phenom

THE DEFINITIVE GUIDE TO
ARTIFICIAL INTELLIGENCE FOR RECRUITING

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INTRODUCTION

Artificial intelligence (AI) is proving its worth to recruitment teams by providing benefits like efficiency, personalization and data-informed decision making.

Eighty-eight percent of companies globally already use AI in some way for HR, *according to SHRM*.

Not only has AI transformed the relationship between people and technology, it's also changing the role of HR when attracting, engaging, and developing talent.

The modern workforce is starting to grasp the power of AI, but conversations about AI-driven technology in recruitment can be confusing, even for seasoned HR professionals.

Phenom developed *The Definitive Guide to Artificial Intelligence for Recruiting* to remove the complexity from the equation, add clarity to the role AI plays in recruiting activities, and provide straightforward information on AI's positive impact on HR and TA teams (and in turn, the entire organization).

This guide will help you:

- **Better understand AI** and its effects on talent acquisition.

- **Leverage AI benefits** and overcome key recruiting challenges.

- **Discover essential AI-powered technology** that will make life easier for recruiters and candidates.

- **Preview the future** of what AI holds for recruiters.

1.

WHAT IS AI FOR RECRUITING?

1.

WHAT IS AI FOR RECUITING?

Artificial Intelligence (AI) is the science of training machines to perform human-like tasks so that certain functions can be automated. For instance, many industries have applied AI to quickly process large amounts of data to improve efficiency, accuracy and productivity. In its simplest terms, AI is really just automation that allows us to solve big, complex, repeatable problems with quality results. *AI is there to better illuminate the path to get there.*

Similar automation capabilities and benefits can be applied to recruiting, especially for repetitive, high-volume functions, like screening, sourcing and scheduling.

AI-powered technology is meant to speed up time-consuming manual processes so recruiters can focus on more valuable initiatives; AI is not meant to replace human recruiters, despite what some resistors might believe.

Recruiters can also use AI to unlock data-driven insights that guide decision-making and better outcomes, such as quality of hire. AI recruitment tools can help deliver the right jobs to the right candidates, the right candidates to the right recruiters ... and ultimately, build the right teams for the company.

Even though **75** million jobs are projected to be displaced by AI, **133** million new jobs will be created.

Source: *Future of Jobs Report from the World Economic Forum*

2.

THE DIFFERENCE BETWEEN ARTIFICIAL INTELLIGENCE & MACHINE LEARNING

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The terms **artificial intelligence (AI)** and **machine learning (ML)** are often used interchangeably, but there's a key difference between the two concepts: ML is actually a subset of AI. Recruiters will find familiarity with the basic differences to be helpful in their jobs.

While AI allows machines to make decisions and solve complex problems, ML is the process of making machines "intelligent" by feeding them data sets and specific examples. From that information, the machines can learn to detect nuances and patterns on which to base informed decisions.

Essentially, ML is the training process, and AI is the science and engineering of applications and innovations made possible by ML.

AI examines ways to build and educate intelligent machines that can solve problems. ML helps recruiters be more effective by computing, recognizing patterns and detecting deviations.

3.

WHY IS AI IMPORTANT FOR RECRUITING?

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From a broad-brush perspective, AI-driven HR technology improves efficiency through automation of tedious tasks — freeing recruitment teams up to focus more on strategic, big-picture goals. If you get AI right, it will blend into the background and be there for support. It's also important to note that AI should be considered as an assistant or advisor to recruiters — it does not replace the need for human interaction.

As AI goes more mainstream and the market becomes increasingly competitive with demand for top talent predicted to rise in the wake of the COVID-19 pandemic, TA leaders will need to consider integrating AI tech to thrive in an environment where working faster and smarter is a requisite.

AI tools can also help drive better TA outcomes by enabling high-level personalization and data insights.

AI + Automation

Recruiters are constantly pressed to do more with less. AI-powered tools can streamline many of the tedious, repetitive tasks that consume big slices of time.

- **Sourcing:** Identify best-fit candidates through matching and scoring capabilities.

- **Screening:** Score and rank candidates based on defined criteria.

