

# Conversational AI in Recruiting



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# How AI Is Impacting Recruiting

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Today AI-powered technology seamlessly integrates into the things we already do—such as drive, send emails, and watch television—and it's also doing the same for business. IDC estimated that worldwide spending on AI systems reached \$35.8 billion in 2019, and \$79 billion by 2022.<sup>1</sup> And Gartner estimates that by 2022, AI-derived business value will reach \$3.9 trillion.<sup>2</sup>

Recruiting is the most well-developed area of AI in HR for several reasons. The vast size of the recruiting funnel—from job ad impressions, careers site visits, applications, and hires—offers a wealth of data that AI-powered tools can learn from. Additionally, companies have been paying closer attention to candidate experience and investing more in recruiting tools to improve it. Finally, a dynamic hiring market with increased demand in some sectors has driven companies to seek out ways to make smarter hiring choices at scale that ensure quality hires while eliminating hidden biases.

The recruiting process is filled with numerous repeatable tasks that when given to AI, free up recruiters' time to focus on what matters: human interaction with the most qualified candidates. Currently AI is powering advanced tools for talent matching, screening, sourcing, assessment, recruitment marketing, and interview scheduling, all saving countless hours of human time.

## AI in Candidate Screening

One of the most time-consuming aspects of the hiring process is screening candidates. Not only do candidates need to be screened for their qualifications and interest in doing the actual job, they need to be available to work at the specified time and location and be willing to accept the rate of pay. Getting these basic criteria straight can swallow up surprisingly large amounts of recruiters' time. Given the volume of candidates that need to be screened to make one

hire (as many as 100 or more at some companies), and the number of human hours it can take to make that happen, an AI solution in this area makes perfect sense.

In recent years, texting-based tools have become the norm for communicating with candidates, which creates ease for candidates but doesn't fully address the problem of communication at scale. Candidates use their phones all the time, not just during business hours when recruiters are available. They get interrupted, breaking off conversations for hours. They use informal language instead of business-speak. A text-based conversational AI can address both the candidates' need for convenience and employers' need for scale. One company saw its screening completion rates improve from 37% to 93% with the use of Mya, a conversational AI tool.

## What a Conversational AI Can Do

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Most people are familiar with chatbots—they seem to be everywhere now, on many different types of websites. Conversational AI is different than what you may think of as a chatbot, and it's worth explaining how.

### Conversational AI vs. Chatbots

If you've tried out any chatbots, it's usually pretty obvious you're not talking to a person. You enter in some text, and it feeds back a canned answer based on some of the keywords it picked up from what you typed. Many "enhanced" chatbots give you a multiple-choice list of acceptable answers. It's transactional and sort of clunky, but you can end up getting the information you need—or figure out where to go next. It should be noted that a chatbot is different from a chat widget, which enables human-to-human contact from a website interface.

Conversational AI –also called an intelligent chatbot—is different from an enhanced chatbot because it's based on natural language processing. Linguistically-based, conversational AI uses machine learning to adapt to the inputs it receives from its users, and guides them to the responses it needs by gathering information and asking more questions (instead of posing multiple choice questions). Because it

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1 IDC, [Worldwide Spending on Artificial Intelligence Systems Will Grow to Nearly \\$35.8 Billion in 2019](#), March 2019

2 Gartner, [Gartner Says Global Artificial Intelligence Business Value to Reach \\$1.2 Trillion in 2018](#), April 2018

continually learns from inputs, it picks up on texting vernacular, which can be very different for a 19-year-old looking for a retail job than the language used by the people who program chatbots. A conversational AI can also pick up on new topics and follow threads in the conversation that might not have been programmed into the system. Additionally, it can help mitigate bias by being trained to treat all candidates equally.

Interaction with a conversational AI can feel like texting with an actual person. Adecco, who we interviewed for the case study in this report, found that 72% of candidates thought that they had spoken with a recruiter versus Mya, an AI recruiter bot, even though they were notified upfront during the process that Mya was a virtual assistant.

