



AI in Recruiting: Separating Hype from Reality - A Practical Guide for Smarter Fairer Hiring

Table of Contents

01. Introduction	3
02. Understanding AI and Large Language Models (LLMs): A Simple Guide for Everyone	5
03. Assessing the Extent of AI Adoption in Recruitment: Current Trends and Industry Insights	10
04. How Recruiters Are Leveraging AI: Key Applications and Use Cases in Modern Hiring Practices with Direct ROI	16
05. The Candidates' Angle on Recruiting with AI	25
06. From Compliance to Inclusivity: Crafting Ethical AI for the Modern Workplace	35
07. Designing a Recruiting AI that will empower candidates and employers without reputational and regulatory risk	42
08. Conclusion	46
09. Appendix: Data on market size of recruiting and AI in recruiting	48



01.Introduction

Introduction

We are witnessing rapid technological advancements, and recruitment technology is evolving once again at a rapid pace.

If you need more certainty about your ability or desire to keep up with the latest market trends, you are not alone. Many recruiters feel the same but the hype about AI in recruiting can be overwhelming.

Historically, recruitment tech has often been complicated, and costly. With hiring teams now expected to achieve ambitious recruitment goals with fewer resources, and elevate their brand to attract top talent, it's understandable why leaders are carefully evaluating their current solutions and exploring new ones.

TA leaders increasingly recognize that traditional recruitment methods are out of step with the current reality of skill shortages, evolving workforce demographics, and higher expectations from candidates. It's crucial to grasp how these advancements in recruitment technology are directly addressing these challenges.

We wrote this comprehensive guide to help you navigate through the changing landscape of innovating the recruiting industry with AI. The focus is on how to utilize this new technology, its impact, and

the areas where it falls short along with the regulatory environment that is gradually developing around it.

This guide covers topics like how this technology can be utilized with a focus on direct ROI and improvement of services, aiming to offer a realistic perspective on the challenges and opportunities your organization might be encountering if you are considering this technology implementation.

AI technology may be not just a tool, but a critical strategic asset. But is the technology ready to become a strategic asset? Will it offer strategic advantages or will it cause more pain in your organization? How should we approach this? And what are the potential risks? Will you be left behind as an organization if you do not implement this AI tool? Or is it too early and the consequences of a wrong implementation will be painful?

If you want to dive deeper into the steps to implementing successfully AI in your recruiting organization while minimizing the risks you are in the right place.

We hope you enjoy this guide and please feel free [to reach out with any questions to the author Alex Louizos.](#)



Alex Louizos studied as a medical doctor but found his passion in AI engineering in 2007 and followed this career path. He has been designing and building AI systems for many companies including Fortune 500 since 2009. He is the main author of 4 international AI patents. Alex has extensive experience with recruiting in his companies and built AI to increase efficiency of recruiting operations that led to the creation of ManXmachina.



02. Understanding AI and Large Language Models (LLMs): A Simple Guide for Everyone

Understanding AI and Large Language Models (LLMs): A Simple Guide for Everyone

Are Large Language Models (LLMs) Artificial Intelligence (AI)?

Yes, artificial intelligence is a term that encompasses all of the ways we can make a computer have logic and think and make decisions. LLMs is a technique to build artificial intelligence that can process mainly text and produce responses as text but can also create images.

What are LLMs (Large Language Models)?

If you've ever asked Siri a question, used Google Translate, or chatted with an AI assistant, you've already experienced LLMs! But what exactly are these mysterious "Large Language Models"?

In the simplest terms:

- LLMs are a type of AI that can read, write, and understand human language
- They are trained on massive amounts of text data (think of everything from books and articles to social media posts).
- This training helps them learn patterns, words, and sentences so they can answer questions, write essays, or even have conversations like a human would.

Imagine a very smart parrot that's read almost every book in the world. When you ask it something, it can respond

based on all the information it's read! The resemblance to a parrot is a very important one to help us understand the capabilities and limitations of this technology.

How Do LLMs Work? And are LLMs the same as Generative AI (GenAI)?

Let's break this down with an analogy of how things work:

The Brain of an LLM: Think of an LLM like a giant "library brain." It doesn't memorize every single book, but it remembers the patterns and ideas from all the books it's read.

Learning the Language: When an LLM reads through text data, it learns which words go together, how sentences are structured, and what different phrases mean. It's like a child learning a language by listening to adults talk.

Generating Responses: When you ask an LLM a question, it uses what it's learned to predict the best response. It's not thinking like a human, but it's making a very good guess based on patterns it's seen before. They can also create new content, like writing stories, making poetry, or even helping with coding. This is why they're called "**generative AI**" – they can generate new things, not just repeat what they've

seen before. LLMs are the powerhouse of Generative AI.

Some names of LLMs that are Generative AIs are ChatGPT (OpenAI), Gemini (Google), LLama (Facebook), Claude (Anthropic), and others.

Does current AI have memory? Can it learn and evolve by interacting with us?

Yes, current LLMs can create a database that memorizes prior interactions. It's like having a friend who gets to know you better over time. For example, they remember how you like your coffee and suggest activities you might enjoy. Or remember what your writing style is, and can default to writing the way you want them to.

Why Are LLMs a Big Deal?

- **They Save Time:** Need a quick answer to a question or to automate a repetitive task? LLMs can help instantly.
- **They Break Language Barriers:** With translation capabilities, LLMs make it easier for people from different cultures to communicate.
- **They Assist in Creativity:** Whether you're writing a novel, composing a song, or designing a new app, LLMs can help you brainstorm and bring your ideas to life.
- **They can incorporate logic:** When you built LLMs a certain way they can incorporate logic in their answers that can help you automate complex tasks

What Should We Be Careful About When Using LLMs?

As exciting as LLMs are, there are a few things to watch out for:

- **They're Not Always Right:** Sometimes LLMs might give incorrect or misleading answers because they don't truly "understand" the world like humans do. They just make predictions based on patterns. This is called "**hallucinations**" and they can be misleading and very difficult to predict. There are cases where people have used LLMs for legal cases [and have gotten responses with hallucinations that are very difficult to verify even for legal experts.](#)
- **Bias in Responses:** If the text data used to train an LLM has biases (like stereotypes or incorrect information), the AI might reflect those biases. It's like a child picking up bad habits from the wrong influences. A lot of effort is put into practice to make sure that the LLM outputs are not inherently biased and that the training content does not contain inappropriate inputs or that the generated content is inappropriate.
- **Privacy Concerns:** LLMs can remember patterns from the data they've seen, so it's important to use them responsibly and protect sensitive information. This is very important for mission-critical use cases e.g. in law or medicine where LLMs can be forced to output personally identifiable information when they were trained with this data and get asked a certain



way for this output. Privacy when building LLMs for data sensitive use cases is a very important aspect for engineering purposes.

How can we avoid hallucinations of LLMs?

There are many proposed ways to avoid getting wrong hallucinated responses from

LLMs. The best way to achieve this is with the use of multiple LLM Agents.

An agent is an LLM that is trained to behave like an expert only in a specific part of the task.

Many agents can collaborate with each other and produce output that cannot be achieved otherwise with a single non-expert LLM.

Another way to avoid hallucinations is to use the so-called Retrieval Augmented Generation (RAG). In simple terms, RAG is intended to force the LLM to use only a specific corpus of text when generating responses to avoid imagining any parrot-like content from its large memory of texts.

The best way to avoid hallucinations when developing applications with LLMs is to create a test for your LLM tasks. Specific inputs should be creating specific outputs. For example, if you pass the same CV to an LLM the report output and score should always be the same. Whenever you change any parameter while developing this technology the test should be passed again. This is called Prompt Driven Test Development and is becoming the most important part of developing applications with LLMs that are consistent and safe.

What can LLMs do well today?

When engineered the right way with tests for consistency and special techniques to avoid hallucinations LLMs can perform well in specialized tasks that are repetitive and mundane for a human performing them. They cannot be used out of the box e.g. take a ChatGPT and use it to make diagnoses. With special engineering though they can be very effective even in relatively complex tasks.

The Future of LLMs

The technology behind LLMs is improving every day. When built by skilled people aware of the limitations and with the right guardrails we can currently build very smart

assistants that take relatively complex and repetitive tasks and automate them.

We are not yet to the point of having a medical doctor or a lawyer in our pocket.

My personal opinion is that LLMs will be used to take menial, repetitive tasks that require noncomplex logic away from our everyday jobs and elevate us to focus more on human touch and management. For example in recruiting by taking away all the repetitive tasks we can have more time to interact with candidates and build trust with them to convert them to applicants.

Final Thoughts

LLMs are like supercharged language tools. They're changing how we interact with technology and opening up exciting new possibilities. Whether you're using them to write, chat, or learn, they're here to make our lives a bit easier – as long as we remember that they're still learning, just like us.

In a nutshell: LLMs are like really smart parrots that have read a lot of books. They can help us with almost anything involving language, and they're getting better all the time!

So the next time you talk to an AI, remember – you're having a conversation with one of the coolest and most complex technologies out there. 🧠🗣️💬 Just be aware that they are just parrots and if you want to build a complex technology with those you need to avoid parrot-like hallucinations and build guardrails to make them behave predictably.



03. Assessing the Extent of AI Adoption in Recruitment: Current Trends and Industry Insights

Assessing the Extent of AI Adoption in Recruitment: Current Trends and Industry Insights

AI is all the buzz these days. You can't turn on the news or scroll through social media without hearing about it. Some folks are all worried about the dangers of AI, while others are excited about the possibility of AI systems that are smarter than us.

When we chat with our HR buddies, the truth is quite different from the buzz. We might be experimenting with AI in recruiting, but there's no solid proof or case studies of companies successfully using AI to completely change their hiring practices.

So, there's a lot of hype around AI in recruiting, but should we start implementing it? Are we behind our competitors or not?

We scouted the internet for studies to determine the exact stage of AI deployment in recruiting.

