WEAK SIGNALS

SCAN CLUB

THE FUTURE OF RECRUITMENT

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The "Great Resignation" Disruption Forces...Equity

What?

Employers across the world are experiencing a labour shortage. In the [iCIMS 2022 Workforce Report](), 92% of C-Suite leaders said, that without the right talent, they would fail to meet their corporate goals. The Great Resignation, which many saw as a temporary post-pandemic trend, has already negatively impacted more than 80% of companies.

A dwindling cycle of supply and demand magnifies the problem: employees resign in search of better jobs or lifestyles, talent pools shrink by way of increased demand or employees seeking new areas of work, and remaining employees and candidates rightfully ask for more in pay and benefits. Companies oblige, forcing them to divert more resources towards hiring or fail to appease their employees and risk greater resignation.

So What?

Like any great disruption, solutioning turns to innovation and experimentation. Employers are forced to look elsewhere for talent either by fostering it themselves or untapping new resources.

What this actually means is that people traditionally prevented from accessing higher paying jobs for any number of prejudicial reasons – nationality, race, class, educational background, criminal record, etc. - are now given the opportunity [how nice of

us] to use their relevant skills, to receive training, or to apply analogous abilities (not necessarily needing a graduate degree) to specific jobs.

While this is not exactly novel, it was typically restricted to labour or lower-paying professions. Now, we're seeing this development transcending industry and sector.

- Recruitment platform Omnipresent makes it easy for organizations to hire talent from across 160 countries.
  - National lines are erased to enable people from across their world access employers predominantly based in specific areas

- WithYouWithMe is a social impact firm providing underrepresented groups access to the labor market and filling the chronic tech skills gap.
  - AI platform uses psychometric and aptitude testing to identify individuals with optimum characteristics for various digital roles.
  - More than 20,000 marginalized people have entered or re-entered the workforce.

- Flexa provides a search engine for flexible roles by enabling companies to showcase their working environments to candidates who want to know how they operate and how transparent their working policies are around flexibility and benefits before applying for a role.

- Screenloop is a hiring intelligence platform helping companies build the best teams by avoiding costly bad hires

and removing unconscious biases from the recruitment process

- Employers advertise "fair chance hiring policies" (a practice of not discriminating against a candidate because of their past involvement with the legal system).
  - o In May 2022, the percentage of job postings on Indeed advertising fair chance hiring was up 31% from May 2019.

Sources

[Job Ads Noting Fair Chance Hiring Rise in Tight Labor Market (hiringlab.org)](hiringlab.org)

[Winning the War for Talent with Recruitment Technology (forbes.com)](forbes.com)

Are AI Recruitment Tools Ethical And Efficient?

What?

A large number of employers – including a majority of Fortune 500 companies – are now using and relying on artificial intelligence-driven technologies and applicant-tracking systems to perform tasks like screening resumes and scheduling interviews.

How it works: Recruitment software applies machine learning algorithms to complex recruitment data to make high-volume tasks more efficient and optimize decision-making
These tools have become an indispensable part of HR minimizing CV sorting times, optimizing interview scheduling, and shortening hiring periods.

Most importantly, AI limits human error: mitigating review fatigue and limiting biases that affect neutral and accurate decision-making such as primacy bias, comparator bias, etc.

So What?

Despite reducing human-error, there is growing concern that AI-based hiring tools are self-selective and affected by simplicity, bias, and ethical challenges. Less harmful, but less productive challenges arise when an AI sorts for intuitive skills or characteristics such as "creativity" or "potential", or just simply lacks the nuance to infer less measurable attributes.
More problematic challenges arise when AI discriminates as a result of the data it's provided, or the parameters set:

- In 2018, Amazon found their [AI software downgrading applications](#) from women, excluding candidates from all-female colleges.
- A 2018 study found that facial recognition technology such as Face++ and Microsoft AI could analyze applicants' emotions and personality characteristics. Black men, for instance, were assigned more negative qualities than white men.

Consequences are twofold. From the candidates' perspectives, they're disadvantaged or left unconsidered altogether for reasons having nothing to do with their efficacy or merit. For hiring managers and employers, eligible and optimal candidates are eliminated from the pool prior to consideration.
These challenges also perpetuate growing employment gaps, wealth distribution, and racial, gender, and ethnic disparities between traditionally advantaged and disadvantaged demographics.

Source

[Are AI Recruitment Tools Ethical And Efficient? The Pros And Cons Of ATS (forbes.com)](#)
[AI-based hiring tools can violate Americans with Disabilities Act | HRD America (hcamag.com)](#)

After pushback from shareholder advocacy group, Nike commits to releasing hiring data for women and minority groups

What?

By 2024, Nike will provide information on underrepresented groups' hiring and promotion rates. The sports retailer promised the data in response to an activist investor campaign.

Nike will publish employment statistics based on gender, race, and ethnicity. Nike joins approximately 80 S&P 100 companies that have publicly committed to enhancing hiring and promotion transparency. Investors have also asked for information on retention rates, but Nike has so far refused to provide it.

So What?

An increasing number of businesses have recently taken steps to be more open about their workforce's diversity or lack thereof. The racial, equity and inclusion reckoning that George Floyd's passing in 2020 sparked is partly responsible for this change.

However, many employees continue to doubt diversity and inclusion initiatives, despite media-attention efforts. A dedicated corporate commitment to diversity, equity and inclusion requires resources, planning and accountability. One criterion for a

successful DEI initiative may be to increase transparency in hiring and compensation.

Sources

After pushback from shareholder advocacy group, Nike commits to releasing hiring data for women and minority groups (yahoo.com)