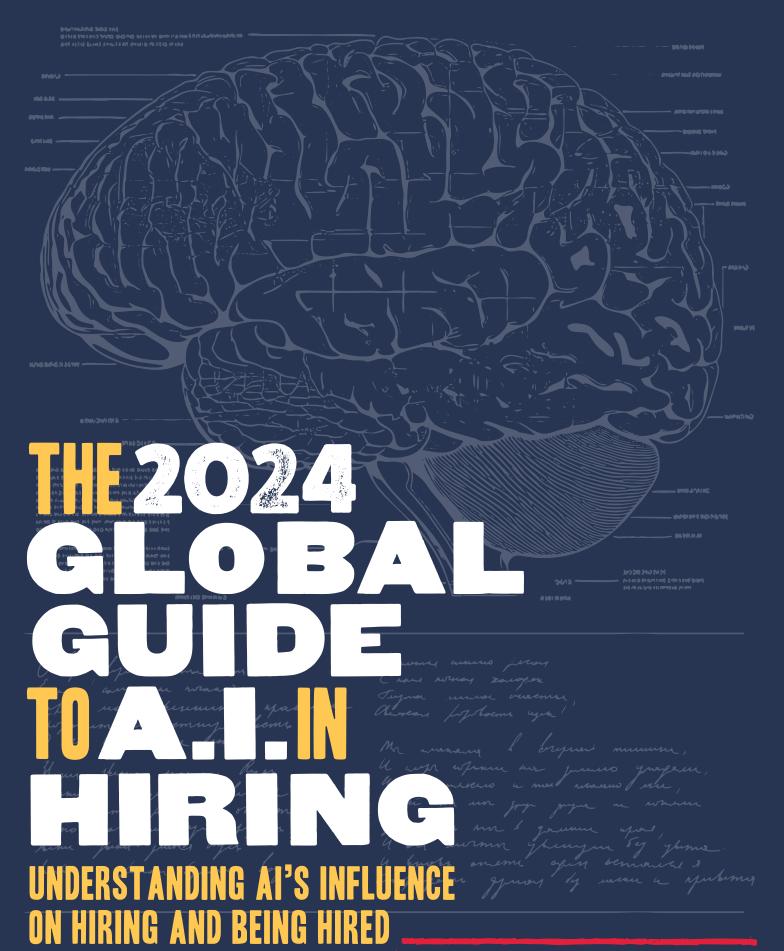
Hire**≠**√ue



#### THE 2024 GLOBAL GUIDE TO AI IN HIRING

# EXECUTIVE SUMMARY

Al has swept across the hiring landscape so fast, it's now more normal than novel. Al is on track to impact 90% of jobs to some degree by 2032, according to an Oxford Economics and Cognizant study. And it's not just jobs that are evolving; Al is also innovating how we find those jobs.

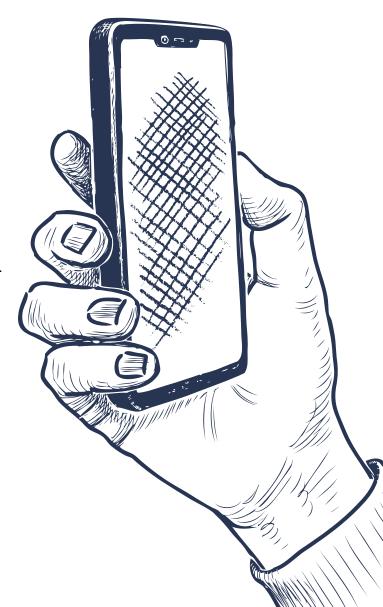
Nearly 75% of hiring leaders now say they trust AI to recommend who they hire. What's more, two-thirds are excited about using AI at work, and say their attitude toward AI in the workplace is more positive than just one year ago.

Candidates, on the other hand, have historically raised questions regarding the use of AI in hiring. However, it seems their concerns are directly linked to their lack of understanding around how AI in hiring actually works.

Even so, we're seeing candidates become more comfortable with Al. In fact, 50% of job seekers now believe Al can actually improve their hiring experience by helping to minimize bias. Job seekers envision a world where they are judged on their skill and potential, instead of their school or previous work experience alone.

But the true competitive edge lies not only in using AI to make our current hiring processes faster and more fair; it's in harnessing its capabilities to innovate how we hire altogether.

Moving forward, this thought should be at the forefront of every hiring leader's mind: how do we leverage cutting-edge tools to maximize human potential? How do we identify what we're capable of, instead of focusing only on what we've already accomplished?



### INTRODUCTION

To get a pulse on both HR professionals' and workers' perceptions of AI in hiring, HireVue surveyed 3,100 workers and 1,000 HR professionals across the U.S., U.K., and Australia. Our results offer a glimpse into the way each group is thinking about AI in hiring, what they have in common, and where they diverge.