- **Scheduling:** Use chatbots and calendar integrations to set up optimal times for interviews and other meetings.

Many recruiters spend up to 30 hours per week sourcing resumes, according to *Dice's Recruitment Automation Report*. TA leaders say one of the most considerable challenges they face is narrowing a large pool of applicants down to the most qualified candidates.

AI + Personalization

The best way to develop exceptional talent experiences and help them accomplish their goals faster? Provide tailored content throughout the entire talent lifecycle. Here's what that looks like across the board:

- **Candidates:** AI powers personalized experiences with job recommendations and dynamic content based on their profile, search history, similar jobs openings, similar personas and locations.

- **Employees:** AI delivers the same personalization features as external candidates, along with career pathing and supplying job referrals from their alumni network, previous employer and critical job openings.

- **Recruiters & management:** AI nurtures a personalized pipeline with matching skills and compatibility so recruiters automatically discover new talent and rediscover past high-quality candidates.
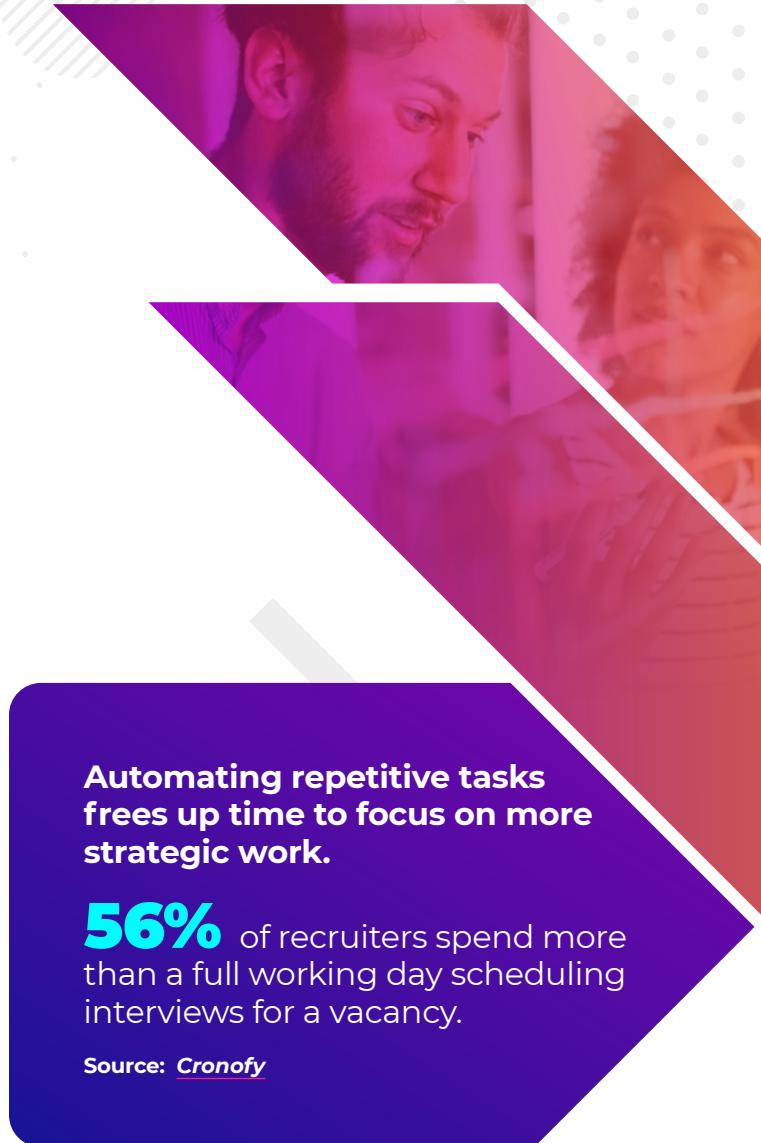
AI + Data Insights

Talent leaders have long struggled with data quality and reliability. Insights that are driven by artificial intelligence empower recruiters and talent acquisition professionals with the right information they need to hire best-fit talent faster:

- Discover new job seekers and rediscover existing candidates.

- Tap into cloud-sourced suggestions.

- Understand candidate intent.