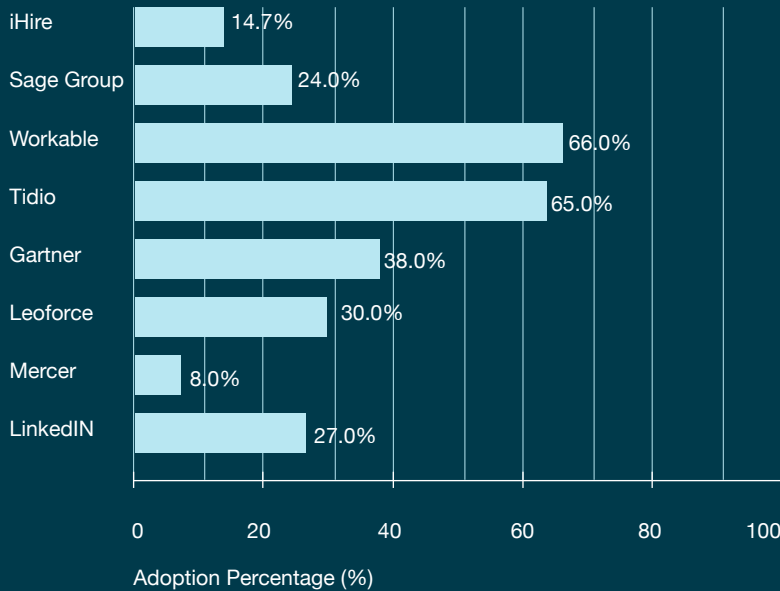
The 20-second synopsis of what we found in all the studies and surveys is the following:

1. The numbers on adoption vary a bit between different surveys. One survey

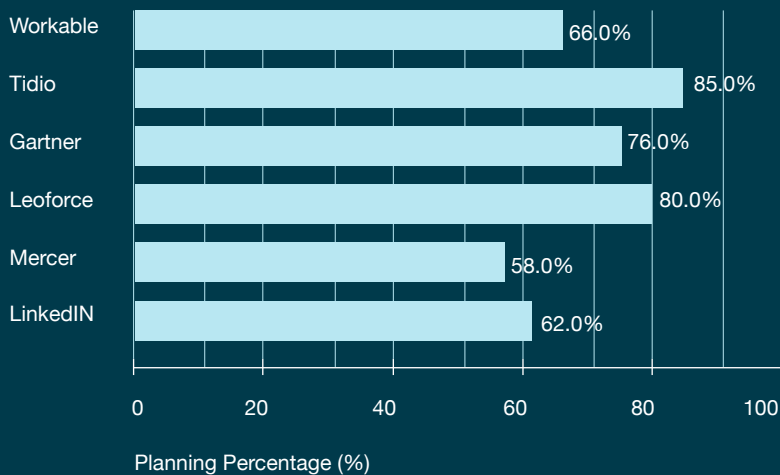
states that 8% of HR professionals use AI in their operations while the max percentage in one research is 66%. These numbers refer to using or experimenting with some form of AI in their recruiting process. In most of the surveys, it looks like most HR professionals are not yet implementing AI in their processes. **This means we are early in the adoption and usage of this technology.**

2. None is yet implementing full-scale AI that can automate all parts of the work of a junior recruiter i.e. the scouting, screening, and interviewing of the candidates.
3. A reported number between 60-80% of HR leaders are not using AI in their operations but are planning to explore possibilities within the next 12-24 months. **There is a lot of fear of missing out on being competitive within the next 2 years but there is also lots of fogginess about what exactly the next steps should be.**

We took into account only surveys performed in 2023 or 2024.



Level of AI Adoption in Recruiting



HR Leaders Planning to Apply AI in the Next 12-24 Months

Let's dive deeper into these surveys.

LINKEDIN SURVEY

For the [Future of Recruiting 2024](#), they surveyed 1,453 recruiting professionals in management seniority roles or higher and 498 hiring managers. The survey was conducted in six languages across 23 countries between October and November 2023 and [the report was released](#) on March 7, 2024.

Only 27% of HR professionals say that they are using or experimenting with generative AI. 62% of TA professionals say that they are optimistic about AI's impact on recruitment.

According to survey respondents these are the following top three benefits of generative AI in recruiting:

57% said it makes it faster/easier to write job descriptions

45% said it helps automate tasks to spend on more fulfilling work

42% said it removes daily mundane tasks

In a nutshell: only about 1 out of 4 recruiters are using or experimenting with Gen AI. Mostly to save time on mundane tasks and improve job descriptions. Most TA professionals are optimistic about AI but 3 out of 4 haven't been using it yet.

MERCER SURVEY

Mercer is a professional services firm that consults on employee-related topics such as talent management, retirement, transformation, and mergers & acquisitions.

In February 2024 they released the report [Strategic AI adoption in talent acquisition today: Overcoming barriers and unveiling future possibilities](#). Mercer surveyed 477 HR and TA leaders across a range of industries. The report authors summed up the findings as follows:



“Despite its tremendous potential, the results generated from our field data revealed that AI adoption within the TA function is not as pronounced and advanced as some recent reports might suggest.”

The list below offers stats from the report.

Just **8%** of companies are using AI-first recruiting, with the total initial recruitment process (application through scheduling interviews deployed through AI).

42% of those surveyed do not currently and do not plan to use AI as part of their TA practice.

According to this survey here are the top three ways companies are using AI in talent acquisition:

40% use it to source and engage talent for pipeline purposes (employer-centric matching)

28% use it to analyze internal TA or recruitment data

28% use it to create social posts.

The report identified the following three barriers to using AI-based tools in talent acquisition:

47% lack of systems integration.

38% lack of understanding about the efficacy of tools.

36% lack of knowledge of recruiting tools.

In a nutshell: 6 out of 10 recruiters are not using any AI at all and do not plan to. Those who use it do it for sourcing candidates or creating social media posts. Only 8% of companies use some candidate appointment scheduling AI. The most common reason is the lack of knowledge about AI in recruiting and the complexity of TA systems that make it difficult to integrate with AI.

LEOFORCE STUDY

Leoforce in February 2024, [released](#) the [The Future of AI Recruiting and Transformation 2024 Report](#), which

surveyed 273 HR and TA leaders across North America.

Key findings In a nutshell: 3 out of 10 recruiters are using AI for a quarter of their processes, this maxes out for 4 out of 10 recruiters for high-volume hiring. They report a reduction of time spent doing manual tasks up to 38%. Of those not using AI, 8 out of 10 companies are planning to use AI somehow in the next year with 6 out of 10 still evaluating the endeavour and implementation risks.

GARNER INC SURVEY

A Gartner, Inc. survey of 179 HR leaders on January 31, 2024, revealed that 38% of HR leaders are piloting, planning implementation, or have already implemented generative AI (GenAI), up from 19% in June 2023.

Drive organizational success by implementing AI in HR

76% of HR leaders believe that if their organization does not adopt and implement AI solutions, such as [generative AI](#), in the

next 12 to 24 months, they will be lagging in organizational success compared to those that do.

“More organizations are [moving from exploring](#) how GenAI might be used to implementing solutions,” said [Dion Love](#), Vice President of Advisory in the [Gartner HR practice](#). “Yet, the same Gartner survey revealed that 67% of HR leaders reported they do not plan to add any GenAI related roles to their function in the next 12 months.”

In a nutshell: 2 out of 5 HR professionals are piloting AI in their TA processes. 3 out of 5 HR leaders believe they should be doing it within the next 12-24 months or they will be lagging behind. Most of them though do not plan to hire specialists in GenAI.

TIDIO SURVEY

[A survey executed by Tidio](#) revealed that over 85% of HR professionals believe that AI will replace parts of their processes and

65% of them are already using AI in some part of their recruiting process

WORKABLE

Growth in AI tool usage: Nearly two in three have used some form of AI when hiring in the last year. More than two-thirds see their company increasing the use of AI in their hiring over the next 5 years. [Source: [AI in Hiring and Work 2024 Survey](#)]

iHIRE REPORT

[iHire's 2024 State of Online Recruiting Report](#) was released Aug. 20 2024. The poll found that 14.7% of employers now use AI in recruitment, up from 4.9% in 2023

SAGE GROUP REPORT

24% of companies use AI to hire talented employees. [Source: [Sage Group](#), 16th July 2024]



04. How Recruiters Are Leveraging AI: Key Applications and Use Cases in Modern Hiring Practices with Direct ROI

How Recruiters Are Leveraging AI: Key Applications and Use Cases in Modern Hiring Practices with Direct ROI

As we have already seen the penetration of AI in recruitment is relatively slow. While most recruiters remain skeptical about its impact, many forward-thinking recruiters are finding that AI can be a valuable ally rather than a replacement.

For those early adopters that are paving the way understanding how AI fits into the recruitment process is crucial.

This chapter takes a closer look at AI's active role in recruiting, where it is currently used, and how it might be making a difference where it matters most.



“AI won't replace people, but those who harness its potential will replace those who don't.”

Karim Lakhani, Harvard Business School

Back in the day, during the Industrial Revolution, engineers were all about building machines to take over those boring, repetitive tasks that workers had to do all day long. This meant that businesses could get more stuff done, but it also meant that workers had to learn new skills to do jobs that were more creative and needed a human touch. You know, the kind of work that can't be done by a machine.

In the current AI-powered technological explosion, the business model stays pretty much the same. Some cognitive tasks, while crucial, are repetitive, manual, and just plain boring. Using AI to automate these tasks will give workers more time to focus on higher-level tasks that require a human touch. This increased efficiency could potentially lead to greater job satisfaction, which might drive the adoption of these next-generation AI applications.

Jonathan Kestenbaum, Managing Director, AMS Technology Strategy & Partners agrees with this:

“We believe efficiencies created by AI will provide bandwidth to solve business problems such as measuring hiring manager satisfaction, focusing on quality of hires, and building better teams. It is not just a question of what AI is going to do for us today, but what AI can do tomorrow, and how teams will need to be restructured to align with this new technology,”

But how much of the overall work of a recruiter can be automated? A number that comes up on most of the studies and surveys is 40%.