We found several tensions both groups are feeling, tucked between an appreciation for the efficiencies AI can bring on one hand, and concern for how it's used on the other. Here are our key findings:

#### HR PROFESSIONAL PERCEPTIONS OF AI

73%

say they trust AI systems to make candidate recommendations.

**70%** 

currently use or plan to use Al in some capacity in the next year.

66%

have a more positive attitude towards AI in the workplace compared to one year ago.

#### **WORKER PERCEPTIONS OF AI**

3 in 4

workers are opposed to AI making *final hiring* decisions.

79%

want to know if the employer is using Al in hiring when they apply for a job.

49%

believe AI could help the issue of bias and unfair treatment in hiring.

Both HR leaders and workers seem equally comfortable with Al's role in minor, tedious tasks, such as automated responses for hiring leaders and resume writing for workers. But while leaders are largely in favor of gaining efficiencies throughout the hiring process, from beginning to end, workers have concerns about Al's role as they progress towards final hiring decisions.

Similarly, both parties applaud Al's capability to mitigate biases embedded in hiring; however, some candidates still wonder if human bias is simply being replaced with discrimination built into the technology.

At HireVue, we're proud of what we have done to pioneer the use of Al in hiring, and to develop best practices in the space. Our commitment to fairness, transparency, accountability, and respect for candidates guides everything we do, and our industry-first Al Explainability Statement explains our methodology.

First, let's compare and contrast the way HR Professionals think about Al with the way workers and job seekers do.

# **HOW HR PROFESSIONALS THINK ABOUT AI:**

#### OPTIMISTIC ABOUT AI'S IMPACT

More than two-thirds of HR leaders are excited about using Al at work, and say their attitude toward AI in the workplace is more positive than just one year ago.

Why? They believe it helps them get more done. For those who use GenAl at work, 41% say they're more productive while 27% say they're as productive as those who don't use it.

And as productivity rises, the positive perception of Al does too.

The majority of HR professionals say they trust Al systems in general (like GenAl), with 37% having high trust and 54% having some trust. Knowing this, it's no wonder that 3 in 4 HR professionals are either already using GenAl in the workplace or plan to start using it this year. And they're not just using it every once in a while. Almost 60% use Al tools in the workplace at least every week, if not every day.

For those who have not yet implemented AI at work, 42% of HR professionals say they're still waiting for corporate guidelines to allow GenAl at work. However, 1 in 3 admit to implementing some AI, like ChatGPT, before getting corporate approval.

#### **GENERALLY COMFORTABLE USING AI**

In addition to enjoying the results, HR professionals are also comfortable using AI, especially for things like writing emails and editing content. And almost half of HR leaders say they're already effortlessly using AI in either part or the entirety of their hiring process. Another 20% said they're comfortable with Al and plan to implement it in the next 6 months.

Even more, most HR leaders trust their Al systems to make quality candidate recommendations:

- 39% trust very much or completely
- 52% trust somewhat or a little

It's no wonder then, that candidate recommendations are a top way that HR leaders leverage Al in hiring.

The top three ways they're using AI in hiring are:

- 31% use it for candidate communications
- 27% use it for resume screening
- 27% use it for assessments

And the benefits HR leaders experience are vast:

- 53% have more time after automating manual tasks,
- 53% notice greater productivity, and
- 50% experience faster turnaround in filling roles

When used in conjunction with humans to automate mundane tasks, AI empowers HR leaders to focus on more strategic initiatives (and the things they're uniquely good at).

But what about workers? How do they perceive Al in hiring?

#### **HOW WORKERS THINK ABOUT AI:**

## EPENDEN

#### TRUSTING OF AL...WHEN THEY KNOW HOW IT IS BEING USED

Overall, workers are generally accepting of Al..... if they know how it's being used.

Nearly 3 in 4 workers acknowledge that Al in the workplace will have a major impact on them in the next 20 years, at least in a general sense. And roughly half of them said they like using GenAl, like ChatGPT, to help them prepare for a job application and interview preparation.

But when it comes to hiring specifically, 2 in 3 believe Al does a worse job than humans at figuring out which job applicants would work well with their co-workers, and more than 50% say Al does a worse job than humans at seeing potential in job applicants who may not perfectly fit the job description. Additionally, only 49% say they would apply for a job with an employer who uses AI to help make final hiring decisions. When asked why, the top reason was that Al would miss the "human factor" hiring needs.

However, most respondents (75%) admitted their perception was rooted in a lack of understanding about how Al in hiring actually works. And 25% say they believe AI will ultimately help more than it hurts—a number that seems to be rising fast.

#### **UNCLEAR ABOUT HOW AI** IS USED IN HIRING

There's a clear disconnect between how candidates and workers perceive Al, and the way in which most hiring teams are actually using it.

