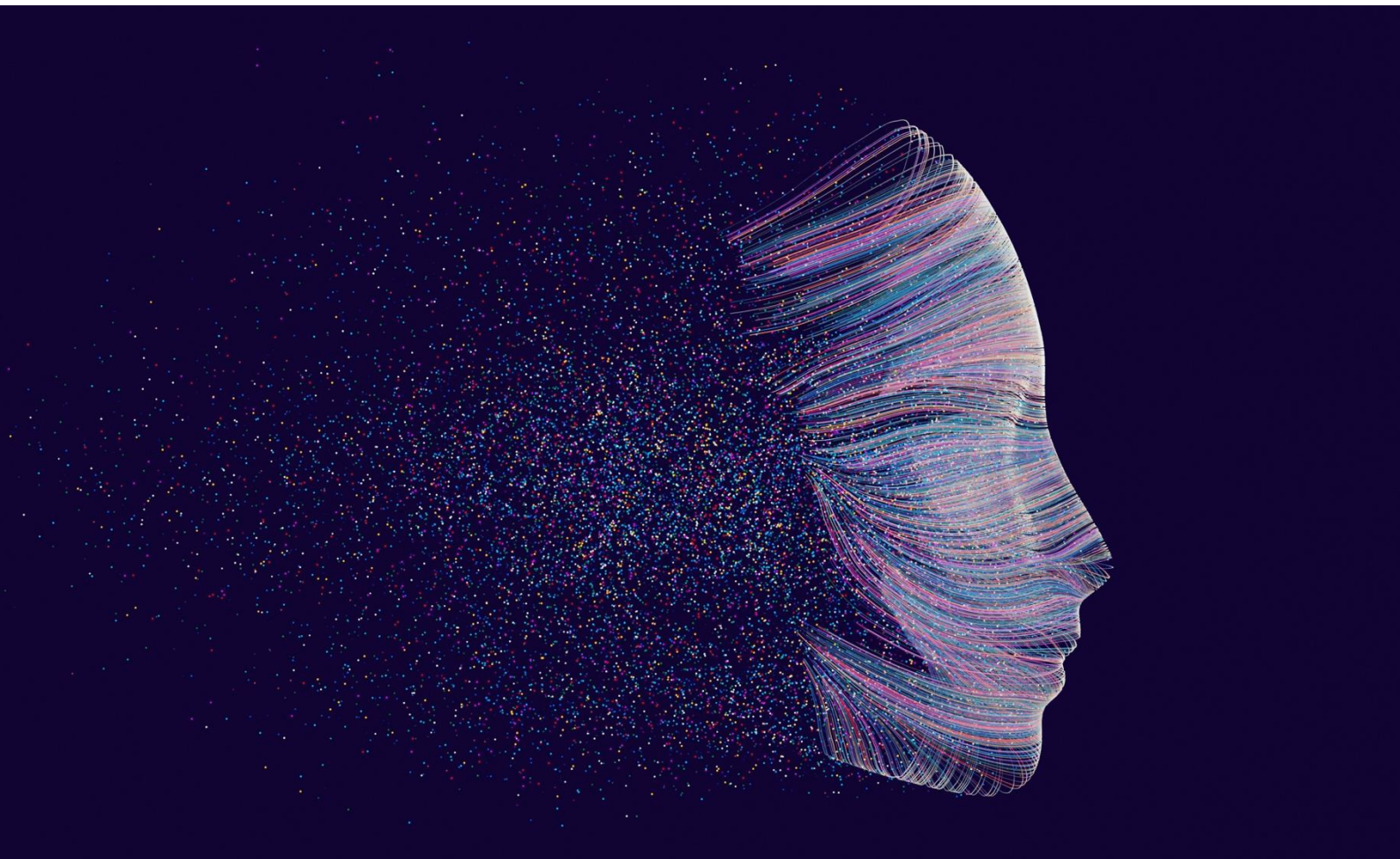# Leveraging AI for Data-Driven Talent Acquisition and Recruitment

THOUGHT PAPER

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Introduction

As you read this, the AI revolution is unfolding. The global AI market size is predicted to reach over **$1.8 billion by 2030** and it is clear that AI and emerging technologies are transforming how the world operates on a daily basis. As the world is witnessing the potential of AI come to life, the corporate world is abuzz with the possible impact of the numerous benefits, opportunities, and challenges that come with the acceptance and adoption of AI technologies.