- Obtain trends in the pipeline and view dynamic talent pools.

Data insights also allow recruiters to spend more time with the top candidates, reducing an organization's time to hire and cost per hire metrics.

AI + Bias Control

AI can help reduce bias in the recruitment process, which is critical to an organization's commitment to diversity and inclusion. Candidate fit scoring ensures that they're screened based on skill set and experience rather than a bias-based demographic.

Automating repetitive tasks frees up time to focus on more strategic work.

56% of recruiters spend more than a full working day scheduling interviews for a vacancy.

Source: *Cronofy*

4.

HOW COVID-19 HAS INFLUENCED THE NEED FOR AI IN RECRUITING

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The COVID-19 pandemic fueled a new level of interest in how AI can help recruitment teams work more efficiently and better target top talent — despite decreased resources.

The pandemic also introduced a new set of challenges to the workplace:

- Virtual recruiting practices
- Slimmed-down recruitment teams
- Increased hiring demands
- Rapidly changing employee and candidate views about the kind of company for which they want to work

As workplaces look toward talent recovery, HR and recruitment leaders are realizing that investing in AI-driven technology platforms will be key to staying competitive and attracting highly demanded talent.

5.

WHAT ARE THE CHALLENGES OF APPLYING AI IN RECRUITING?

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HR and TA departments should be aware of a few hurdles in utilizing AI recruiting tools.

Getting data to feed the system

Data is the foundation of effective AI. Because the effectiveness of an AI-powered talent experience platform depends on the quality of data flowing into it, selection of the right platform is crucial.

Organizations should choose a technology partner whose platform is fed by a robust network of recruiters, candidates, employees and job roles that supplies the amount of data necessary for impactful AI.

Encouraging user collaboration on a platform driven by centralized AI will increase its benefits.

Bias control

Considering that bias control is a benefit of AI, it may seem counterintuitive that it's also considered a challenge. An AI-powered system can; in fact, learn any human bias found in the recruiting process or that enters the system through training data. For example, the system might make selections based on a candidate's academic pedigree or geographic location.

Top organizations prevent bias-related downfalls by selecting a system with comprehensive bias detection frameworks built in.

Securing buy-in

Asking people to make changes, even if technology is sure to make their lives easier, comes with inevitable challenges. Recruiters, fearful of their jobs becoming automated, may be hesitant to embrace AI so it's important to emphasize that their roles will require human interaction and human-based decision making.

Prior to launch, leaders should provide demos, live training, and opportunities for feedback, and identify *change champions* who can help build excitement about the technology's benefits. Change champions will be key for getting all employees on board and ready for change.

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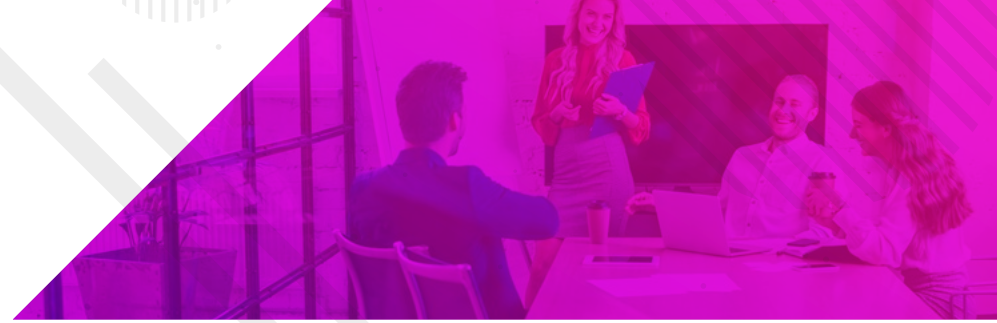
WHAT AI RECRUITING TOOLS ARE AVAILABLE?

6.

WHAT AI RECRUITING TOOLS ARE AVAILABLE?

AI and machine learning help candidates, recruiters, employees, and managers throughout their journey, enabling them to achieve their end goals faster. AI powers the following core functionalities:

Personalization delivers tailored content throughout the entire talent lifecycle. AI powers personalized experiences on company career sites by providing job recommendations and dynamic content based on a candidate's profile, search history, similar jobs openings, and locations.

