Between a heart and a circuit
Three scenarios for the future of talent acquisition

The global pandemic is triggering an overhaul of talent acquisition (TA). Take the graduate job fair. The **ArtCenter College of Design**, in California, hosted its first virtual job fair in April with companies like Disney, Google, Netflix and Nike presenting online and meeting students one-on-one virtually. There were technical glitches, such as interviews ending automatically with no time for the pleasantries of in-person meetings. There are other drawbacks to virtual recruitment: Can companies assess traits such as integrity virtually? What is the involvement of hiring managers stuck at home? Do Zoom interviews entrench or eliminate bias? If such challenges can be solved, far fewer recruiters will be needed to fan out across campuses in future.

Many companies view the crisis as an opportunity to wipe the slate clean in how they attract, hire and onboard candidates. Some have even gone so far as to eliminate their entire TA function. Even before the pandemic, 65% of executives anticipated automation would shrink HR headcount by 10%+ in the next five years, according to Mercer's **2020 Global Talent Trends Study**. Faced with a potential blank slate, the question for organizations is how much of their new approach to talent acquisition will be digital and automated, and how much will be human and social.

Labor market realities are driving TA to realign

Decisions around TA are complicated by dramatic changes in the labor market. On one hand, the economic impact of COVID-19 means there is an abundance of talent in certain industries and geographies, evidenced in the high numbers of Americans seeking **unemployment benefits**. According to data collected during the pandemic, one in three organizations has implemented a **hiring freeze** across all roles,[1] driving companies to focus on developing talent internally before turning to the external talent pool. Conversely, more **resilient companies and sectors** can't hire quickly enough (some even hiring **temporary talent** to mitigate demand spikes) and TA functions are having to absorb an influx of candidates — and do so while working from home. In the same survey, 40% of organizations report moving to virtual onboarding and 36% are switching to virtual interviews.
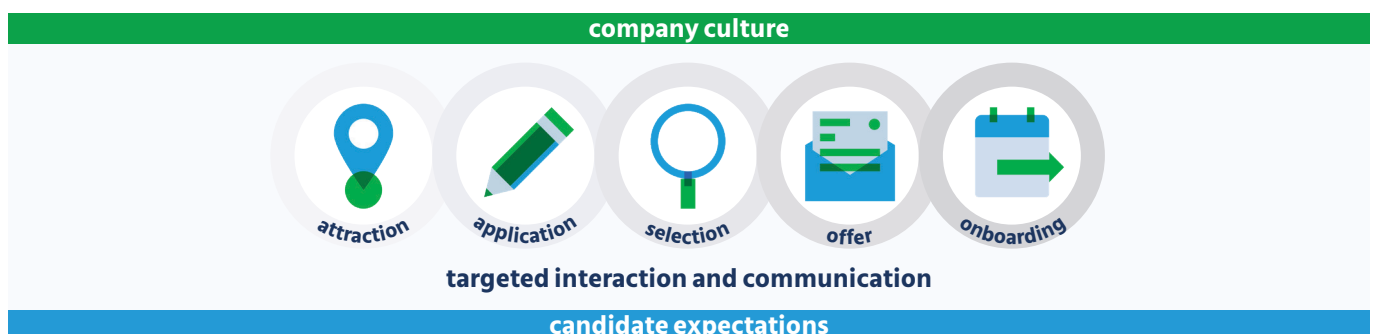
With the new reality bedding in, the infrastructure and TA roles that support the desired model of recruitment are up for debate.

The coronavirus crisis may be the spur to reinvent the TA function

The three scenarios for the future of the recruiting process veer between the extremes of **totally human** attraction, application, selection, offer and onboarding processes — or **totally digital** ones, or **something in between**.

Which side organizations land on will depend on the candidate experience they want to create and their target audience (say, critical roles or mass recruiting). A **Target Interaction Model** (TIM) for HR envisages redesigning talent processes through the eyes of candidates to remove pain points and meet (evolving) expectations, whether with digital tools or a human touch.

