

AI IN HIRING

2024 Trends, Insights & Predictions



Presented by



CareerBuilder®



MORNING CONSULT®

INTRODUCTION



Dear colleague,

Welcome to the HR tech landscape in 2024, where it's no longer a matter of whether AI will transform your hiring processes but how quickly. As AI revolutionizes the recruitment life cycle at warp speed, HR leaders must stay informed about AI's advantages and its current shortcomings — including ethical and data privacy concerns.

How can we adopt these tools to stay competitive and efficient while retaining the human touch that remains critical to optimizing candidate experience, making informed decisions, and, ultimately, building strong teams and cultures? That is our industry's biggest challenge as we navigate this new terrain. We hope these insights, tips, and predictions will help drive innovation and excellence in your hiring practice.

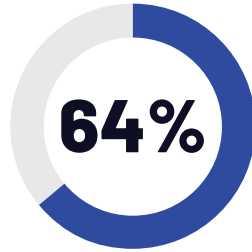
Warm regards,

The CareerBuilder Team

AI TECHNOLOGY IN 2024



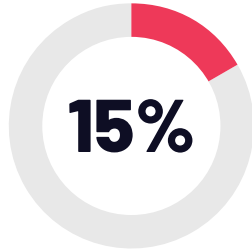
There's no denying that artificial intelligence is no longer simply a buzzword or trend. As businesses everywhere discover the bottom-line benefits of AI technology, it's poised to transform industries in a significant way. How significant? **AI is expected to become a \$407 billion industry¹ by 2027, boosting the U.S. GDP by an estimated 21%² by 2030.**



of business owners believe AI will increase productivity³



companies are adopting AI because of labor shortages⁴



of the global workforce could be impacted by AI advancements⁵

About 42% of large companies worldwide are actively leveraging AI technology⁶; another 40% are exploring potential applications. Many early adopters are increasing their investments in the technology.

1 www.marketsandmarkets.com/mega_trends/artificial_intelligence
 2 www.statista.com/statistics/940635/ai-enabled-impact-on-gdp-in-the-united-states/
 3 www.forbes.com/advisor/business/software/ai-in-business/
 4 newsroom.ibm.com/2022-05-19-Global-Data-from-IBM-Shows-Steady-AI-Adoption-as-Organizations-Look-to-Address-Skills-Shortages,-Automate-Processes-and-Encourage-Sustainable-Operations
 5 www.mckinsey.com/featured-insights/future-of-work/ai-automation-and-the-future-of-work-ten-things-to-solve-for
 6 www.multivu.com/players/English/9240059-ibm-2023-global-ai-adoption-index-report/

Defining AI

Artificial intelligence is a set of technologies, including machine learning and natural language processing, that empower machines with human-like intelligence. These components, along with data, analytics, and automation, can assist businesses in achieving goals more efficiently and cost-effectively.

NARROW AI

Most of our daily AI experiences involve narrow AI, specialized in executing a single task or a closely connected set of functions.

GENERAL AI

The “sci-fi” version, General (or “Strong”) AI, is capable of mimicking human intelligence and handling complex tasks.

The fully-realized version of General AI only exists in movies, for now.

Think of AI today as an extension of human capabilities, not a replacement.

Despite AI’s potential to improve processes and productivity, concerns abound.

Over 75% of consumers worry about misinformation from AI, according to a Forbes survey¹. The same number also feared AI leading to job losses. As the technology rapidly evolves – perhaps too quickly, according to some experts – there are also industry-wide concerns about AI’s implications.

TOP CONCERNS AROUND GENERATIVE AI

According to Business
& Tech Professionals²

- 1 Data Security
- 2 Transparency
- 3 Data Poisoning
- 4 Intellectual Property & Copyright

¹ www.forbes.com/advisor/business/artificial-intelligence-consumer-sentiment/

² www2.deloitte.com/us/en/pages/about-deloitte/articles/technology-trust-ethics-annual-report.html

AI IN HIRING SURVEY



Methodology & Background

To learn more about the role of AI technology in recruiting today, its impact on candidate experience, and how it's expected to transform recruitment in the future, CareerBuilder partnered with Morning Consult to survey hiring decision-makers.