For employees, AI powers the same personalization features as external candidates, along with career pathing and supplying job referrals from their networks.

For recruiters and management, AI powers a personalized pipeline with matching skills and compatibility so recruiters automatically discover new talent and rediscover past quality candidates.

Intelligent Search on a career site delivers accurate, relevant job results to help candidates find the right job. Search that provides irrelevant and inconclusive results leads to low talent conversion rates for organizations. Instead, search must be intelligent enough to understand the intent and context of a candidate's inquiry, as well as the relationship between words. Also known as semantic search, this type of search functionality seeks to understand language the same way a human would.

The ability to match the right job to the right candidate is critical to converting top talent. AI powers spell correction, prediction, synonyms and natural language processing in order to provide the most relevant search results.

Conversational HR chatbots that are powered by artificial intelligence help people find the best-fit job faster with personalized conversations, engagement, job searching, screening, and scheduling. The Phenom chatbot, for example, has captured 20 million candidate interactions over the course of 12 months — and it relies on AI and machine learning to provide talent with accurate and relevant job recommendations.

Leveraging a master database of information, the chatbot uses both natural language processing and natural language understanding to ensure it comprehends the intent behind a candidate's question and serves accurate answers. In HR, this is a complicated matter. Recruiters empower the bot further by analyzing the job seekers' conversations and supply it with additional responses that satisfy their inquiries.

Actionable Insights provide fit and engagement scoring, which allows teams to discover new job seekers, rediscover existing candidates, tap into cloud-sourced solutions, understand candidate intent, obtain pipeline trends and view dynamic talent pools -- relieving the longtime struggle that talent leaders have with data quality and reliability.

In addition, insights allow recruiters to spend more time with the most qualified candidates, reducing time-to-hire and cost-per-hire metrics.

The impact of conversational chatbots on career sites:

95% increase in job seeker leads

40% increase in completed applications

Source: *Chatbots for Recruiting: 2020 Report*

7.

HOW CAN AI SUPPORT DIVERSITY, EQUITY & INCLUSION INITIATIVES?

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HOW CAN AI SUPPORT DIVERSITY, EQUITY & INCLUSION INITIATIVES?

Implementing Diversity, Equity & Inclusion (DE&I) strategies is a top priority for many organizations. Emerging tech has the power to cultivate a workforce of all cultures, norms and perspectives, and build a community where everyone feels like an equal part of the team. AI-powered fit scoring can help you connect with a diverse set of high-performing candidates, while AI insights reveal diversity hiring trends.

Hiring for diversity is not an AI problem.

AI will never *solve* diversity and inclusion issues; instead, diversity and inclusion stem from awareness and transparency disputes.

AI *will* help provide the awareness and transparency that support executive teams, recruiters, talent managers, and employees ensure that we're illuminating opportunities to improve where the human brain might be colored by bias.

It starts with organizations understanding and setting the right hiring goals, then letting AI inform what candidates will help achieve the goal — and more importantly, what actions or activities will help us source, engage, screen, and hire those candidates.

AI works in the background to identify insights, trends, and ideal candidates, and then elevates that data at the right time to the right people in the right experiences. This is how AI can act almost as a flashlight — illuminating opportunities across the entire talent journey.

8.

HOW WILL AI CHANGE THE ROLE OF THE RECRUITER?