A [McKinsey & Company 2022 study](#) states that 40% of recruiting tasks could be automated, while current estimations suggest as much as \$5,000 to \$10,000 per hire could be saved using Generative AI

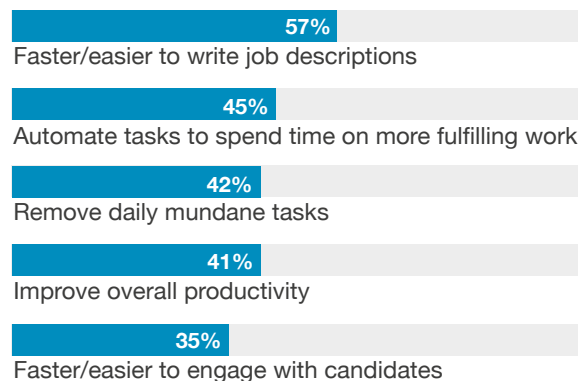
(Gen AI). This transformation will allow TA and HR professionals to focus on strategic business issues, enhancing the quality of hires and building better teams. However, AI is difficult for companies to navigate, and many companies are still establishing their AI policies.

This number sounds logical, but what exactly are the tasks cumulating to this 40% number?

LinkedIn Study The Future of Recruiting is not very illuminating apart from stating that GenAI can help in writing job descriptions. At least we got one from this. Writing job descriptions is very important because it defines the top of the funnel for talent acquisition ([check out an article about optimizing job descriptions](#)) but it is not the most important part of a recruiter's work. I would say it is more like 2-3% of the time but most of it is consumed talking with the client to understand requirements and posting the job description to job boards if needed etc.

Top benefits of Gen AI tools for recruiters

Percentage of recruiters reporting outcomes from Gen AI tools

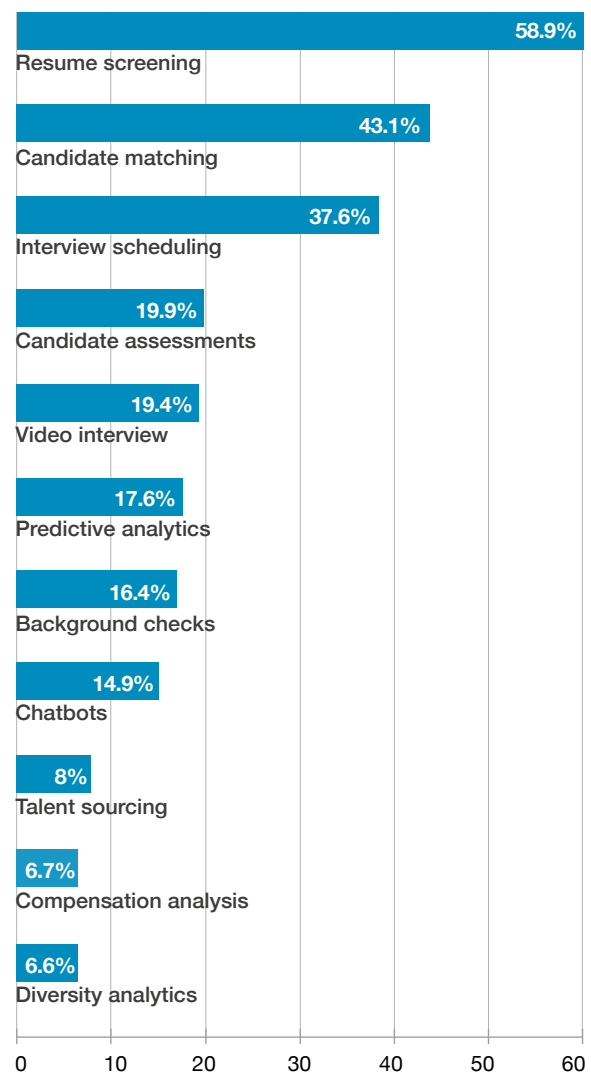


Source: LinkedIn

Apart from job description optimization what are recruiters using AI for?

A survey from Workable seems to be more illuminating. They created a list of the most popular AI automations for recruiting Let's take those one by one and comment on them.

Top 11 Use Cases of AI in Hiring



Source: Workable

Resume Screening → Maybe 10% of my time as a recruiter?

It seems that most of the recruiters use AI to get help on resume screening. Indeed resume screening for an experienced recruiter is a mundane task. It usually takes 1-2 minutes or less per resume and the average job gets around 250 CVs so the AI here saves around say 500 minutes or around 8 hours of work per job.

AI based CV screening, is the biggest drama between recruiters and candidates. People say there's bias because of AI and all these regulations around it. We'll talk more about that later, though.

Automated CV screening certainly makes sense for high-volume recruiting e.g. for companies that receive thousands of CVs per job. In this case time saving is higher. In my experience while testing these AI CV screener systems, the most important part is the transparency of the assessment process by the AI. For example I would love to see a report for each candidate that states exactly what the logic is behind the candidate assessment and not just a score or some checkmarks. This would be very useful to me as a recruiter because I can pass this report to my client and also be protected around DEI and regulations that are coming up more and more often.

Candidate matching → Maybe 2% of my time as a recruiter?

Candidate matching with jobs from my internal database might be very useful for me as a recruiter because I would like to

be able to upload a job description and have the proposed candidates surfacing so I can reach out to them. This is already happening with simple search terms and the AI does not need to be very complicated. What I would love to see would be advanced matching with logic beyond keywords plus the logic behind this matching.

In my experience, this advanced matching AI is not still available. But the current search in my candidates' CRM is effective enough for my operations. The use of AI here probably does not save me too much time here. I am happy with my current operations as they are. Maybe with more intelligence, it can make this search more effective and transparent. But not a big move on my efficiency needle as a recruiter.

Interview scheduling → Isn't this automated already? Why AI? Another 2% time saving

This is indeed a time-consuming task maybe 2% of my time? It is arduous to connect the dots between candidates and hiring managers and there is lots of back and forth of emails, calls etc. There are chatbots here that can help but especially when there is a star candidate I would like to be directly involved in this rather than have a chatbot to reach out to this person to arrange the interview. Plus the fact that automated schedulers like calendly etc already help a lot on this task without too much effort on my side.

Candidate Tests and Assessments → No AI at all needed?

These are automated tests that companies have candidates go through so they can understand their personality and what would be a good match for them going forward. Those tests do not need any AI at all and do not save me time. Candidates also are not fancy of those tests either and might lead to bigger drop out unless you are a company with a big brand that everybody wants to work for.

Video Interview → This is a big time saver, around 10% of my time?

As a recruiter I always want to get a feel of a person before I pass them to the hiring manager. But how exactly does AI helps with this task? There are AIs that look into emotions and attitude of the person doing the interview but this is very messy as it gets into privacy laws and surely can be biased and misleading.

What I prefer as a recruiter for candidates is the one way video interviews. If I can have an AI that can schedule, invite and help the candidate go through a quick one-way video interview (no AI avatars and stuff, just a banner with a question) and then have then AI do a transcript of the interview and report on the performance of the candidate with transparency on the logic of the assessment that would be a huge time saver.

Plus it would help me to do many more video screenings instead of just being picky about who should I invite for a video interview. I might surface a hidden gem

with this video interview or uncover false info on a superstar's CV before I pass these candidates to the hiring manager. I certainly believe that this AI application is both a time saver and a leverage.

I haven't seen any AI that assesses the one-way video interviews for me yet anywhere.

Rest of items

For the rest of the items mentioned in the Workable study e.g. predictive analytics, background checks, chatbots to help with questions about jobs and workforce analytics these are not time savers but more like enablers for data driven recruitment and workforce optimization.

But there is one item that looks like it is a big chunk of my time as a recruiter and it is not given the merit it deserves in the studies of AI in recruitment.

This item is related to my talent acquisition practices.

Talent acquisition → Maybe 20% of my time?

Any recruiter worth his/her salt knows very well that job boards can go as far as 20% of the talent pool actively searching for a job. The real gems are those passive candidates who make up the rest of 80% of the current workforce and are not actively looking for a job. So we all do (or should be doing) active scouting for job positions to increase our quality of hires.

This is a very time-consuming task. From actively seeking the right profiles to finding

the emails to drafting personalized emails (this is the most effective and time-consuming part of this process), talent scouting is indeed very time-intensive.

This is a place where I believe GenAI can shine and save time with direct ROI.

I would love to see an AI that asks me to upload a job description, automatically takes the requirements from the job description, and then seeks the right profiles of candidates to create a scouting list of around 1000 candidates.

It then automatically creates a personalized sequence of emails for each one of these candidates as we all know that a personalized approach increases the response rates. It sends around 5 emails to each candidate and arranges calls with me for those who express interest. It also takes the CVs from those who decide to apply and adds them to my candidate pipeline.

It creates a daily report on the progress of scouting. This would save me a tremendous amount of time. I just want to focus on other stuff while the AI does the scouting for me, I want to talk with those that are interested and entice them to apply. Now, this would be an AI that I would love to work with.

What are HR professionals who used AI saying?



“Many hiring managers are bogged down with so many administrative responsibilities like paperwork and scheduling that it takes away from where they could be having more of an impact— like spending more time with people or on strategy.”

[Jeffrey Lackey of JKL Advisors](#)

To explore the state of talent acquisition in organizations today, in [November 2022 Harvard Business Review Analytic Services](#) conducted a global survey of 326 respondents familiar with their organization’s talent acquisition process.

Lackey said that one factor causing dissatisfaction with the experience among hiring managers is the volume of tedious, low-value tasks.