## Current Applications of Conversational AI

Conversational AI is applicable to anything where conversations are necessary for business and need to happen at scale—and that includes recruiting. Additionally, financial services, healthcare, telecom, insurance, travel, retail and ecommerce companies are rapidly adopting advanced conversational tools for their customer service functions. The overall goal is to train the AI to take care of routine tasks so that human agents can focus on high-priority, complex issues.

	Chat Widget	Enhanced Chatbot	Conversational AI or Intelligent Chatbot
Definition	<ul style="list-style-type: none"> <li>Enables live chat with a human from website interface</li> </ul>	<ul style="list-style-type: none"> <li>Utilizes a decision tree and binary/multiple choice answers to direct users toward options</li> <li>Helps users complete specific tasks</li> </ul>	<ul style="list-style-type: none"> <li>Human-like, dynamic conversations via text or other chat tool</li> <li>Helps users navigate toward a goal</li> </ul>
Strengths	<ul style="list-style-type: none"> <li>Human to human interaction</li> </ul>	<ul style="list-style-type: none"> <li>Task oriented</li> <li>Transactional</li> </ul>	<ul style="list-style-type: none"> <li>Responds to the way people naturally communicate</li> <li>Follows the threads of topics as they arise</li> <li>Captures data unknown to system, allowing for further refinement</li> <li>Can reduce bias with proper training</li> </ul>
Weaknesses	<ul style="list-style-type: none"> <li>Limited to available staff hours</li> <li>Requires staff to respond</li> </ul>	<ul style="list-style-type: none"> <li>Limited to pre-programmed questions and acceptable responses</li> </ul>	<ul style="list-style-type: none"> <li>Upfront time needed to customize system</li> <li>Requires testing and maintenance to refine</li> </ul>

Figure 1: Types of Conversational AI

# Conversations and the Candidate Experience

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As the employee experience becomes a bigger focus for companies, it becomes important to note that the employee experience actually begins with the candidate experience. The explosion of AI-based tools in recruiting technology is geared toward creating efficiencies that ultimately improve the candidate experience—by streamlining the process, making better matches, and converting candidates to hires more quickly. Here's a look at why improving conversations is so important.

**Recruiting conversations are two-way streets:** Conversations are an important part of every stage of the recruiting process. A two-way dialogue helps people feel seen and heard. It's how people naturally communicate, and how trust is built. Candidates are assessing you as much as you are assessing them, and the quality of these interactions affects what they think about you.

During phone conversations, people pick up on cues such as the tone of voice and assess how the other party responds to their answers. Those cues expand to facial expressions and body language when communicating in person. The most effective AI technologies build these tonal cues into their text-based conversations, allowing companies to build trust with candidates and set the stage for further human-to-human conversations.

**Making conversations happen can slow down the hiring process:** Just getting recruiting conversations to happen is not always straightforward. It can take days or weeks of and back and forth to complete a simple phone screen or schedule an interview. AI doesn't sleep, which allows candidates to interact with companies at any time of day. Additionally, AI tools can complete conversations even if they get interrupted.

**The candidate experience impacts your employer brand:** The resume black hole has been one of the biggest pain points for job seekers historically. A conversational AI addresses this problem much better than rejection emails (if they are used at all). An engaging conversation with an AI tool can leave candidates feeling goodwill toward the company whether or not they proceed to the next round.

Last year the Talent Board reported that there has been a 40% increase in candidate resentment since 2016.<sup>3</sup> A negative experience from a clunky application process, an application black hole, or unprepared interviewers can cause a candidate to write a negative interview review and even stop using your brand.

**Candidates prefer to share a positive experience if you give them one:** 50% of candidates say they would share a positive experience on social media or review sites such as Glassdoor, while 35% said they would share a negative experience on those channels.<sup>4</sup> For a name-brand company that receives thousands of applications a year, this can add up to significant revenue.

**Candidates like interacting with intelligent chatbots:** The Talent Board study also found that candidates who were able to ask a chatbot questions consistently rated their candidate experience higher than those who did not, and candidates who communicated with a chatbot were 80% more likely to increase their relationship with the employer.<sup>5</sup>

Surprisingly, conversational AI can address the need to be seen and heard that is currently lacking in so many application processes. Interaction with a conversational AI at the start of the application process can move completion rates to as high as 90%.