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Rest assured, AI assists people, despite the too-common fear that machines will replace people on the job.
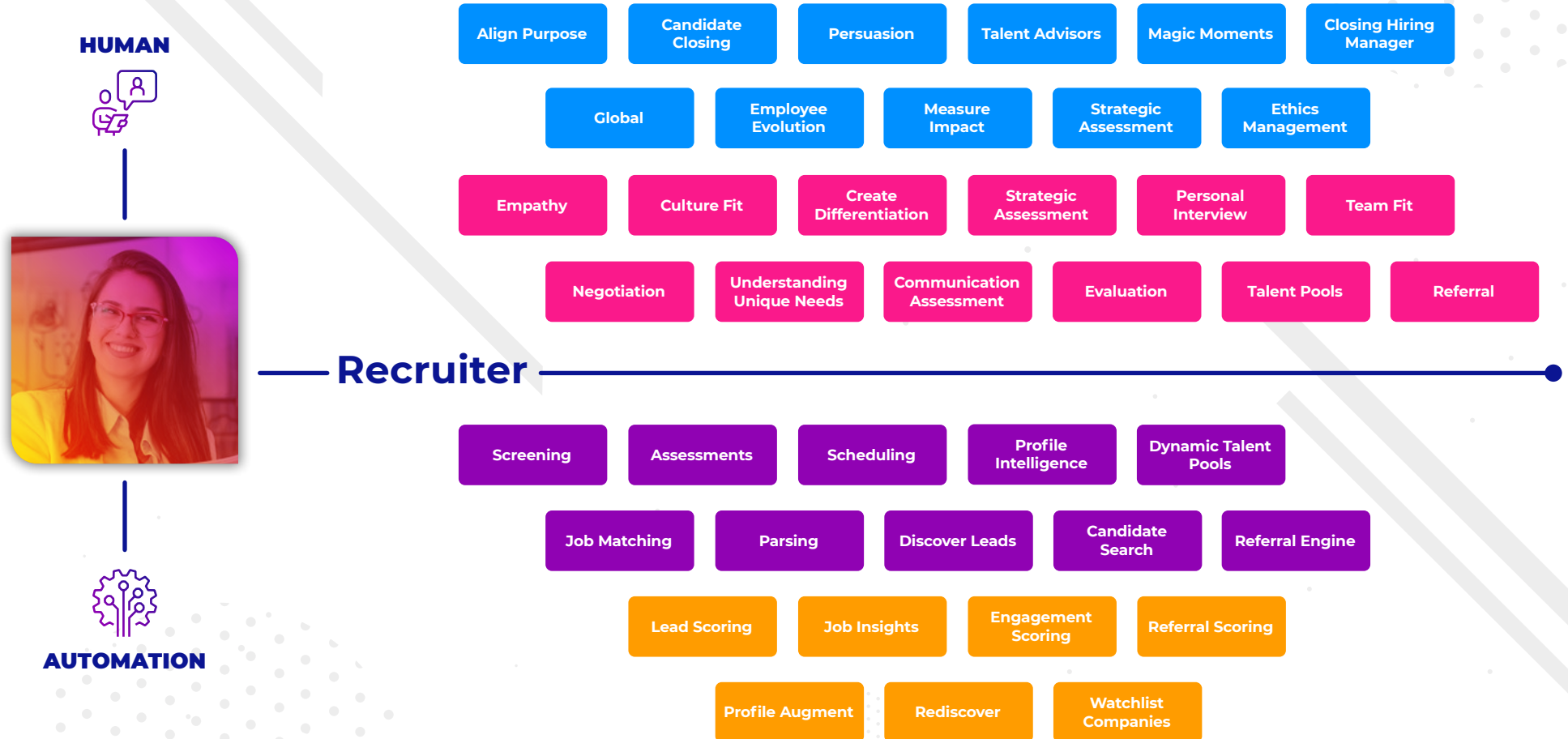
But the future of AI for recruiting is more accurately described as a human-centered approach that uses AI to enhance job performance. AI serves as the invaluable assistant you can't live without – that never forgets a thing it's "told." In essence, AI and automation allow recruiters to evolve.

AI can help recruiters make more effective decisions quicker, and free them from humdrum and logistical tasks. With better insights and more time at hand, the evolved recruiter will be able to:

- **Be more proactive.** Rather than simply backfilling open job roles, AI will give recruiters the data insights – and enough time – to apply strategic hiring practices.

- **Focus on relationship-building.** With more time back in their day, recruiters can dedicate more time with best-fit candidates. going deeper than a resume to determine culture fit and opportunities.

- **Align more closely with hiring managers.** Recruiters use AI-driven visuals showing KPIs such as quality of hire to educate hiring managers on outcomes.