“People skills are fundamental for successful talent acquisition. Gen AI can free up time for talent professionals to concentrate on activities that demand emotional intelligence and interpersonal abilities. However, the resources and knowledge required to develop, implement, and maintain AI solutions are substantial. Partnering with providers that have in-depth AI expertise allows organizations to reap the benefits of AI in a smart and cost-effective way.”

[Jo-Ann Feely, Global Managing Director of Innovation, AMS.](#)

And a final quote from a CEO who has every reason to be optimistic as his company has already skyrocketed



“The future belongs to those who embrace AI and use it to their advantage.”

[Jensen Huang Founder and CEO of NVIDIA](#)

How companies are implementing AI in their HR processes

Companies have three primary approaches to adopting AI.

BUY AI SOLUTIONS.

Most of the companies already using AI in HR are using it as part of their ATS-added features. Most of these features are add-ons and help them to automate certain tasks like writing better job descriptions, writing social media posts, scheduling appointments, and getting chatbots to answer common questions about jobs instead of having a recruiter perform these mundane tasks. It's certainly a benefit, especially for high-volume hiring. CV screeners are a norm now but there are always questions about transparency and lack of bias on these assessments.

“We firmly believe that this new generation of AI will revolutionize HR and all aspects of management. Today, second-generation AI is being used for many new applications: diverse recruiting, internal mobility, career planning, capability development, and even helping to simplify and improve the company's job architecture. Soon we will see applications in pay equity, promotion, and even performance management”

[Josh Bersin, Corporate Talent, Learning, and HR Technology analyst](#)



BUILD AI SOLUTIONS

Some big companies with big contracts with the Big 4 consultancies have started trying to build AI automation for their HR. This is a very expensive and time-consuming process but the long-term benefits are already there. This solution is not viable for smaller companies, individual recruiters, or staffing agencies to move forward. Nevertheless, the technology is getting more and more efficient and cheaper as time passes. I believe that this technology will be democratized soon.

Let's look into some reports of big companies building custom HR AI solutions and the results they report. This might give us some ideas.

[MASTERCARD](#)

Mastercard reported using AI to create automation on interview scheduling and creating personalized talent outreach in their talent-nurturing community. These resulted in more profiles in their talent pipeline (9x), faster interview scheduling (85%), and higher conversion rates for candidates to applicants (11%).

[ELECTROLUX](#)

Electrolux reported using AI to do faster screening, candidate-to-job fit scoring, and one way interviews. This resulted in 9% increased time to hire, an 84% increase in application conversion rate, and 51% less dropped applications.

[KUEHNE+NAGEL](#)

They used AI to create an internal talent marketplace and match existing employees with career opportunities. These resulted in an increased conversion rate for internal candidates by 22%, decreased time to fill for internal requisitions by 20%, and achieved a 74% employee satisfaction rate with the experience.

[BROTHER INTERNATIONAL CORPORATION](#)

They built a career site with a chatbot that engaged with interested candidates to help them convert to applicants by syncing with their CRM to start nurturing people who were captured as leads with this career site AI chatbot. The result they reported are: a 140% increase in completed applications, a 45% increase in total page views, a 40% increase in job seekers, a 15% increase in returning job seekers, and 25% decrease in time to fill

[STANFORD HEALTH CARE](#)

They also built a chatbot on their career site to help drive more candidates to applicants. The results they report are 2,856 meaningful career conversations with candidates and reduced days to offer by 41 days. It also helped them to re-engage with former applicants to fuel immediate pipeline increases.

[THERMO FISHER SCIENTIFIC](#)

They also built an internal careers site that was enabled by AI to help cover

positions by internal applicants. They report that started filling their roles 40% by internal applicants.

Conclusion on big corporations applying custom AI in HR

In a nutshell, big companies are applying AI on their HR to help their high volume hiring with 2 options: 1) building chatbots to drive engagement with their career sites and help candidates apply easily and 2) building internal career sites to help cover positions by internal hiring.

In my opinion, even though these options can be helpful, the AI technology is not accessible enough to make a significant difference in recruiters' daily time-saving efforts.

The whole point of AI should be to help me out with my boring everyday thinking tasks, so I can focus on more personal stuff that involves human skills like empathy and emotion.

I really hope that in the next couple of years, we'll get there. I'm sure we'll have AIs that can take care of all our boring recruiting tasks, making us more efficient, productive, and profitable. That way, we'll all be happier at work and can experience the cognitive revolution the way it was meant to be. Free to do what we do best as humans!

In the next chapter we will look deeper into an commonly overlooked other side of the equation: Candidates and how they experience this AI revolution in recruiting.

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05. The Candidates' Angle on Recruiting with AI

The Candidates' Angle on Recruiting with AI

It is obvious to us that AI when used the right way can lead to increased productivity and save time and costs up to 40% of our recruiting operations. This force multiplier is so substantial that we will have to use it or risk being left behind by our competitors.

Nevertheless, there is an important angle to all this automation with AI that is often overlooked. It is the candidate's perspective that is maybe the most important part of the equation.

So how are candidates reacting to all these technological advancements? Are they happy about it? Do they trust and embrace all this innovation that is going to become prominent in the next few years? What can we do to make sure that we build trust with them?

And since every action leads to a reaction what are the weapons in the candidates arsenal that they will use to counteract all these automations?

Where will all these interactions lead? Let's dive deep into it.

What Candidates Believe About AI Systems in Recruiting?

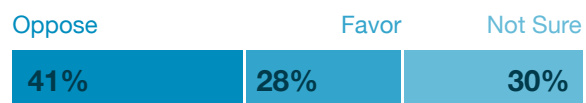
The most concrete research on the subject has been executed by Pew Research Center. I highly recommend you read it [here](#).

It seems that the public remains relatively unaware of the use of AI in hiring. It makes sense since we are still early in the process. The majority of Americans (61%) have heard nothing at all about AI being used by employers in the hiring process. Still, 39% of Americans say they have heard at least a little about this, including 7% who have heard a lot.

It seems that most people are not in favor of AI making the final hiring decision but the opinions are mixed regarding having the AI reviewing the applications.

Large majority opposes using AI to make final call on hiring, but views are more mixed on having AI review applications

% of U.S. adults who say they would_employers' use of artificial intelligence for each of the following



Reviewing job applications



Making a final hiring decision

Note: Those who did not give an answer are not shown.

Source: Survey of U.S. adults conducted Dec. 12-18, 2022. "AI in Hiring and Evaluating Workers: What Americans Think"

PEW RESEARCH CENTER

It is also interesting to see that most people believe that AI has the potential to eliminate biases and treat all applicants equally.

The candidates also believe that the AI will not be able to identify soft skills better than a human. They believe that AI

cannot identify cultural fit and potential for improvements for applicants that can demonstrate that. They believe that AI is a dry calculator that cannot identify traits and skills that a human who has empathy can recognize.

About half of Americans think AI would do better than humans at treating all job applicants consistently, but a plurality feel AI would be worse at identifying some workers' potential

% of U.S. adults who say they would do _than/as humans at each of the following



Treating all job applicants in the same way



Identifying job applicants who are well-qualified



Seeing potential in job applicants who may not perfectly fit the job description



Figuring out which job applicants would work well with their co-workers

Note: Those who did not give an answer are not shown.

Source: Survey of U.S. adults conducted Dec. 12-18, 2022. "AI in Hiring and Evaluating Workers: What Americans Think"

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What is interesting to see though is that the survey reveals that Americans largely are not convinced an AI-driven hiring process is for them. About two-thirds (66%) say they would not want to apply for a job with an employer that uses AI to help make hiring decisions, while 32% would want to do so.

We can see that it is early for AI adoption in companies but it also doesn't help or create brand recognition when companies adopt AI for recruitment.

Would you want to apply for a job that uses AI to help make hiring decisions?

% of U.S. adults who say they would not want to apply for a job with an employer that uses artificial intelligence to help in hiring decisions



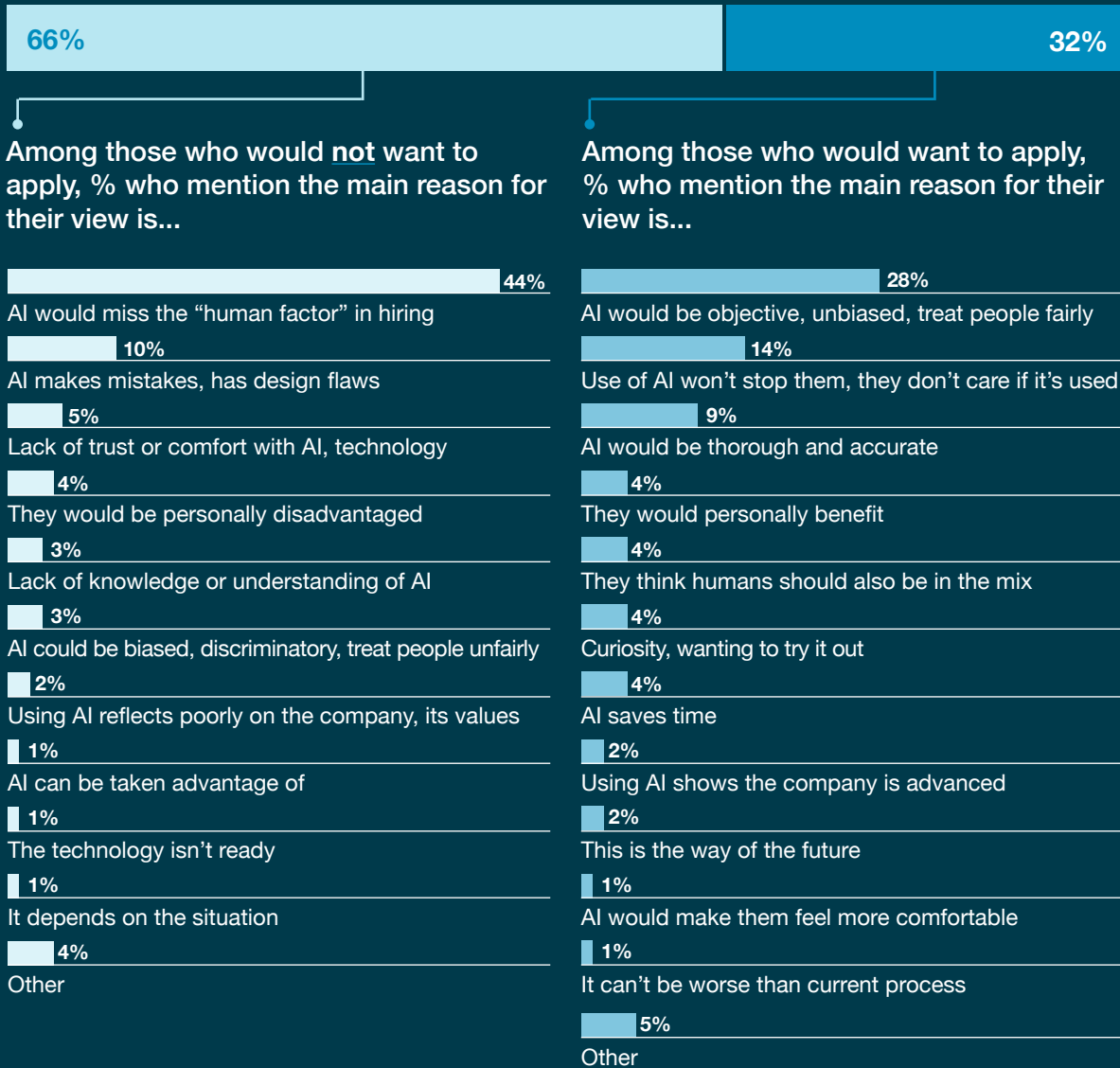
The common reason that people would not want to apply for a job for a company that applies AI in the recruitment process is the lack of human factors. The candidates who do not care about the use of AI in recruitment believe that AI would decrease bias and treat them fairly.