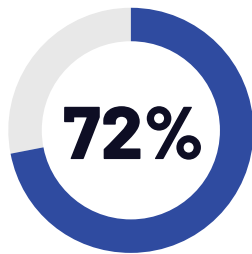
- Sample Size: **400 Adults**
- Survey Dates: **December 7th through December 15th, 2023**
- Margin of Error: **+/- 5%**

Respondents represented various company sizes and industries, from technology to manufacturing, healthcare, construction, and retail. They varied in job titles and experience levels, with most being mid to senior-level HR professionals or hiring managers.

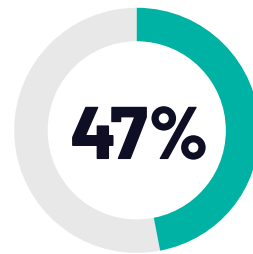
THE EXPANDING ROLE OF AI IN HIRING



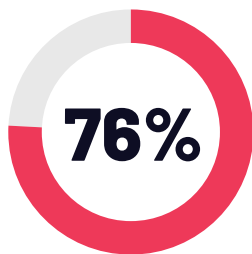
Hiring Managers & Recruiters Weigh In



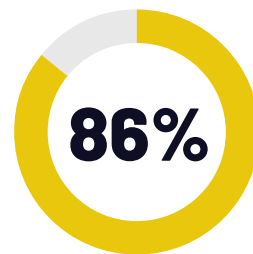
are familiar with the use of AI in recruiting



currently use AI in the recruiting process



believe AI improves recruiting processes



feel more education or training is needed

While 19% of companies worldwide are utilizing or exploring AI in human resources and talent acquisition, according to the 2023 IBM Global AI Adoption Index¹, nearly half (47%) of hiring managers in our survey were currently leveraging the technology.

Overall, hiring managers are familiar with the use of AI in recruiting and confident in its effectiveness; however, despite most (61%) saying they'd received at least some training in AI, 86% felt more education and training was needed.

Respondents also had hesitations about AI beyond the lack of training. The most common concern was that AI lacked the human touch (56%), followed by data quality and accuracy concerns. The vast majority (92%) also thought ethical considerations, like bias and data privacy, were important.

¹ www.multivu.com/players/English/9240059-ibm-2023-global-ai-adoption-index-report/

