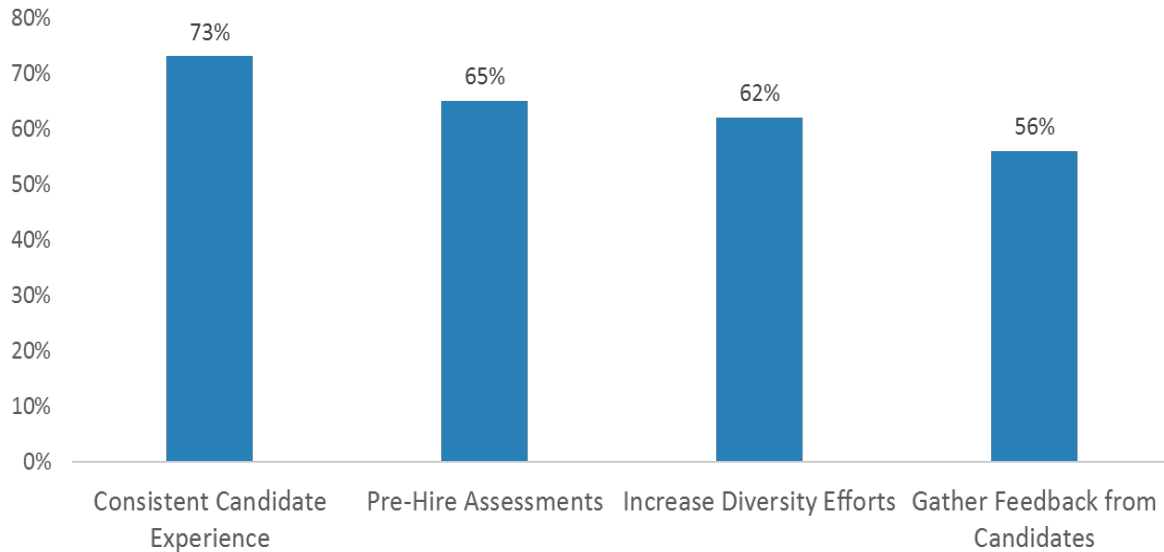
Source: Aptitude Research Partners. Hire, Engage, Retain 2016. N=360

Today's candidates prefer to be engaged on their favorite channel of communication. AI can help learn these communication preferences for specific candidate groups and engage with them on their channel of interest. These engagements could be as simple as informing candidates about their application status, or it could be AI acting as a coach to recommend to candidates the credentials they need to earn to qualify for a job. Candidates will be attracted to organizations that go the extra mile to help them find the right job.

AI in the Talent Acquisition Process

Attract
- Content to engage candidates
- Communication to candidates
- Job descriptions that are targeted

Recruit
- Insight to prioritize candidates in the process
- Scheduling interviewing
- Communication to candidates

Onboard
- Communication to new hires
- Content that engages new hire

THE VALUE OF AI

Once organizations can clear up the misperceptions around AI, the next step is understanding its value to talent acquisition and the overall business. Aptitude Research Partners found several benefits to the overall efficiency of the recruitment process as well as an impact on business outcomes:

- **Candidate Experience:** Companies that invest in AI were three times more likely to improve the candidate experience than companies not using an AI solution. Candidates are looking for the feedback and consistency that AI provides.
- **Time to fill:** The average time to fill a position for organizations using AI solutions is 20 days. Organizations using AI are more efficient throughout the entire hiring process.
- **Quality of hire:** Organizations using AI solutions were twice as likely to see an improvement in their quality of hires. AI does an efficient job of narrowing down the pool of talent and identifying the right fit for an organization.

When asked to identify where AI is used in the recruitment process, over half of companies that leverage AI do so to screen applicants or resumes. The second most common use of AI is to communicate with candidates.