Why people say they would - or would not - want to apply for a job where artificial intelligence had a say in hiring decisions

% of U.S. adults who say if they were looking for work, they for a job with an employer that uses artificial intelligence to help make hiring decisions

Would **not** want to apply

Would want to apply



Note: Verbatim responses have been coded into categories. Those who received the questions but did not give an answer, or said they did not know what the main reason for their view is, are not shown. Including these groups, figures may add up to more than 100% because multiple responses were allowed.

Source: Survey of U.S. adults conducted Dec. 12-18, 2022. "AI in Hiring and Evaluating Workers: What Americans Think"

PEW RESEARCH CENTER

Let's see some individual responses and opinions from candidates regarding the usage of AI in recruitment.

Negative Responses About AI

Some express concern about AI's inability to make human-like judgments or to see "intangibles" that they consider important to hiring:⁴



"AI can't factor in the unquantifiable intangibles that make someone a good co-worker ... or a bad co-worker. Personality traits like patience, compassion, and kindness would be overlooked or undervalued."

Man, 60s

Without humans in the hiring mix, people fear the process would become impersonal and that the lack of person-to-person interaction would be detrimental to both the employer and the prospective employee. Some discussed these concerns generally, while others noted that certain fields require qualities AI cannot see:



"That takes all the personalization out of it. I wouldn't want to make a decision whether or not to join a company without being personally selected and without meeting my potential employer directly, and without them meeting me to see if I would be a good fit for their employees."

Woman, 30s



"I work as a bartender. My job requires me to be social, current on social and timely topics. I also need to multitask at times, and get along as a team player. I'm not sure AI will see those attributes."

Woman, 50s

Another 10% of people who say they would not want to apply describe concerns that the design of AI could be flawed – for some, it is too focused on keywords or absolutes, screening people out unnecessarily:



“[To AI] ... I’m not a person, just a series of keywords and if I don’t fit the exact hiring model I’m immediately discarded. Hiring manager doesn’t care, they don’t actually read anything.”

Man, 40s

Others in this group discuss more fundamental problems with AI’s design or the data it uses.



“It’s a ‘garbage in, garbage out’ problem. AI in itself could be useful, but in general the parameters that it’s given are poor. There has always been a gap between the Human Resources personnel and the supervisor or team who know the actual needs, and that is exaggerated with AI. Who do you think programs the AI?”

Woman, 50s

And another 3% specifically mention design flaws in AI systems that could lead to bias, unfair treatment or discrimination:



“AIs are typically trained on real-world data which can be (and often is) inherently and systemically biased to favor privileged groups. Use of AI for decision-making perpetuates the biases we have in human decision-making. Hiring is an area where biased decision-making is especially dangerous for our society.”

Man, 20s

Small shares of those who would not want to apply also express a more general wariness, saying they do not trust AI or feel comfortable with technology (5%); worry they would not fare well if AI were used (4%); or feel too “in the dark” about what AI is or what it can do (3%).

Positive Responses About AI

Turning to the 32% of Americans who say they *would* want to apply for a job like this, the most common reason relates to the prospect that AI could be objective, fair, have little to no bias, or treat everyone equally. Some 28% of those open to applying mention one of these factors as the primary reason:



“If the AI were properly informed, it could remove/minimize any personal bias of the human who would otherwise be making hiring decisions.”

Woman, 70s

Another 14% of the individuals open to applying for a job with AI in the hiring decision process say that fact is not going

to stop them from applying or does not matter to them.



“If I was looking to change jobs, I would apply to potential employers because of the quality of their culture and how the job that is being offered matched my goals and skill sets, and much less how AI is used in the selection process.”

Man, 60s



“Because I need a job if I am applying. It’s not like I have much of a choice.”

Woman, 20s



About one-in-ten (9%) of those open to applying argue that AI would be thorough and accurate – possibly more so than humans:



“I think the AI would be able to evaluate all my skills and experience in their entirety where a human may focus just on what the job requires. The AI would see beyond the present and see my potential over time.”

Man, 50s

Still, 4% of this group say humans should still be involved at some level. And small shares also note positives like AI giving them personally a leg up, being curious to try it or making hiring efficient (4% each).



“I have been part of a company’s hiring process in the past, and having to sort through thousands of applications was time-consuming and tedious. Using AI to streamline that process sounds like a good advancement.”

Woman, 20s

A majority of candidates say racial and ethnic bias in hiring is a problem, and about half of them say increased use of AI would help ease those issues

Another great article about the applicants’ perspective on recruiting with AI is published article in [ScienceDirect which is also a recommended read](#).

This paper examines the underexplored area of job applicants’ perceptions of AI-enabled recruitment tools and indeed there is limited research on how candidates experience and perceive these AI-driven processes. This study aims to fill that gap by surveying 552 job seekers from diverse nationalities and industries, using the Technology Acceptance Model (TAM) to analyze the data.

The results reveal that candidates generally have a positive view of AI technologies in hiring. Respondents perceive these tools as useful and easy to use, which aligns with the TAM variables of Perceived Usefulness (PU) and Perceived Ease of Use (PEoU). The study found that PU and PEoU significantly influence applicants’ willingness to use AI in the recruitment process. A majority of participants (38%) consider AI recruitment tools helpful, while a substantial 63% find them easy or very easy to use. The positive perceptions were linked to several advantages, such as reduced response times, efficient handling of applications, and an overall improved candidate experience. Many respondents noted that AI-driven processes provide adequate time for preparation and reduce

the stress commonly associated with traditional job interviews.

So this research paper points out that ease of use and help during the application process is a welcome feature of AI tools in recruitment for applicants.

But there is a point where this research agrees with the Pew Research Study.

Nearly 70% of participants pointed out that AI lacks the nuances of human judgment, making the process feel impersonal. Issues related to low accuracy and reliability were also frequently cited, with respondents mentioning that AI tools often fail to consider unique candidate circumstances or provide tailored responses. Additionally, concerns about immature technology, including biases in algorithms and difficulties with text or speech recognition, were prominent. The lack of transparency was another key issue, with many applicants expressing discomfort over not knowing how AI evaluates their applications or what criteria are being used for decision-making.

Ethical, privacy, and legal concerns were raised by a minority of participants, with less than 40% highlighting these as primary drawbacks. Nonetheless, the fear of potential biases in AI algorithms and the opaque nature of AI-driven decisions underscore the need for more explainable and transparent AI models in recruitment.

What Are Candidates Also Using To Counter Recruiting AIs

Lots of tools have recently surfaced for candidates to help them counteract the use of AI in recruitment.

Here are some of them:

1. Tools that help them refine their CV based on the job description to bring up the most compatible elements
2. Tools that help them massively apply for jobs by scraping job boards and automatically applying when a job that fits their criteria appears

It seems that candidates are also trying to optimize their job application process. Many recruiters have already noticed lots of applications of the same candidate with a bit different CV that seem like spammed by bots.

I believe that in 1 or 2 years the applications per job will increase massively because of these automations that candidates will be able to do automatically. There will be kinda like an AI competition between AIs that optimize CVs for recruiting AIs and recruiting AIs that need to effectively and transparently screen candidates. Recruiting AIs will be a necessity. But this is not necessarily a bad outcome.

The way we have the cloud to store all of our data now, I can envision an intelligence cloud where having your data with an extra layer of intelligence will be commonplace.

The candidates will have their CVs, their skills, and their preferences stored in this intelligence cloud and those will be floating around till some company that matches these requirements will post a job. The application will proceed automatically and the first steps will be executed by the algorithms. This will remove all the friction of applying and screening from both sides. And the human touch will still be there and we will be having more time for that for both applicants and recruiters. An intelligent marketplace is doable even

with today's level of AI. Just by combining the AI tools available to applicants with the AI tools available to recruiters in a transparent manner.

This is what I envision the future will be for recruitment. Less friction, less mundane work, and more human interaction.