In the current climate a digital approach seems desirable, such as AI that can flood the pipeline with remote worker profile matches, or selection based on AI-led interviews. Thirty percent of firms use **algorithms to screen candidates** during the recruitment process today, and 40% plan to do so this year. Automated candidate targeting based on personality and preferences may become more prevalent; for example, semiconductor firm **Infineon** used their talent analytics to understand the needs, profile and preferences of previously successful hires to design a hypothetical candidate profile

company culture

attraction · application · selection · offer · onboarding

targeted interaction and communication

candidate expectations

[1]Since mid-March, Mercer has run a Global COVID-19 Pulse Survey of 1,800 companies worldwide. The survey covers 20 industries. Data here were accessed 28 May 2020. More information available at https://taap.mercer.com/covid19results

for critical roles. Meanwhile **DBS Bank** in Southeast Asia brought in an AI recruiter, Jim (Jobs Intelligence Maestro), to automate the pre-screening process and save up to 40 man-hours a month — enabling the bank to hire 40% more wealth managers. In a totally digital HR model, the focus turns to the role of the recruiter. What skills does the current TA function possess? Are recruiters ready for a more digital environment? Is the recruiter role needed at all?

At the other end of the spectrum is the human factor. Already 22% of employees say some necessary human interactions have been lost as HR processes have gone online. Yet there may still be a push towards digitalization even in a human-dominated TA function. We know many companies are making use of customer relationship management tools that combine digital with personal connections to establish long-term candidate relationships. And it won't be just technical skills the team requires: it's essential HR join discussions on the variables and historical datasets used to construct machine learning's algorithms. Sixty-seven percent of HR leaders are confident they can ensure that **automation is not institutionalizing bias,** for instance. With the TA function's current skillset, is this confidence right or is it misplaced?
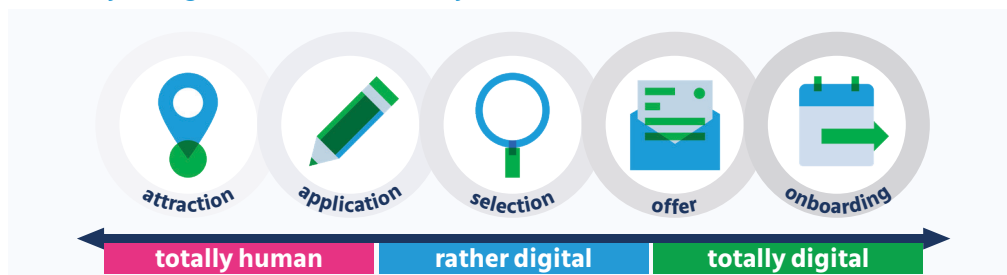
> **Listen to what candidates really want. Just because something is technologically possible does not mean it is appropriate. Be aware of and respond to cultural and zeitgeist influences.**

Human vs. digital TA: finding the right fit

Where organizations decide to position themselves will depend on:

- What TA approach is appropriate to the industry? Will technology and financial services companies opt for a totally automated TA function? Are industries like healthcare more suited to human-dominated hiring?

- How is the profile of sought-after candidates changing (such as the hunt for permanent remote workers)? And what is the impact on selection and hiring processes?

- Which approach is best for different workforce segments? Will Gen Z candidates prefer more automation, and should firms embrace this even if they do? What about experienced workers?

- Does the organization trust an in-house TA function to provide an outstanding candidate experience, or will they outsource it to a third-party provider?

- What about affordability? Digital models are not cheap. Creating a pay-for-use model, where cost is shared between users, may be most appropriate.

- How does the new process need to **look and feel** to attract the future talent you need?

Where is your organization and where do you want to be?

attraction — application — selection — offer — onboarding

totally human | rather digital | totally digital

With its rapid pivot to virtual recruitment and digital processes during the pandemic, the TA function has shown it can lead the way to broader HR transformation. But the key to finding each organization's place along the human-digital spectrum in recruitment will be the candidates themselves — listening to what they want and ensuring talent processes meet their expectations, whether that's a virtual avatar or face-to-face communication.

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What is the future of talent acquisition?

No one knows for sure what the future will look like. But here are some predictions for the future turn TA could take:

- *The recruiter role will disappear.* Given strategic guidance by AI, direct contact with candidates will be digital-only — all selection activities will be done by the hiring manager.

- *AI and machine learning will create a "gut feeling" for best fit.* A heavy reliance on algorithms/ data for sourcing and screening will enable AI to drive for best job and cultural fit.

- *Remote workers are the new norm.* Managers and candidates never meet face-to-face during recruiting; the hiring manager will be substituted by the super recruiter and/or AI.

- *"Camera off" interviews become the norm in response to diversity concerns.* Communication will be strictly digital through virtual avatars, which allow for anonymity. Today's issue of biased historical datasets will be eliminated.

- *Digital TA models use only skills-based criteria to hire.* Competencies are no longer relevant. Criteria are constantly updated and evolved by AI based on data. E.g., information on **where in the world** to find digital skills drives hiring strategies.