Top 10 AI Applications in Recruiting



53%

Screening Candidates



53%

Scheduling Interviews



52%

Analyzing Resumes & Applications



50%

New Employee Onboarding



48%

Sourcing Candidates



47%

Chat Bots for Candidates



41%

Pre-Employment Assessments



41%

Pre-Screening Interviews



39%

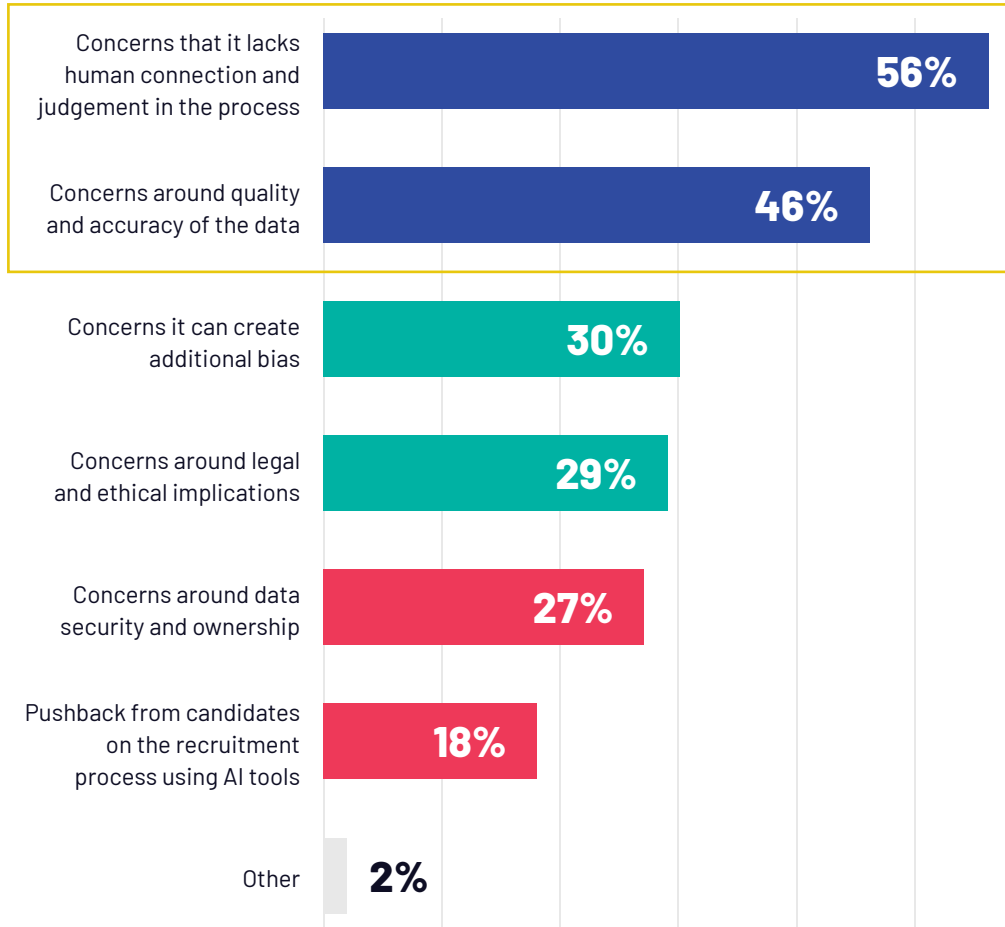
Storing Applicant Information



37%

Ranking or Rejecting Candidates

What challenges/concerns, if any, has your organization faced in adopting AI for recruiting? Please select all that apply.



ETHICS ARE TOP OF MIND FOR 92% OF DECISION-MAKERS. WHAT ACTIONS ARE THEIR COMPANIES TAKING?

"We have an oversight committee that deals specifically with artificial intelligence."

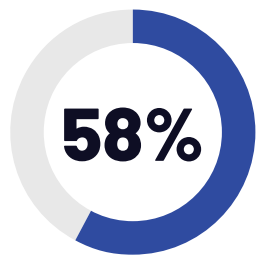
"We program our bots with positive reinforcements towards diversity and inclusion."

"We have a human moderator that goes over the data to ensure little to no bias is present."

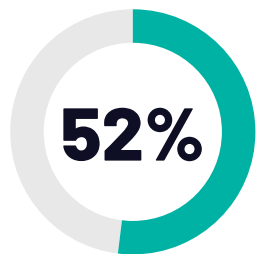
Common strategies for addressing inherent bias in AI included using fairness-aware algorithms and human oversight.

AI's Role in Candidate Experience

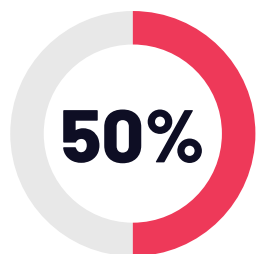
According to hiring professionals surveyed