In most cases, Al is not making final decisions. It's augmenting human capabilities, allowing recruiters to focus on high-value tasks. Workers believe that Al completely takes over the role of human recruiter—from first hello to final hiring decision, a belief that directly points to a lack of education and transparency from hiring companies.

In some industries, workers are more knowledgeable about AI than others. For example, non-profit, retail, and healthcare were the least knowledgeable, while software, telecommunications, and internet industries knew the most about AI in hiring. Why the polarity?

Telecommunications, internet, and software industries are typically at the forefront of industry trends and best practices, including Al. And this early adoption increases their understanding of how AI works.

So what's the takeaway for hiring leaders? Transparency matters. The more open you are about how you're using AI in hiring, the more comfortable candidates will feel with it.

# WHERE HR PROFESSIONALS AND WORKERS AGE

#### **EFFICIENCY**

When it comes to routine tasks, both HR Professionals and workers agree that Al is beneficial.

About 3 in 4 HR professionals have already implemented AI or have plans to implement it this year. And 68% agree that employees are as productive or more productive after implementing it.

The top 3 ways HR leaders use GenAl at work is to:

- Suggest improvements to job post content (59%)
- Create the first draft of job post content (53%)
- Summarize job post content (52%)

Similarly, workers are also using generative Al to enhance job-search productivity:

- 53% use Al to update resumes
- 46% use AI to write cover letters
- 42% use AI to prepare for an interview

Both parties are realizing the substantial benefit GenAl offers. In a matter of seconds, it can review data and generate new and unique output (which can then be finessed by humans).

By allowing AI to take over repetitive, timeconsuming tasks, HR leaders and workers are free to focus on more complex, creative tasks.



## **WHERE HR PROFESSIONALS AND** WORKERS AGREE CONT.

#### **REDUCTION OF BIAS**

Generally, HR leaders are big supporters of Al in hiring. Still, just like with any new endeavor, there are some concerns:

When it comes to AI in hiring systems, the concerns are similar:

- 44% are worried about biased recommendations
- 42% are worried about legal compliance
- 36% are worried about poor communications

Understandably, employers are concerned about maintaining data privacy and sensitive employee information, ensuring legal compliance, and protecting candidates against unintentional bias or poor communication.

Thankfully, regulatory efforts are being enacted to protect employers and candidates.

And more and more HR leaders are carefully selecting AI hiring vendors that are ahead of industry standards to ensure compliance. At the most basic level, vendors using Al should be able to clearly explain how their systems were trained and how they will affect end users.

Nearly 40% of HR professionals say they have set up an internal team to assess the compliance of current products, and 16% have hired external resources to assess the compliance of their current products.

Still, as they continue to seek honest vendors and deploy solutions that fight against bias and protect candidate data, 52% have little confidence that their current vendors will meet the new AI standards being proposed. This directly points to a lack of transparency and leadership that still surrounds AI in hiring. Without transparency, trust will never be reached.

What about workers? Where do they stand on fairness in hiring AI?

### WHERE HR PROFESSIONALS AND WORKERS 🚣

Workers' skepticism around Al in hiring reflects a broader concern for transparency and fairness. However, while job seekers maintain some concern for AI in hiring, they're hopefully optimistic about Al's ability to reduce bias.

Eighty-five percent of job seekers acknowledge that bias in hiring is a problem (with or without AI). And almost half of them (49%) think Al could help the issue of bias and unfair treatment in hiring while 46% believe AI would do a better job than humans at treating all job applicants the same way.

It's not that workers are against AI in hiring. In fact, it's the opposite. They are hopeful that it can do what it's promised. The problem lies in a lack of education and transparency around hiring Al. Are Al algorithms making mistakes or misinterpreting data about them? Are final hiring decisions being made by a machine rather than a human?

These are the questions that hiring teams should be helping candidates understand.

### **WHERE HR PROFESSIONALS AND** WORKERS DIVERG

More than 70% of **HR leaders** currently use or plan to use Al for hiring in the next year, and almost half of them say they're comfortable using AI throughout their entire hiring process. Even more, they have faith in Al's performance, with almost 75% saying they trust the candidate recommendations made by Al.

Alternatively, workers express more concern about AI in hiring. Nearly 80% said that, when looking for a job, they would want to know if an employer was using Al in hiring. And if the employer does use Al to help make hiring decisions, some say it could affect their decision to apply.

Why? It seems to come down to a misunderstanding of Al's role in hiring. Only 37% believe Al would do a better job than humans at identifying job applicants who are well qualified. And only 50% are in favor of All reviewing job applications. Many workers have little to no understanding of how All algorithms arrive at decisions, stoking fears that tools — not people, are making hiring decisions.