[In the next chapter we will delve deeper into the regulations around AI in recruiting along with ethical considerations and Diversity Equity and Inclusion parameters that we need to take into account.](#)

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06. From Compliance to Inclusion: Crafting Ethical AI for the Modern Workplace

From Compliance to Inclusivity: Crafting Ethical AI for the Modern Workplace

When new technology comes along, it's important to think about the ethical implications, especially when it comes to things like fairness, transparency, and bias. Governments and regulators have a big part to play in making sure that AI-powered recruiting tools are designed responsibly and that they prioritize diversity, equity, and inclusion. In other words, we need to make sure that these tools don't discriminate and give everyone a fair shot at getting a job.

AI's Growing Pains: Reality Kicks In

AI has solid potential, but it's not the one-stop-shop many expected.

AI can really boost productivity and make recruitment way easier. But the tech we have now isn't optimized for the tough stuff, like assessing soft skills or making sure we are not discriminating.

To help identify key business drivers heading into 2025, Korn Ferry asked over 400 talent professionals around the world to share their insights for [its latest Talent Acquisition Trends report](#). And increased AI usage came out on top: 67% named this the top talent trend of 2025.

However, AI is proving that it's not quite the game changer companies hoped for, and taking humans out of hiring carries concerns. **Four in 10 respondents are worried that AI makes the recruitment**

process impersonal, and 1 in 4 fear that algorithmic bias leads to unfair hiring decisions.

Despite these challenges, **67% of the survey respondents see increased AI usage as a top talent acquisition trend for 2025.** At the same time, companies that thought AI would be a game changer for TA are now concerned about its inaccuracies.

Indeed, **40% of talent specialists worry that too much AI in recruitment could make the process impersonal**, causing them to miss out on top candidates. **Another 25% are concerned about algorithmic bias**—where biased training data leads to unfair outcomes.

If mismanaged, AI can undermine the hiring process, but when used strategically and appropriately, it can add real value to the experience—for candidates, recruiters, *and* hiring managers.

It seems that In 2025, more employers will use AI to improve the candidate journey the centerpiece of the recruiting processes. AI is not just about automating hiring. It's about making the recruiting experience smoother and more equitable for the candidates.

We already looked into how candidates feel about AI in recruiting. Now let's take a closer look at the government

regulations of using AI in our hiring process.

LESSONS LEARNED: PUBLIC BACKSLASHES AND HOW TO AVOID THEM

Amazon Recruiting Algorithm

Amazon has been trying to use AI in recruiting since 2015. They built a team of 12 engineers to create algorithms that wanted it to be an engine where I'm going to give you 100 resumes, it will spit out the top five, and we'll hire those.

They quickly noticed that the algorithm had inherited biases and was negatively penalizing women applicants because of the male dominance in the training data. They edited the algorithm to not take into account gender differences but there was no guarantee that the algorithm would not pick on other variables that are still biased. Eventually, they dismantled the team and used a watered-down version of the algorithm that could just provide recommendations to the recruiters and not automatically sort the candidates

EXPERT OPINION OF WHY THIS HAPPENED

Amazon used existing data of their employees to train their algorithms. When algorithms are created this way they learn to mimic the data and assign importance to specific variables contained in the data. Algorithms do not care about gender per se, but given prior data of highly successful male employees it will learn that the gender variable is an important one. Moreover,

the algorithms they used to build this tool were a black box so it couldn't provide explanations of why it made the choices it did.

POSSIBLE SOLUTIONS AND HOW TO AVOID THIS RISK IN YOUR COMPANY

The only acceptable path forward for AI in recruiting is transparent algorithms that provide a succinct explanation of why they scored the candidate the way they did. Ideally, algorithms should be able to provide this feedback back to the candidate.

Transparency is the only way forward for recruiting algorithms. If an algorithm provides just a score without any logic behind it, there will always be a danger of being discriminatory.

Fortunately, AI today is able to provide the logic behind its scoring. When you decide to deploy an algorithm in your recruiting ops always demand that this algorithm is transparent and provides the logic behind its results.

Algorithmic transparency is not a feature, it is a requirement. It will ensure that you will not be missing on great candidates and minimize the risk of being discriminatory in your practices which can have a huge backlash. Candidates also will have a great personalized experience when applying for a job when the algorithms deployed are transparent.

GenAI has the power to provide the logic behind its decisions today. We, the recruiters need to be more mindful and require transparency on the algorithms we use. It's the only way forward. I wouldn't

work with a nontransparent algorithm for recruiting ops. Way too risky for my business.

ANOTHER PUBLIC BACKSLASH: A LAWSUIT FOR ALGORITHMIC DISCRIMINATION

An African American plaintiff has alleged that a company's systems prevented him from being hired on the basis of his race, age, and mental health.

Plaintiff Derek Mobley, an African American male over the age of 40, who also suffers from depression and anxiety, [filed a lawsuit in a California district court.](#)

He stated that since 2018, he has been rejected in 80-100 job applications to companies that he believes utilize a company's screening tool for hiring purposes.

The company replied that the lawsuit was without merit.

"We are committed to trustworthy AI and act responsibly and transparently in the design and delivery of our AI solutions to support equitable recommendations.

"We engage in a risk-based review process throughout our product lifecycle to help mitigate any unintended consequences, as well as extensive legal reviews to help ensure compliance with regulations."

EXPERT OPINION

There is always a risk of getting a lawsuit for discriminatory hiring practices especially when there is automation involved. The best way to deal with this potential backlash is to have full

transparency on the way the algorithms are built. I would go even a step further. Candidates would love to have an algorithm prescreening their application before even applying and receiving individual feedback on their CV.

We cannot provide this feedback manually today because recruiters do not have time to provide individual feedback to each applicant. But it is possible with automation. I believe this is a great opportunity for brand elevation to treat candidates with this level of transparency and make the whole process of applying for jobs more individualized and humane.

The Regulatory Environment Of AI In Recruiting

IN EUROPE, THE "RIGHT TO EXPLANATION" IS ALREADY A REQUIREMENT FOR ANY AI.

One of the key aspects of these EU regulations is the emphasis on transparency and accountability. Recruiting AIs must be designed to allow candidates to understand how decisions are made. For instance, the EU's General Data Protection Regulation (GDPR) enforces the "right to explanation," requiring organizations to provide insights into automated decision-making processes. This regulation helps prevent the "black-box" effect of AI, where users are left in the dark about how decisions are reached, thereby ensuring a more transparent hiring process.

The regulatory landscape encourages adopting practices such as algorithmic auditing and bias testing. By regularly

auditing the AI models for bias, companies can detect and correct unfair patterns in their hiring decisions.

In the US regulators also wake up to the potential of AIs harming the recruiting processes.

For instance, New York City has introduced a regulation requiring bias audits for AI tools used in recruitment, compelling companies to demonstrate that their algorithms do not disproportionately impact marginalized groups.

The New York City Council voted 38-4 on November 10, 2021, to [pass](#) a bill that would require hiring vendors to conduct annual bias audits of artificial intelligence (AI) use in the city's processes and tools. Companies using AI-generated resources will be responsible for disclosing to job applicants how the technology was used in the hiring process and must allow candidates options for alternative approaches such as having a person process their application instead.

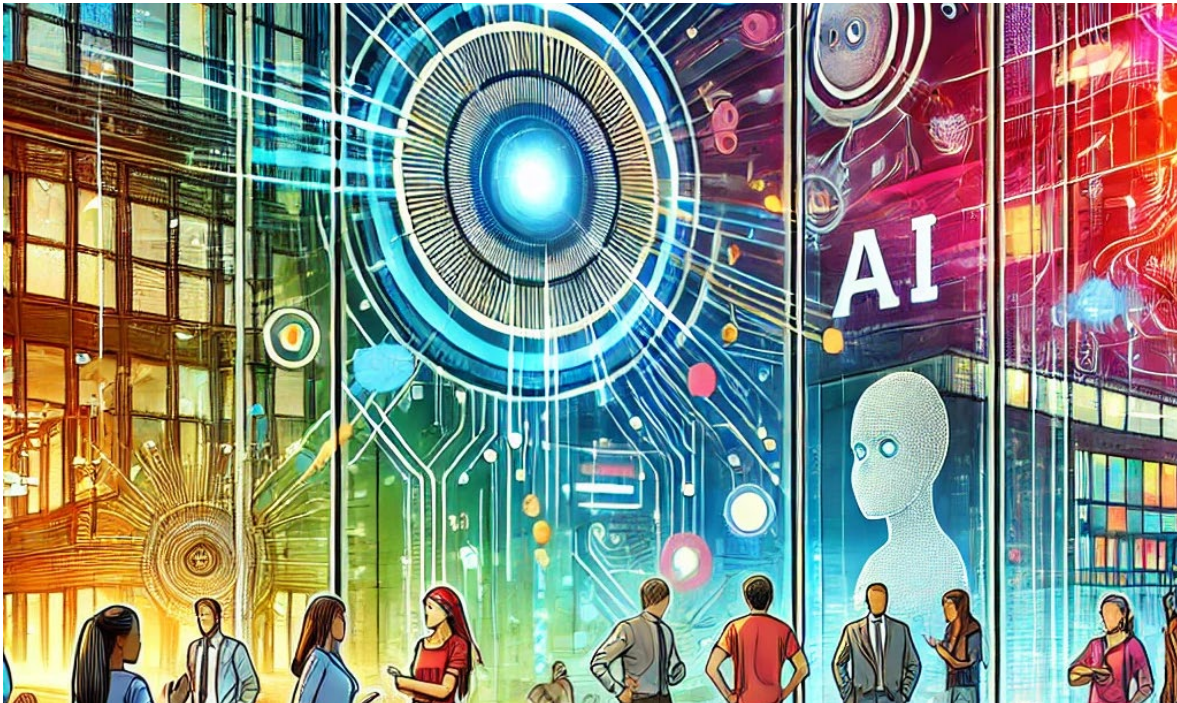
The city of New York will impose fines for undisclosed or biased AI use, charging up to \$1,500 per violation on employers and vendors. Lapsing into law without outgoing Mayor DeBlasio's signature, the legislation is already effect since 2023. It is a telling move in how the government has started to crack down on discriminatory/black-boxy AI use in hiring processes and foreshadows what other cities may do to combat AI-generated bias and discrimination.