believe candidates are receptive to AI in hiring



say AI helps connect candidates to fitting jobs/roles

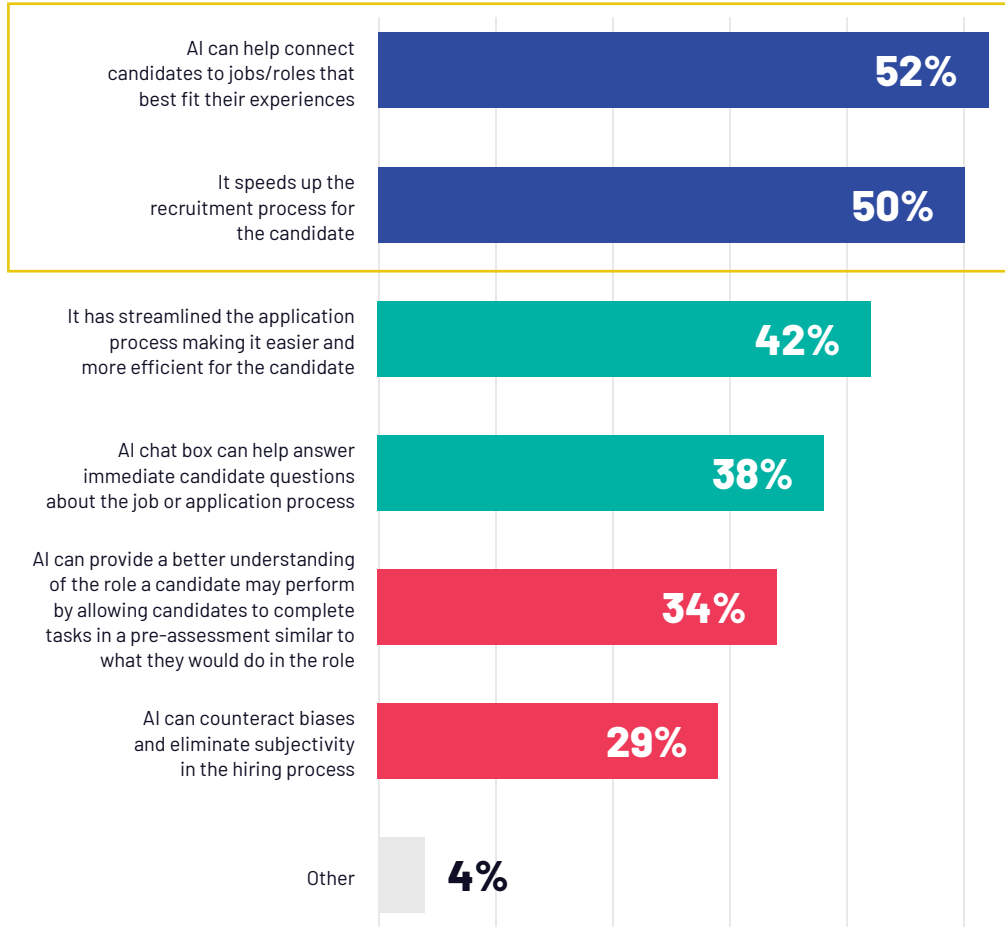


feel AI speeds up the recruitment process for candidates

Candidates appear more skeptical that AI benefits them, suggesting a disconnect between hiring managers' beliefs and candidate attitudes. About two-thirds of workers in the U.S. (66%) say they wouldn't want to apply for a job with an employer that uses AI to help make decisions.¹

¹ www.pewresearch.org/internet/2023/04/20/americans-views-on-use-of-ai-in-hiring/

How has the use of AI impacted the overall candidate experience?



“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.”

– Pew Research Center Study Participant

But hiring teams and candidates can agree on one thing: the biggest problem with AI is that it lacks the “human factor.” This was the most frequently cited concern in our survey and in a Pew Research Center job seeker study¹.

66%

of job seekers would not want to apply for a job where AI is used to make decisions.

44%

of those say that’s because AI lacks the human factor.¹

¹ www.pewresearch.org/internet/2023/04/20/americans-views-on-use-of-ai-in-hiring/

Ask CareerBuilder: How can I leverage AI responsibly in the hiring process?

Develop formal policies.

Documenting policies around when and how your company uses AI during hiring helps your team understand best practices and navigate gray areas. Your policies should factor in any applicable laws around the use of AI and include guidelines around fairness, transparency, and accountability.

Be transparent.

Candidates should be informed about how AI will be used in the recruiting and hiring process. Notify them that AI will be used to evaluate their application, especially if using video analysis, and provide an overview of how the technology works.

Ensure a fair and inclusive selection process.

AI's effectiveness hinges on the quality of its data and algorithms. Employers should consider how their data sets may inadvertently incorporate biases. Voice recognition programs may not be adept at analyzing responses with native accents, for example, or resume scanning tools may exhibit bias against mothers reentering the workforce.

Safeguard candidate data and privacy.

Because of AI's ability to process large volumes of personal data, it raises privacy concerns. Organizations must collect only essential data, use technology like encryption to protect it, and regularly audit their systems to ensure security compliance.

Ask for feedback.

Feedback from candidates can not only help your team fine-tune the candidate experience. Since AI continuously learns, this data can help the technology improve over time.

80%

of survey respondents say their company is receptive to candidates' feedback on using AI.

Remember: AI can't replace humans.