## How a Conversational AI Can Improve the Hiring Process

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Each recruiting tool on the market addresses pain points in the hiring process in different ways. Following are some of the ways that conversational AI improves hiring.

**Enable recruiters to have more conversations that matter:** The number one skills gap in most U.S. cities is oral communication, according to LinkedIn.<sup>6</sup> A large part of any recruiter's job is communicating, so it's not terribly surprising that recruiting falls on the top ten list of missing skills in most cities as well.

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<sup>3</sup> Talent Board, [2019 North American Candidate Experience Report](#)

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> LinkedIn, [Workforce Report October 2019](#)

## Adecco Hires Faster with Mya

As one of the largest global staffing agencies, Adecco is tasked with screening thousands of candidates every day across a wide variety of roles. In an effort to improve recruitment efficiency, reduce hiring times and become more candidate centric, the company sought out an AI solution and landed on Mya.

Adecco began its engagement with Mya in 2017 with a pilot focused on a single client that hires a high volume of light industrial roles such as picker-packers. The project entailed identifying qualifications, outlining every step in the hiring process, customizing the scripts from Mya's library of templates, and finally, reviewing the scripts for legal compliance.

The pilot was such a great success that Adecco has since rolled out Mya to clients all over the United States and to a wide variety of roles including warehouse, manufacturing, data entry, clerical and call center.

There was some worry internally that the AI would replace recruiters, but results proved otherwise. "It's absolutely not the case that AI is taking away recruiter's jobs," said Angie College, SVP of recruitment operations. "As we rolled it out

across the country, it was very clear that Mya was going to allow our recruiters to become more efficient at their jobs."

With recruiters that work during normal business hours, the opportunity to have a dialogue with a candidate at any time of day has been a big benefit. "We can now be flexible around the life schedule of our candidates," said Angie.

In a dynamic job market, timing is everything. By using AI to surface qualified candidates available to work the specified hours at a specific pay range, Adecco recruiters can increase the number of interviews conducted and therefore provide more job opportunities.

In 2019, Mya conducted about 40,000 screens for Adecco per month, with an average 86% screen completion rate. The time from application to schedule is now nine minutes or less, compared to the two to four days taken previously. Overall, candidates seem to love it: survey results show an NPS candidate score of 9.6 out of 10.

With increased hiring for certain role types in 2020, Mya has been able to scale to nearly 460,000 conversations in just one month. The AI has easily accommodated increased applicant volume as well as employer need in certain sectors.

There are simply more conversations that need to happen than there are people to conduct them. When repeatable conversations are outsourced to an AI, recruiters have more time to focus on the strategic conversations that matter, such as those with hiring managers and the most qualified candidates.

**Improve time-to-fill:** Shortening the hiring cycle has become very important for companies as they seek to make offers before a competitor does. A conversational AI can interact with thousands of candidates within hours, versus weeks of back and forth.

**Streamline scheduling:** Scheduling interviews is another pain point in the recruiting process that some technologies have attempted to address by integrating the ATS with calendaring systems. A conversational AI can also integrate with these systems, enabling candidates to schedule interviews via text chat.

**Re-engage candidate database:** Many companies have large databases comprised of candidates who applied for jobs and, for one reason or another, were not hired. Some of these candidates could be suitable for other open jobs. While many rejection responses say something like, “we’ll keep your information on file, and reach out if something comes up,” few companies have the bandwidth to follow up on that promise. Such databases can be given to a conversational AI tool trained to ask candidates what they’ve been up to since their last contact, find out what skills they’ve added, and determine if they might be a fit for a current position—all within minutes instead of days of email back and forth. Response rates to a text-based conversation are typically upwards of 50%, while email response rates can be lower than 5%.