A great technical article from the US Equal Employment Opportunity Commission

sets the tone for how recruiting algorithms should be created and used.

To ensure that software, algorithms, and artificial intelligence (AI) used in employment decisions comply with Title VII of the Civil Rights Act of 1964, the U.S. Equal Employment Opportunity Commission (EEOC) recommends the following monitoring practices:

1. **Regular Adverse Impact Analysis:** Consistently assess whether the use of these tools results in disproportionately negative effects on protected groups, such as those defined by race, color, religion, sex, or national origin. This involves statistical evaluations to identify any disparities in outcomes.
2. **Validation of Selection Procedures:** Ensure that the tools are valid predictors of job performance and are necessary for the business. This means demonstrating that the selection procedures are job-related and consistent with business necessity.
3. **Transparency and Documentation:** Maintain clear documentation of how these tools are used, including the data inputs, decision-making processes, and outcomes. Transparency aids in identifying potential biases and facilitates compliance reviews.
4. **Periodic Reviews and Updates:** Regularly review and update the algorithms to address any identified biases or changes in job requirements. This ongoing process helps in mitigating unintended discriminatory effects.



5. Training and Awareness: Educate HR personnel and decision-makers about the potential biases associated with AI and algorithmic tools. Training ensures that those involved in employment decisions understand the importance of fair and unbiased tool usage.

By implementing these practices, employers can better align their use of AI and algorithmic tools with federal equal employment opportunity laws, thereby promoting fair and unbiased employment decisions.

HOW AI IN RECRUITING CAN HELP PROMOTE DIVERSITY, EQUITY, AND INCLUSION (D.E.I.)

D.E.I. is and will be a priority for the future of recruiting. A majority of HR decision-

makers (75%) stated that their company would prioritize diversity hiring, according to the [Jobvite data](#).

In EY's [Belonging Barometer 3.0](#), 63% of Gen-Z workers reported they would choose a company that prioritizes DEI over one that doesn't. This figure is noteworthy as Zoomers will comprise [30% of the labor force by 2025](#).

Moreover, with the ascension of AI, DEI will play a vital role in mitigating biases in hiring algorithms. DEI should guide AI and AI should embrace DEI. DEI should provide design parameters for inclusive and transparent AIs in recruiting.

A well-regulated AI system can be a powerful tool for promoting D.E.I. in recruitment. Regulations support the

development of AI models that help organizations identify and reduce disparities in hiring practices. By using AI to analyze and adjust job descriptions, for example, companies can ensure that language is inclusive and does not discourage diverse candidates from applying.

Furthermore, regulatory frameworks advocate for inclusive AI design by requiring stakeholder input, particularly from underrepresented groups. By involving diverse voices in the development process, organizations can better anticipate potential biases and design more equitable systems. This aligns with broader D.E.I. goals, as it leads to the creation of

tools that consider the unique needs and experiences of all candidates.

Conclusion

By now we are well informed about the candidates' perspective on recruiting systems using AI. We also have a good understanding of the regulatory environment and DEI practices.

In the next chapter, we will delve into the parameters that will help us deploy AI in our recruiting operations in a way that will be effective but also safe, well-regulated, inclusive, and give candidates a great experience.

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07. Designing a Recruiting AI that will empower candidates and employers without reputational and regulatory risk

Designing a Recruiting AI that will empower candidates and employers without reputational and regulatory risk

As an HR leader, I will have to perform a balancing act in the next 2 years.

I need to correctly deploy artificial intelligence in my niche to remain competitive. I will not be able to compete with other recruiters who are at least 40% more efficient than me.

I also have to make sure that I do not risk my reputation and receive backlash from candidates and regulators. This can happen because the wrong type of AI in recruitment ops can make the processes biased and inhumane and will lead to risky results e.g. alienating candidates or missing great people because of my automation.

I will need to make sure that I have the following design components for my recruiting AI.

PARAMETERS FOR EFFECTIVENESS WITHOUT LOSING HUMAN TOUCH

- The recruiting AI is working behind the scenes and helps me automate mundane tasks like e.g. personalizing my scouting emails to passive candidates and reaching out to them. When candidates reach out, I immediately take over, I do not

accept having a robocall reaching out to candidates.

- There needs to be a balancing act between AI automation and human touch. It's okay to have AI send a scouting campaign with personal touches. But when a candidate raises his/her hand it is important to have a person to interact with them. It is ok and most of the candidates will embrace a one-way video interview. But no need for AI avatars. No need for AI robo-callers to do the initial screening. This is way too spooky. It is ok to have a chatbot help the candidates get answers to the questions about their application. But candidates need more human interaction to get a feeling of the company's culture. Candidates need to get a feeling of who they will be working with and the chatbots do not cut the chase.

PARAMETERS THAT WILL HELP CANDIDATES EMBRACE THE RECRUITING AI:

- The recruiting AI that screens candidates has been tested for biases and does not include any inherent biases in its criteria. It is also able to

give me transparent results on the screening and able to explain the logic behind the decisions. We are dealing with people with nuances and it is not all about keywords and checkboxes. I need the AI to be transparent and tested for lack of biases. I need to be ready for any audits for DEI which is a requirement for AI in recruitment in NY state already with many other states to follow.

- Ideally, this AI should be transparent towards candidates and when rejecting them should offer positive feedback and reasons of why they were rejected. I know this is not doable manually today because of the time needed to write personalized feedback to each CV received is huge. But imagine what effect would have on the company's brand when candidates would be able to receive feedback on their applications and get reasons of why they were rejected. There is no company in the world doing this right now! Tremendous untapped potential for the pioneers.
- The AI should be humane and transparent in every step towards candidates and the candidates should be educated on how it works and why it makes it better for them. The mystery black box is what scares people right now. Illuminate your algorithms and people will embrace it. Candidates need transparency and fast processing

with feedback. A cold generic rejection email or ghosting is the norm today along with very slow recruiting processes that make most candidates drop out, especially passive ones. A future of fast personalized interactions from the get-go with each candidate is one that will drive the best results.

- Candidates also worry about the use of their data. Enrichment tools that scrape other profiles e.g. Facebook worry them. Employers should be transparent about the use of this data and keep a privacy and data usage policy available to all candidates about the fair use of their personal data.

DESIGN PARAMETERS TO NAVIGATE THE REGULATORY LANDSCAPE

All companies deploying AI should engage proactively with the public and publish articles with anonymized results of how the algorithms work.

This radical algorithmic transparency is an untapped opportunity for great brand elevation for companies that embrace transparent AI for their recruiting processes.

Make sure we educate our candidates about the use of AI in our recruitment processes. Give them the option to be reviewed by a human if they doubt our processes. Ideally, make the process of applying with AI transparent: Have the AI give them immediate feedback and coach

them on how to optimize their CV for the job before applying.

Pre-emptively reach out to regulatory agencies and let them guide us on how to be compliant with the regulations. Reach out to D.E.I. communities and get their guidance on how our AIs should be designed and deployed

CONCLUSION: Ensuring Compliance and Building Trust

Missing out on 40% efficiency in our recruiting processes is not an option. In the next 2 years, AI in recruitment will become the norm.

Risking a backlash or penalties because our recruitment AIs are not designed the optimal way is also not an option. The risk is too high.

There are only 3 elements that should guide our way forward with recruiting AIs: Transparency, transparency, transparency.

We must remain proactive in our approach, ensuring that our AI systems are not only compliant but also aligned with broader social values and ethical principles. This approach will lead to more inclusive hiring practices, benefiting both organizations and job seekers alike.





08. Conclusion

Conclusion

I hope you enjoyed this bird's eye view of AI in recruiting. My goal was to separate hype from reality and help you navigate this challenge successfully to stay competitive during this era of GenAI.

Let's get some bullet points about the reality of the adoption of AI in recruiting:

1. The market penetration of AI in recruiting is still small.
2. The reported efficiency is up to 40% which is far too high to ignore.
3. Thus, the willingness to deploy AI in recruiting is high among HR professionals for the next 1-2 years

Let's get some bullet points on how we should move forward:

1. AI in scouting and talent acquisition seems to be a very efficient way forward
2. CV screening algorithms are also the second most important part of efficiency but require radical transparency to stay compliant.
3. Scheduling and one-way video interviews and screening are also on top of the mind regarding efficiency
4. Chatbots that provide guidance and answers to candidates during their application are being deployed in big companies with good results.

How to minimize risk and avoid backlashes:

1. Demand transparent algorithms that provide the logic behind their decision. Be radically transparent towards candidates and regulatory bodies on how you use AI to empower recruiting
2. Run regular audits to ensure D.E.I practices and compliance with regulations.
3. Provide a personalized and humane approach towards candidates empowered by the use of AI.

I hope you enjoyed this guide toward a future we will be inventing together in the next couple of years.

What are your thoughts? I would be delighted if you shared them with me.

[You can always shoot me an email.](#) I am looking forward to engaging with your feedback and discussions around AI in recruiting.

Looking forward to your thoughts. Let's make sure we are moving forward towards an efficient, transparent, and inclusive path to AI in recruiting!