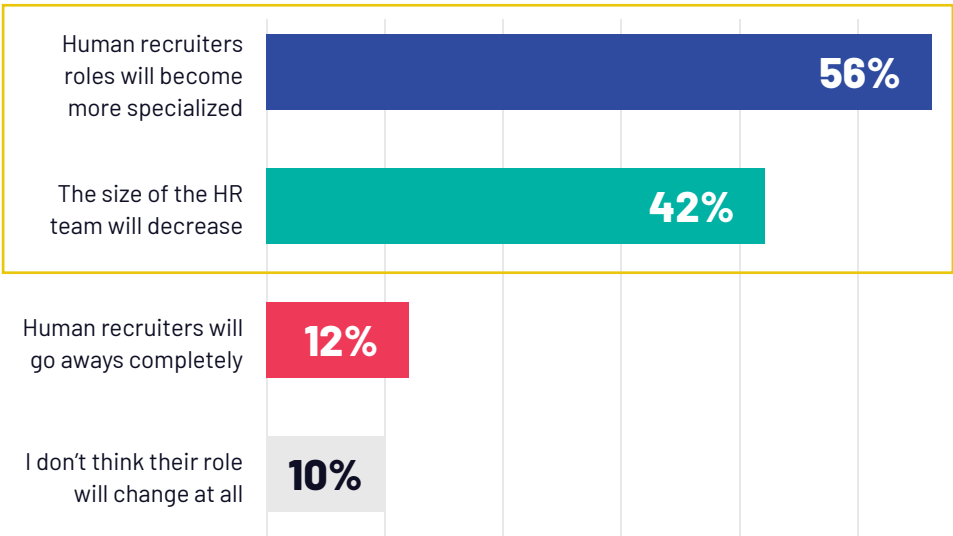
While AI can streamline candidate discovery and sorting, it can't replace your hiring team's ability to get to know the people behind the resumes. You'll still need to evaluate candidates based on nuanced traits like interpersonal skills; an effective AI strategy will allow your team more time to focus on making real connections.

How AI Is Transforming Teams & Processes

AI and the Role of Recruiter

“Will AI replace my job?” It’s a common concern among workers across a wide range of industries. But it isn’t shared by all of the hiring and HR professionals in our survey. The majority (56%) see the recruiter’s role becoming more specialized. After all, eliminating repetitive, time-consuming tasks – like sorting through hundreds of resumes or scheduling interviews – frees up time to focus on more impactful, human-centric duties. While many (42%) believe the size of HR teams will decrease as AI becomes more commonplace, only 12% think the technology will eliminate human recruiters.

How do you see the role of human recruiters evolving as AI adoption increases?



HIRING PROFESSIONALS SHARE THEIR PREDICTIONS

Survey respondents shared the future AI trends they believe will shape the industry.

“AI will help identify candidates easier and help find job seekers quicker, perhaps before they are even looking for a job.”

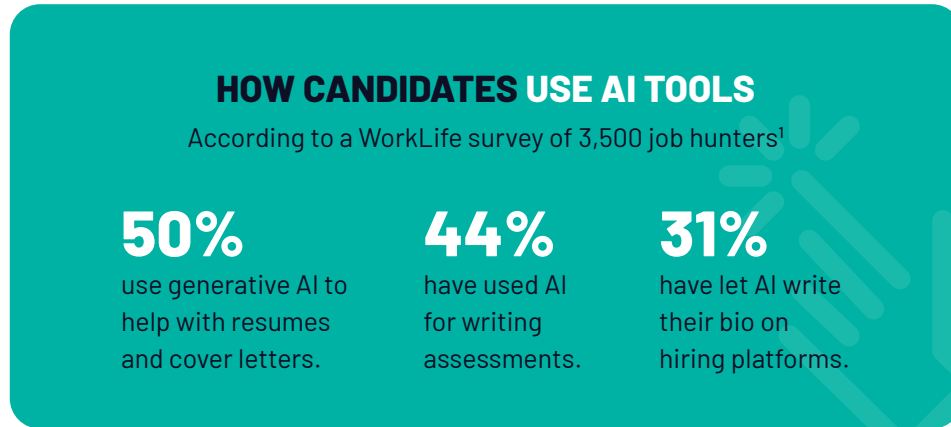
“Ethical considerations and transparency in AI usage will likely become more crucial as regulations and standards evolve in the industry.”

“[AI] will become better suited for each individual industry.”

“Resumes and applications will be tailored for AI in the coming years and a more standard format will be used.”

Candidates Are Increasingly Using AI, Too

In the not-too-distant past, candidates had to write resumes, cover letters, and emails for every job they applied to. Now, these tasks can be done in seconds thanks to ChatGPT and other prominent AI tools.