EVOLVED RECRUITER WITH AI & AUTOMATION

Human Task

Human Transfer to AI Task

New AI Task

Evolved Human Task

HUMAN

Recruiter

Align Purpose	Candidate Closing	Persuasion	Talent Advisors	Magic Moments	Closing Hiring Manager
	Global	Employee Evolution	Measure Impact	Strategic Assessment	Ethics Management
Empathy	Culture Fit	Create Differentiation	Strategic Assessment	Personal Interview	Team Fit
Negotiation	Understanding Unique Needs	Communication Assessment	Evaluation	Talent Pools	Referral

Screening	Assessments	Scheduling	Profile Intelligence	Dynamic Talent Pools
Job Matching	Parsing	Discover Leads	Candidate Search	Referral Engine
Lead Scoring	Job Insights	Engagement Scoring	Referral Scoring	
Profile Augment	Rediscover	Watchlist Companies		

AUTOMATION

A SUMMARY OF
USING AI IN RECRUITING

HR teams around the world have adapted their people strategies to address unprecedented change — but one thing is certain: technology is essential to the success of our teams, organizations, and millions of workers looking for the right job.

Artificial intelligence is here to support the talent experience in powerful ways — and we are only at the cusp of its potential. Now's the time to embrace AI and let it operate in the background so that we may focus on what truly matters: building meaningful relationships with our candidates and employees.

AI is important in recruiting to help TA teams work more efficiently and attract top talent.

Benefits include high-powered automation, insights to drive stronger personalization and decision-making, and bias control to elevate diversity and inclusion.

Challenges lie in ensuring quality data to feed the system, securing user buy-in and preventing existing biases from entering the system.

AI-driven recruiting tools include personalized job recommendations and content, intelligent search, chatbots, fit and engagement scoring, insights, and candidate discovery.

AI will evolve the recruiter role by freeing up time to focus on relationship-building and proactive hiring strategies, and providing insights to educate hiring managers.

COVID-19 has increased interest in AI as companies adapt to changing workplace conditions and new candidate mindsets, relying more on technology to stay competitive and plan for the future of work.

ENHANCING THE
TALENT EXPERIENCE WITH PHENOM AI

By connecting billions of data points and millions of interactions from candidates, recruiters, employees, and managers, Phenom AI is able to help candidates find jobs faster, recruiters predict talent pipelines, employees discover career paths, and management optimize recruiting and retention strategies:

- **Personalized job recommendations** for candidates and employees based on skills, experience, location, search history, and profile.

- **Tailored referrals** based on employer match, similar colleagues, alumni, and more.

- **Intelligent search** based on user intent and natural language processing.

- **Conversational chatbot** that sources, screens, and matches candidates with best-fit jobs.

- **Dynamic fit scoring** to elevate best-fit candidates, enabling recruiters to fill roles faster.

- **Job insights** to discover and rediscover leads based on fit.

- **Data-driven skills** insights to drive employee learning, development, and career pathing.

THE PHENOM AI DIFFERENCE
Powered by the observations of 3 billion events per year, a network of over 100 million candidates, 8,000 recruiters, 2 million employees, and 20 million job openings, observations are turned into 10,000 markers. These markers are used to develop over 360 talent signals, which are key to making AI real and impactful to talent acquisition.

24/7 MACHINE LEARNING
Over 50 Phenom data scientists work behind the scenes to ensure our AI makes the talent experience faster, better, and stronger. Phenom's AI-powered technology gets smarter and learns over time as it gathers experience data from candidates, employees, recruiters, and managers.

SEE PHENOM AI IN ACTION

ABOUT PHENOM

Phenom is a global HR technology company with a mission to help a billion people find the right job. We do this through an AI-based SaaS platform, which we call Talent Experience Management (TXM). TXM is the holistic approach and platform that connects every interaction throughout the talent lifecycle and delivers hyper-personalized experiences for everyone. The Phenom TXM platform is built on artificial intelligence (AI), driving personalization, automation, and accuracy for candidates, recruiters, employees, and management. It eliminates multiple-point solutions, connects with quality candidates and employees through personalized experiences, and delivers top talent while driving ROI. This means candidates find the right jobs faster, recruiters are more productive, employees are able to evolve, and management gets the insights they need.

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