My best,

Alex Louizos, MD, MSc

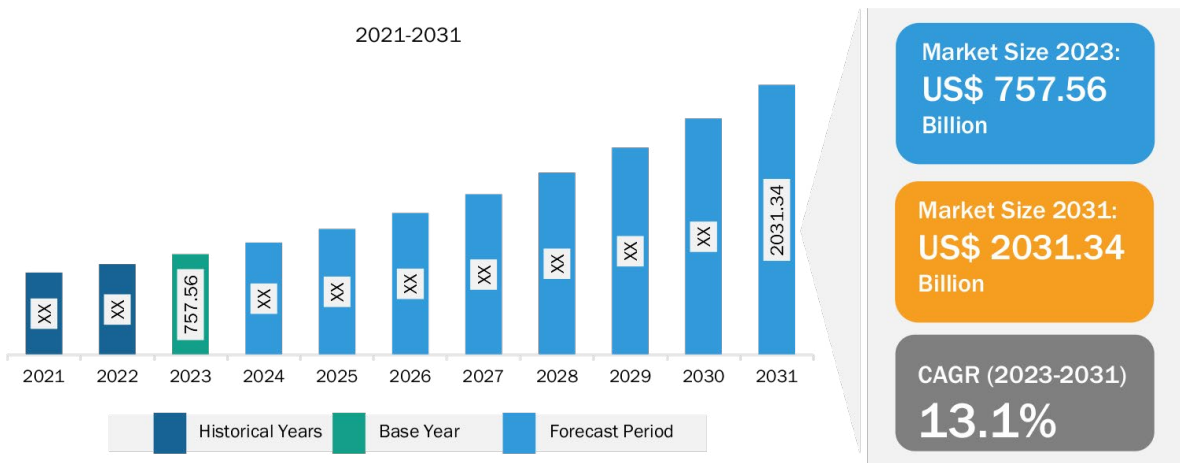


09. Appendix: Data on market size of Recruiting and AI in recruiting

Appendix: Data on market size of Recruiting and AI in recruiting

MARKET SIZE OF RECRUITING

The [Staffing and Recruitment Market](#) size is expected to reach US\$ 2,031.34 billion by 2031 from US\$ 757.56 billion in 2023. The market is estimated to record a CAGR of 13.1% from 2023 to 2031.



- Huge Job Opportunities
- Rise in Youth Population



- Growing adoption of Remote Working and Hybrid Business Model Across the Globe



- Automation and AI-Driven Recruitment

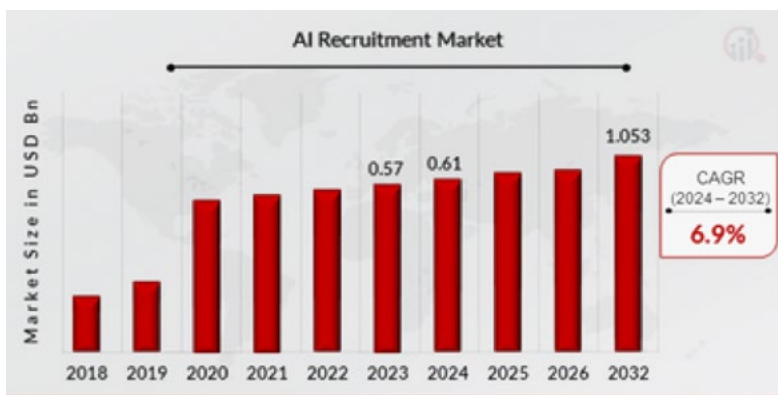
RECRUITING AI MARKET SIZE

1. MARKET GROWTH:

- According to DDI Development, the AI recruitment market was valued at \$540.4 million in 2022 and is projected to reach \$942.3 million by 2030, showcasing robust growth potential.



- Maximize Market Research highlights a similar upward trend, with market valuation expected to jump from \$661.56 million in 2023 to \$1.12 billion by 2030, indicating a CAGR of 6.8%



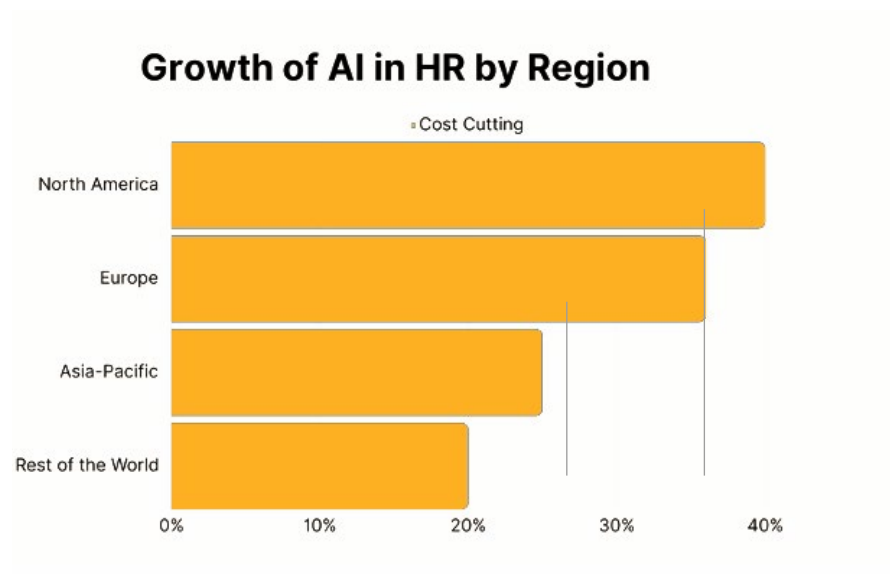
- Although GlobeNewswire offers a more conservative outlook, reporting a slight decline by 2030, this discrepancy may highlight the impact of regulatory challenges and market maturity in certain regions. According to this study, the global market for Artificial Intelligence (AI) Market in Recruitment is estimated at US\$734.0 Million in 2023 and is projected to reach US\$709.8 Million by 2030, growing at a CAGR of -0.5% from 2023 to 2030.

Why It Matters for You: This growth represents a clear signal that companies across the globe are recognizing the value of AI in recruitment. Investing in an AI-driven hiring platform now positions your firm at the forefront of this transformative trend.

2. COST SAVINGS: REDUCE RECRUITMENT EXPENSES BY UP TO 40%

One of the most compelling reasons to adopt AI in recruitment is the potential for substantial cost savings:

- Companies using AI in hiring have reduced costs by up to 40% in North America, 36% in Europe, and 25% in the Asia-Pacific region.

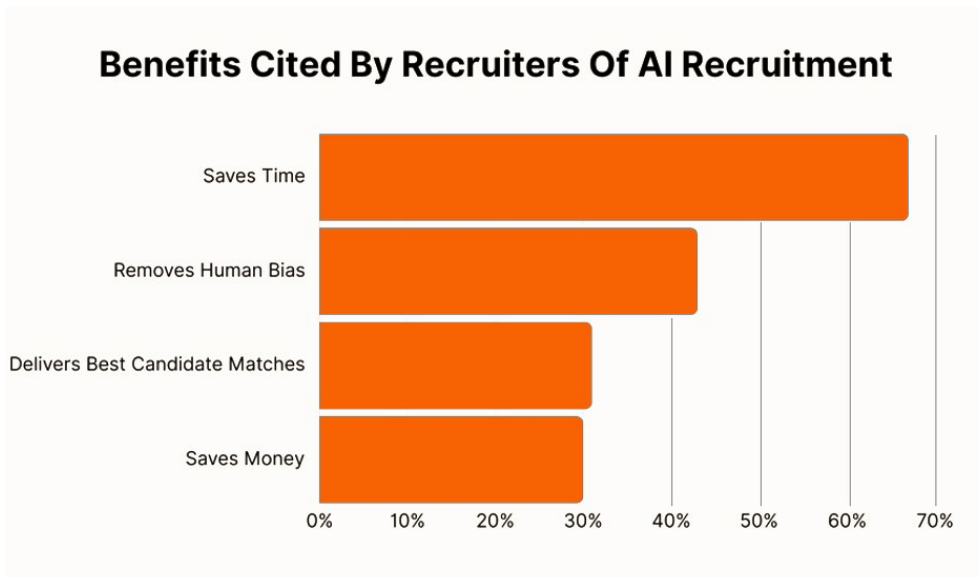


- By automating time-consuming tasks like resume screening and initial candidate outreach, an AI platform can help your company lower operational expenses and increase efficiency. For recruiters, this means more efficient use of resources, faster time-to-fill, and reduced hiring costs, directly impacting your bottom line.

3. FASTER, SMARTER HIRING WITH AI-POWERED TOOLS

Time is of the essence in recruitment. AI can drastically reduce the time-to-hire, giving your company a competitive edge in securing top talent:

- 67% of hiring managers believe AI cuts down the time spent on sourcing and screening candidates.
- Enhanced candidate matching: AI-driven platforms utilize natural language processing (NLP) and machine learning algorithms to match candidates more accurately with job requirements. Over 31% of companies reported improved quality of hires due to better candidate-job matching.



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ABOUT THE AUTHOR

Alex Louizos studied as a medical doctor but found his passion in AI engineering in 2007 and followed this career path. Alex moved from Greece to New York to pursue his entrepreneurial dreams in 2012. He has built [Galaxy.AI](#) in 2015 an AI company that automated the claims processing for car insurances. In 2018 he created an boutique AI consulting agency to design and build AI systems for many companies including Fortune 500.

He is the main author of 5 international AI patents. Alex has extensive experience with recruiting in his companies and built AI to increase efficiency of recruiting operations that led to the creation of ManXmachina a platform for recruiters to maximize their efficiency and focus on their human touch with candidates.



ABOUT US

ManXmachina is a company focused on high performance and efficient AI in recruiting. Our platform optimizes the talent acquisition strategy of recruiters with personalized email scouting campaigns 24/7 that maximize your passive scouting efforts for candidates while maintaining the human touch allowing you to connect with candidates that raise their hand.

Our platform effectively screens the candidates' CVs with transparent logic behind the screening and accurate reports that you can share with both candidates and your customers. Our platform allows you to screen your candidates with one way video interviews and transparent reports are generated for you.

ManXmachina engages actively with regulators to ensure transparent and non biased AI in recruiting to help you navigate this process effectively. We are here to help you deploy AI in your recruiting ops and free up your time from mundane tasks so you can focus on the human touch of recruitment.

Interested to see how this platform can help you increase your recruiting efficiency while focusing on your human touch with candidates?

Schedule a short meeting with us [here](#).



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