Sophisticated new AI detector tools (initially developed for academic settings) can distinguish human-created text from that which is AI-generated. However, they aren't 100% accurate, and policies prohibiting the use of AI can prove difficult to enforce. Most hiring managers (67%) think they can tell when a candidate's resume is AI-modified, but not all of them frown upon the practice; 44% say using AI for all application materials is acceptable². And while there's a risk that AI could make some candidates sound more knowledgeable or polished than they really are, some recruiters may see it as a positive that candidates know how to use tools like ChatGPT.

With both job seekers and hiring managers split over the role AI should play in the application process, it underscores the continued importance of retaining the human element in recruiting. In-person interviews or calls allow your team to assess whether a candidate's background, skills, and communication style match what's on their application.

Did you know...

CareerBuilder's Resume Builder tool helps job seekers build resumes and other professional job-search documents like cover letters and thank-you notes. Besides empowering candidates to complete once-daunting tasks in minutes, the tool suggests keywords, phrases, and job titles to help employers get 4X more relevant applicants.

¹ www.worklife.news/talent/generative-ai-cover-letter-job-application/

² www.forbes.com/sites/chriswestfall/2024/01/26/study-says-hiring-managers-expect-and-prefer-ai-enhanced-resumes/?sh=674002203722

Room for Improvement in AI

The hiring managers in our survey offered a range of suggestions as to how AI in recruiting can be improved. Their responses shed light on how HR-related AI technology might evolve.

IN WHAT WAYS DO YOU THINK AI IN RECRUITING CAN BE IMPROVED?

"AI algorithms should provide clear and understandable explanations for their decisions, helping both recruiters and candidates understand how conclusions are reached."

"Allow for input of soft skills and human opinion to create rankings of potential hires. It can also be used to help with salary negotiations and expectations."

"I think AI in recruiting can also be improved by making it more affordable for all businesses, including smaller businesses and nonprofits."

"Strengthening measures to safeguard candidate data and privacy throughout the recruitment process."

KEY TAKEAWAYS



AI IN HIRING IS MAINSTREAM – AND HERE TO STAY.

Nearly half of companies surveyed actively use AI in hiring, and this number should grow significantly as the AI industry progresses toward widespread adoption.

BUT AI IN HIRING IS RELATIVELY NEW AND FRAUGHT WITH CONCERNS.

The top concerns among hiring managers include lack of human judgment, data quality, and bias. Companies that haven't already formalized policies, guidelines, and training should do so.

CANDIDATES ARE MORE HESITANT TO EMBRACE AI IN HIRING THAN HIRING TEAMS.

While most employers surveyed feel AI can improve the recruiting process, candidates remain less convinced. Companies should be transparent in the use of AI and aim to balance the technology with human interaction. Think of AI as a useful tool for shortlisting candidates – not evaluating important soft skills or overall fit.

AI IS POISED TO TRANSFORM HR TEAMS AND ROLES.

It's widely expected that HR teams will become smaller and recruiters' roles will become more specialized. Companies have an opportunity to rethink areas and tasks where team members can deliver the most impact.

DID YOU KNOW CAREERBUILDER WAS ONE OF THE FIRST EMPLOYMENT SOLUTIONS TO USE AI TECHNOLOGY?

Built upon 25+ years of job history and trends data, CareerBuilder's powerful AI tools elevate the hiring experience for both employers and job seekers.

RESUME WRITING

Helping candidates conquer their biggest hurdle with AI

SKILLS MATCHING

AI to help candidates discover future possibilities.

JOB DESCRIPTIONS

Writing and optimizing AI descriptions to save recruiters time.

SEARCH & MATCH

Delivering more relevant candidates and reducing time to hire with AI.



ABOUT CAREERBUILDER

At CareerBuilder, we've been giving people the tools they need to find personal success for the last 25+ years—from the hundreds of thousands of employers seeking great talent to the millions of jobseekers out there looking for the right opportunities.

We understand the needs of companies big and small when it comes to finding, hiring, and managing talent. So we're always adapting innovative solutions for everything from recruiting to employment screenings and human capital management.

As an industry leader, we use the latest technologies, software and services to fit your company's hiring needs so your team can succeed.

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