Figure 4: AI in the Recruitment Process
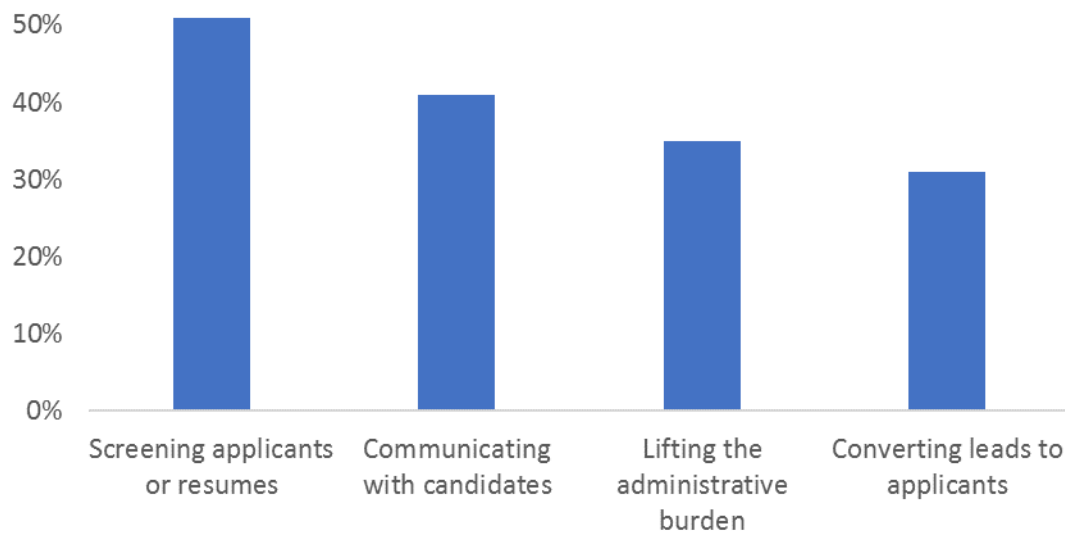
Source: Aptitude Research Partners. Hire, Engage, Retain, 2017. N=404

KEY RECOMMENDATIONS

Companies need to change their view of AI from a threat to a strategic tool that will improve their talent acquisition activities. AI can serve as an extension of talent acquisition efforts by freeing up recruiters to focus on more strategic initiatives and provide them with the insight they need to stay aligned to business objectives. Below are some key recommendations to help organizations mature in their use of AI and select the right provider:

- **Look at the consumer world**: AI is part of our daily interactions with companies as consumers. It is something we trust and even expect in our customer experience. Organizations should think about the parallels between talent acquisition and sales and marketing when making the case for AI. They should consider providers that understand these synergies and have built solutions that will be effective in the long-term for giving both recruiters and candidates the data they need.

- **Need more data:** AI only works when organizations use providers that have large amounts of data and can put that data into context. If data is not a priority for a solution provider, AI is not realistic.

- **AI drives the experience:** As organizations prioritize the candidate experience, they must view AI as a tool to enhance and strengthen that experience. Candidates, above all else, want feedback. AI gives them that communication and the status of where they are in the recruitment process.

- **Invest in a provider with staying power:** Implementing AI is not something that happens overnight. It takes a commitment from a provider that is willing to collect data and interpret that data for the long-term. Companies investing in AI should consider only providers that have demonstrated staying power and will continue to be key players in this space.

- **AI should not be generalized:** Organizations in the same industry may have different business strategies and competitive advantages. These organizations need to hire people with specific competencies and traits who can execute these business strategies. A generalized AI may be able to identify a generic set of candidates, but may not be able to identify a custom fit for an individual company. AI technologies should be capable of learning the specific attributes that translate to a successful and productive employee for that organization.

- **Companies need to consider 'Expert Solutions':** Expert Systems are currently the most important applied area of AI, because they're able to emulate and automate the decisions of a human expert.

APTITUDE RESEARCH PARTNERS

Aptitude Research Partners is a research-based analyst and advisory firm focused on the new conversation required by changes in how HCM technology is delivered and utilized by today's organizations.

Our goal is to look beyond the obvious product capabilities to identify the real differentiators organizations should be looking for when considering providers, as well as the change management and change readiness capabilities consumers must have in place for successful technology adoption.

We conduct quantitative and qualitative research on all aspects of Human Capital Management to better understand the skills, capabilities, technology, and underlying strategies required to deliver business results in today's complex work environment.

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