To What Extent Should HR Teams Embrace the Digitization of Hiring Processes?

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A tech-led transformation is taking place with regards to talent acquisition, expedited massively by COVID. What aspects of the process are most impacted, and what should the approach of CHROs be within this context, now and into the future?

Along with so many other aspects of society, the acquisition of human capital is digitizing rapidly. There has been an exponential explosion of companies providing Applicant Tracking System (ATS) software in the past 15 years, and many of these are using artificial intelligence to automate as much of the recruitment and hiring process as possible.

The future
This trend is likely to continue, with even more tech-led disruption expected in the next 10-15 years. By 2040, the hiring and onboarding landscape will be:

- characterized by extensive use of AI, as the sophistication and reach of automation and robotic intelligence improves. IDC predicts that the AI market will achieve a five-year compound annual growth rate of 17.5% and total revenues of $554.3 billion through 2025. Companies like UiPath, Automation Anywhere and NICE are digitizing mundane workplace tasks, replaced by automated software applications
- able to tap in to a much more comprehensively digitized workforce, with a higher percentage of the global workforce on LinkedIn. Millennials (those born between 1981 and 1996) make up 23% of the world's population, but they represent 38% of LinkedIn's user base. This trend is set to continue as more members of Generation Z (born between 1997 and 2012) commence active career trajectories
- serving an extremely tech-savvy talent pool. Candidates applying for roles in two decades from now would expect a company's hiring processes to be largely digitized. This may apply to all levels of a hire, including at the senior and executive level. COVID has shown that technology can overcome traditional time and distance issues associated with hiring processes, and this trend will very likely continue.

What should CHROs do?
Within this context, CHROs have some tough decisions to make around the processes and tools used to attract the best talent. Much has been made of the digital transformation challenge that organizations are facing, and a similar quandary is facing HR teams and

departments, particularly around how much of the recruitment process to digitize, and for what levels within organizations.

The recruitment process will never become 100% human-less, for the simple fact that HRs are in the human business. A hybrid model to acquiring and hiring human capital is needed. What should this model look like?

Latest trends
Currently, there are a range of providers like Peoplise, Lever and Zoho Recruit that offer increasingly algorithmic recruitment processes. These services claim to take 90% of the grunt work away from the hiring process. Features include the ability to recruit across all social media platforms, mobile video filtering, advanced online assessments, and talent pipeline and workflow functionality.

These platforms are a growing threat to traditional recruitment companies that hire individuals at the *low to medium level of organizations*. Even though they are not cheap, the increased speed, agility and sophistication of this technology represents a game-changer for the practice of human capital acquisition for the vast majority of hires. Interestingly, rather than doing away with internal hiring teams, these digital recruitment services are strengthening the need for good internal hiring teams to manage the process in lieu of the use of external staffing companies.

The picture is very different at the *senior level of organizations*. As an executive search firm, NGS Global provides high-touch service, industry expertise and deep client understanding which is extremely important for hiring at board, CxO and president/VP levels.

Technology is likely to start to encroach and eventually outperform humans even in this area in the future. With a one trillion-fold increase in processing power over the last 60 years, what will be possible in another 60?

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Digitization of Hiring Processes

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Serving an extremely **tech-savvy talent pool**

Yet currently, there is no algorithm that can work with the political, commercial, and operational sensitivities or nuances around a particular executive search; no AI that can match the level of intellect required to assess a candidate's cultural fit, values and emotional intelligence over a series of three or four conversations. These are imperative components of a successful selection process at the senior level.

The inherent value of a leadership solutions firm like NGS Global is the seniority and experience of our partners, all of whom actively work on the searches themselves. They have each built up extensive networks of very senior contacts, not all of whom are visible on

social media (this is still the case in a surprisingly high number of circumstances). Many of these very talented executives would not be interested in an overly digitized selection process. The need for an ethical intermediary is also required if, for example, executives at a company's competitors became potential hires as part of the search.

Finally, the focus on diversity and inclusion, particularly at board and CxO levels, will not be helped by the implicit bias shown to exist in AI models. Amazon scrapped their AI recruiting tool because it showed a bias against women. Twitter's photo crop algorithm has been shown to favor white faces.

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Conclusion

HR teams and executives at organizations can and should embrace a hybrid model for their recruitment strategies.

To this point, the big tech wins in this area have improved the breadth of a search for talent (promoting vacancies online and finding more potential candidates), but not the depth (assessing candidate suitability). It is therefore recommended to explore and utilize the plethora of digital recruitment products and platforms available, which have the potential to save time and money. But this needs to be combined with more traditional, personal aspects of the hiring process (in-person or online conversations, interviews, reference checks, etc.). This is particularly crucial when hiring for your company's leaders.