When AI comes into play in HR, it promises to change the way organizations manage their most valuable asset: their people. HRMS, which started as automation tools to streamline everyday operations and maximize efficiency will now graduate to redefining the way HR teams attract, recruit, and retain talent.

Through this thought paper, we dive into the AI and HR landscape and explore how AI strengthens talent search, recruitment, and onboarding while also building superior, high-performing, and culturally aligned teams.

Exploring AI & HR today

73% of HR leaders are already using AI across HR functions

Against the backdrop of the ongoing instabilities and uncertainties, the world of work has shifted as have HR priorities. Operating in today's volatile environment means that HR leaders must face and overcome the challenges of a growing talent shortage, snowballing turnover propelling this talent drain, widespread anxiety and burnout, and increasing employee demands, such as more opportunities, benefits, and focus on empathy and holistic well-being. Unsurprisingly, AI is playing a critical role in empowering HR teams to successfully navigate these uncharted waters. In Eightfold AI's report, **The Future of Work: Intelligent by Design**, **73% of HR leaders surveyed said that were already using AI across HR functions like talent recruitment, 72% were implementing it to optimize performance management, and 69% used AI while onboarding new employees.**

It is evident that AI-powered tools are continuously improving HR practices, significantly. Whether it is search, recruitment, onboarding, or enhancing performance management and employee engagement.

AI technologies are versatile, allowing organizations to tap into vast amounts of data to not only make better hiring decisions but also identify talent and skills gaps, define future talent objectives, and play a key role in building employee training initiatives. AI-based algorithms support HR in improving employee performance and growth, enhancing succession planning, creating more aligned learning opportunities, improving employee compensation, and of course, boosting employee engagement and experiences.

A **recent report from the research firm IDC** predicts that 80% of Global 2000 companies will use AI/ML-enabled "Digital Managers" to recruit, let go, and train workers driven by the philosophy of continuous improvement. However, the research also points out that only 1 in 5 companies will get any real value from the move in the absence of human engagement. This draws our attention to a known but easily overlooked element i.e., the need for collaboration. **While AI is radically altering** how businesses operate, the technology's larger impact will be in complementing and augmenting HR capabilities, not replacing them. **Keeping this in mind, let's find out how HR teams are using AI beyond automation.**

Rethinking Talent Acquisition & Recruitment

- A post-pandemic **survey** found that remote onboarding and training was the biggest challenge related to hiring during the pandemic and continues to be so even today.

- **51%** of employees said that they would go "above and beyond" in their work if they had a good onboarding experience.

- **41%** of HR leaders plan on increasing their use of AI in talent recruitment in the next 12-18 months.

In today's fast-paced, hyper-competitive landscape with a geographically diverse talent pool and a growing demand for niche skills, organizations, and especially HR teams, are met with complex challenges when it comes to sourcing, screening, recruiting and finally, onboarding top talent. AI has been successfully reshaping this process, driving data-led talent acquisition and recruitment, and enabling organizations to streamline processes, enhance decision-making, and identify the right talent more efficiently.

Let's delve into the ways in which organizations can leverage AI technologies at every step of the recruitment process:

1. The planning stage

For any organization seeking to strengthen its workforce and its hiring process, the first and most critical step is to identify and plan out its talent needs. This entails mapping out a well-defined budget, conducting a comprehensive skills gap analysis, and drawing out a blueprint of what an ideal candidate looks like. Leveraging AI algorithms, HR teams can analyze hiring data, market trends, and business projections to forecast future talent needs. Such predictive analysis tools can help fortify the talent search process with accuracy and quality insights. At the same time, AI tools can also analyze the skills and competencies of the existing workforce, highlighting strengths as well as areas of improvement, and comparing them with the relevant skills required for future roles. Such strategies help organizations save on valuable resources and boost internal hiring. This also better equips teams to fill skill and talent gaps through relevant retraining, upskilling, or external hiring.