#### RECOMMENDATIONS

#### PROPER USE & COMPLIANCE

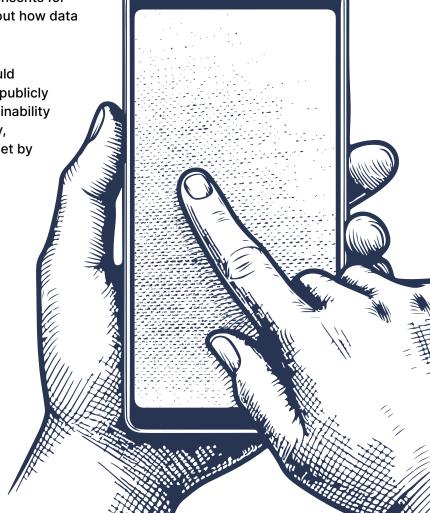
Just like any other technology, we get good outcomes when we use it properly. And for Al in hiring, that means use cases firmly rooted in Industrial Organizational Psychology, with adherence to EEOC guidelines.

Not all Al tools are created equal, so employers need to do their due diligence when choosing vendors. As employers navigate this new territory, here's what they should look for to ensure their Al tools improve fairness for all candidates.

IO Science and AI: Hiring tech should be grounded in IO science. IO psychology serves as a bridge between the science of human behavior and AI technology, ensuring that processes are effective, fair, and ethical.

Compliance with Regulations: Stay up-to-date with relevant laws and regulations governing Al and data privacy — then ensure the Al tools comply with these requirements. This includes obtaining necessary permissions or consents for data processing and ensuring transparency about how data is collected, used, and stored.

Transparency and Fairness: Al companies should have auditable and explainable processes with publicly available 3rd party audit results and an Al Explainability Statement to demonstrate fairness. Additionally, companies should follow a very high standard set by the EEOC's Uniform Guidelines to mitigate bias.



#### RECOMMENDATIONS CONT.

#### **EDUCATION**

Despite the very real differences between the way HR Professionals and workers are thinking about AI in hiring, communication can go a long way. When HR leaders educate candidates on the role Al plays in hiring, their comfort level will rise.

One HireVue tool that can quickly show candidates the value of Al is the Candidate Feedback Report. After candidates have applied for a job, they will receive detailed feedback. It will pinpoint where candidates did well, and areas to improve on. This Al-generated report reaches candidates much faster than if a hiring manager created the same thing.

#### TRANSPARENCY

To build trust, employers must effectively communicate how they use AI in hiring. When employers clearly show the value of AI, it can mitigate candidate concerns about final hiring decisions.

One area where HireVue shows transparency is through informed consent. Our solutions include a detailed welcome screen that explains what an online interview will entail, whether AI will evaluate the responses, and how the hiring company will use the evaluation as part of their team review. This way, candidates clearly understand how they're being evaluated before they even start.

Even more, employers should ensure that the tools they use have "face validity." This IO psychology term is used to describe a candidate's perception of a tool. When assessments have high face validity, candidates easily see the connection between the hiring step and the role they're applying for.

For example, if a candidate is applying for a customer service role, a high-face validity hiring step may include a scenario-based assessment where the candidate is asked to respond to common customer inquiries or complaints. This assessment directly reflects the tasks and challenges the candidate would face in the role and quickly determines if the candidate has the skills to perform effectively in the position.

# HIREYUE'S POSITION ON THE REGULATORY LANDSCAPE

The advances in AI technology present a remarkable opportunity to revolutionize the hiring process, benefiting both HR professionals and workers alike. However, to fully realize the benefits AI provides, employers must find AI hiring tools that balance technology and human touch, ensure ethical use of their technology, and prioritize compliance with rules and regulations.

Our software is backed by science and a rigorous system of audits to ensure that HireVue meets or exceeds the highest standards for employment law. We also have an internal compliance team that monitors and participates in the creation of new legislation. We believe ongoing dialogue with appropriate stakeholders is the key to creating sensible legislation that protects candidates, companies, and innovation.

At HireVue, we are at the forefront of ethics and compliance and support uniform legislation that brings all vendors to the high standards we've supported from the beginning. Our recommended foundations for good legislation are:

- Uniform audit criteria
- Static and deterministic algorithms
- Comprehensive audits of all Automated Employment Decision Technologies (AEDTs)
- Notice and transparency to empower candidates
- Mandated provision of demographic data by employers
- Audit delivery by vendors

This not only helps mitigate legal risks and liabilities but also builds trust and confidence in Al-driven hiring practices. When these are in place, HR professionals and workers can both benefit from Al's outcomes.

To learn how we mitigate bias and promote diversity throughout our hiring platform, review our Al Ethical Principles.

To learn more about HireVue's end-to-end hiring platform, schedule a demo