**Create efficiency by integrating with existing technology:** The average mid-sized to large company now has more than six different recruitment tools, and some of these tools are utilizing AI in different forms. But the expertise required to build sophisticated AI tools requires specialized development skills typically not found in legacy vendors. This means that integration with existing systems is often a concern. A conversational AI tool has to integrate with the tools a company already uses, such as the ATS, candidate CRM, calendars, messaging apps, and recruitment marketing tools.

By doing so, it helps companies get more out of these tools by automating some of their functions within a conversational framework.

## Looking Ahead

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What does the increased adoption of conversational AI mean for the future of talent acquisition and the hiring process? AI is still in its infancy, and there are likely to be many more applications added to the talent acquisition technology mix in the future. Here’s a few currently foreseeable benefits.

**Enhanced analytics:** Conversational AI has the potential to transform talent acquisition by applying advanced analytics to an expanded candidate dataset. The data gathered in AI-based conversations is broader than what can be captured in form fields. As analytics and conversational intelligence become more sophisticated, there will be new applications for data analysis that help companies understand the talent pipeline and hire more efficiently.

**Help candidates advance career potential:** Conversational AI is already transforming the candidate experience by giving candidates an opportunity to express themselves. As an analyst who talks to people every day about what their companies are doing, I’ve seen first-hand the power of questions. Questions can bring clarity or provoke ideas on the subject. Questions asked by a conversational AI tool can do the same thing for candidates, giving them insight into their career goals and helping advance their career potential. The AI can also connect candidates to other opportunities they may not have been considering.

**Model ideal behavior:** A well-programmed AI is always kind. It never has to sit in traffic, worry about picking up a sick kid from school, and it never gets triggered by someone’s tone of voice or appearance. Kindness can be in short supply, particularly in the world of hourly workers where it’s easy to feel expendable. Positive conversations with AI can actually elevate our humanity and serve as a model for behavior by listening to answers, treating everyone equally, and saying no in a way that promotes goodwill rather than resentment.

**Make recruiting frictionless:** Technology in the recruiting space is geared toward reducing friction, and making conversations happen efficiently is a significant point of friction that can be reduced with conversational AI. Another point of friction for recruiting is the ability to scale when hiring demand fluctuates. Because an AI can handle 10,000 applicants just as easily as 1,000, it's a way to future-proof your organization in times of rapid change and uncertainty.

## Getting started with Conversational AI

If you're considering bringing on a conversational AI to assist with your recruiting process, keep the following considerations in mind.



1. **Decide what you're solving for.** Identify the pain points in your process and make sure that the AI is the right tool to address them.



2. **Choose a provider with experience in your industry.** Customer references are important to consider, plus the project will go faster when your provider has pre-defined templates for the kind of roles you hire for.



3. **Pick a pilot market and role type.** The AI has to be customized for each role type, so it will take some practice to understand how the process works and refine it to meet your exact needs. After your pilot, you can roll it out to other job types.



4. **Track your progress.** Time-based metrics such as time-to-interview and overall time-to-fill will be important gauges of your success. Also build in ways to measure candidate satisfaction to ensure you're engaging candidates in a positive way.

## About Josh Bersin



*Josh Bersin is an internationally recognized analyst, educator, and thought leader focusing on the global talent market and the challenges impacting business workforces around the world. He studies the world of work, HR and leadership practices, and the broad talent technology market.*

*He founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. Over the next ten years, he expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership. He sold the company to Deloitte in 2012, when it became known as Bersin™ by Deloitte. Bersin left Deloitte in June 2018, but he continues to serve as a senior advisor and contributes to major research initiatives. He also sits on the board of UC Berkeley Executive Education.*

*In 2019, Bersin founded the Josh Bersin Academy, the world's first global development academy for HR and talent professionals and a transformation agent for HR organizations. The Academy offers content-rich online programs, a carefully curated library of tools and resources, and a global community that helps HR and talent professionals stay current on the trends and practices needed to drive organizational success in the modern world of work.*

*Bersin is frequently featured in talent and business publications such as Forbes, Harvard Business Review, HR Executive, FastCompany, The Wall Street Journal, and CLO Magazine. He is a regular keynote speaker at industry events around the world and a popular blogger with more than 700,000 followers on LinkedIn.*

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