2. Solving for sourcing

Currently, sourcing talent continues to be a complex and highly demanding task. Anyone involved in the process of talent search understands how challenging it can be to identify top talent with the right experience, skills, capabilities as well as culture alignment. Fortunately, AI tools have disrupted the conventional methods of sourcing talent. Using AI, HR teams can now analyze data from a wide range of sources, including social media platforms, professional networks, job boards, and industry databases, to identify potential candidates. This empowers organizations to broaden their search and tap into top-tier talent, who may not have applied for job openings directly, from diverse sources and backgrounds; something they could not have done using traditional sourcing methods.

3. Simplify screening

Attracting the right talent hinges heavily on a well-articulated job description. Implementing AI in recruiting can help improve this. AI-powered language models, for instance, can help HR professionals articulate job descriptions by providing suggestions and improvements while ensuring clarity and effectiveness. Organizations can also leverage AI to optimize JDs with relevant keywords that help boost search results. Once the roles & responsibilities are clearly defined, AI-powered algorithms can save HR teams valuable time (up to **23 hours** for a single hire!) and resources by automating the process of reviewing and screening resumés, and analyzing job descriptions and profiles to accurately determine the degree of match.

4. Accurate assessments

With the use of chatbots and virtual assistants, HR teams can carry out a preliminary round of virtual interviews that can help with a first-level assessment of candidate behavior and soft skills, such as cognitive and personality tests to predict the candidate's match. Additionally, advanced algorithms can analyze facial expression, tone of voice, and language usage to provide insights into the candidate's emotional intelligence and personality traits. While it may not have the nuances of human communication, chatbots can help address the candidates' queries regarding employment terms & requirements, remuneration, and benefits while also providing updates on the next steps.

5. Hiring and onboarding

Onboarding is an opportunity, the first one in many ways, for HR leaders and teams to help employees connect with the company in a meaningful way. How can HR take advantage of AI in this final step of the recruitment process? The AI-driven onboarding framework enables HR to tailor experiences to individual employees, factoring in their distinct skills, inclinations, and role-specific necessities. By analyzing data around their skills, experience, goals, and learning preferences, AI can recommend relevant learning & training resources, create personalized development paths, and, monitor the impact to ensure performance-focused progress for both the employee and the organization. This not only helps build a great experience for employees but also helps organizations strengthen their reputation and employer branding.

Concluding Remarks

The demand for exceptional talent is growing consistently and it is becoming increasingly important for organizations to adopt and leverage AI to enable more data-informed recruitment. This, of course, comes with its unique challenges. Embracing AI in talent acquisition can transform the way organizations find and engage with talent, driving long-term success and growth. While AI comes with a multitude of benefits for HR and the organization, it is also essential to address ethical considerations and data privacy concerns. **When using AI algorithms, organizations must ensure transparency and fairness, and be cautious about avoiding biased decision-making. It is important to remember that while AI provides valuable assistance across each step of the hiring process, it cannot eliminate human interference. The two must work together to truly transform hiring as we know it.**

About the Author

Mainak brings over 24 years of experience spanning business and HR roles across geographies. This has given him a unique understanding of the link between HR and business strategy. He also holds a patent for HR capability development.

Mainak's experience includes human capital strategy, culture, talent development (performance, leadership development, career pathing, competency, learning, engagement, diversity) and talent acquisition (including on-boarding and background check). He has also implemented HRIS platform and HR metrics to improve performance.

Recently he has been helping start-ups set up efficient and effective HR teams and processes. In addition, Mainak is a recognized Executive Coach and Leadership Development expert.

Mainak's previous work experience includes stints/projects with Accenture (Consulting and HR), Hewitt Associates, AbsolutData, Heidrick & Struggles, Evalueserve, Sterlite Technologies and Upstox.

Mainak holds an MBA from the Indian Institute of Management, Calcutta, and is a certified executive coach.

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Dimple was a part of PeopleAsset during her summer internship, and this thought paper is inspired by one of her projects at the time. She has a strong interest in Talent Acquisition, Data Analytics, and Talent Management. Her academic background and career goals are focused on leveraging her medical expertise and bringing fresh perspectives to the world of HR.

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