

# 'AI to play a key role in hiring, but aspirants like human contact first'

Use of AI-based tools can help reach more candidates, reduce bias, find a better match for specialized roles

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**A**rtificial intelligence (AI) and machine learning (ML) are set to play a key role in talent acquisition and recruitment practices of Indian companies. The adoption of AI-powered tools is increasingly gaining popularity, as it allows organizations to access a larger pool of candidates, mitigating biases, and improving the possibility of finding a better match for specialized roles.

According to a report titled "Talent Insights" by *Mint* and *Shine.com*, that surveyed 291 job seekers as well as 215 companies, AI is likely to play a significant role in securing the most qualified candidates, particularly for highly-competitive sectors.

Around 53% of the participating companies said that AI will play a "big role" in supporting recruiters in the near future, while 35.8% said it might play "some role". Only 8.4% companies said AI could completely replace recruiters, and a mere 2.8% were of the view that AI might not have role in supporting recruiters in the near future.

The insurance industry has emerged as an early adopter of AI and chatbots in its recruitment process. Max Life Insurance Co. Ltd, for instance, has integrated AI and chatbots to streamline and automate key stages of their recruitment process. "We leverage AI for the initial screening of candidate profiles. AI algorithms allow us to efficiently evaluate the candidates, based on the predefined skill sets and



The adoption of AI-powered tools is increasingly gaining popularity. ISTOCK

identifying the most suitable talent for consideration," Shailesh Kumar Singh, senior director and chief people officer, Max Life Insurance, said.

However, completely eliminating human involvement in candidate selection may not be the preferred approach. According to the report, those who said AI could play 'some role' in HR-related tasks, said that human involvement will continue to be essential for nuanced judgement and relationship-building.

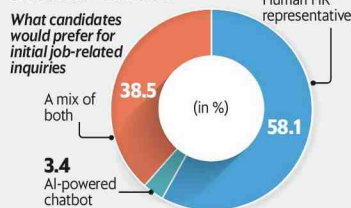
Interestingly, the survey revealed that around 58.1% of the candidates prefer interacting with a human HR professional when making initial job-related inquiries, and 38% were okay

## Expanding horizons

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All figures are share (%) of respondents who picked a certain response.

### WHAT JOB CANDIDATES SAY ON AI AS AN HR TOOL

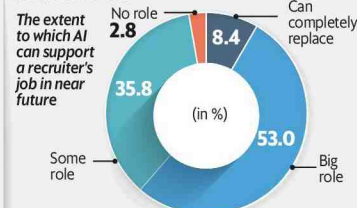


Among those who have used a ChatGPT-powered HR chatbot, whether it met expectations in terms of its creativity and ability to generate innovative ideas

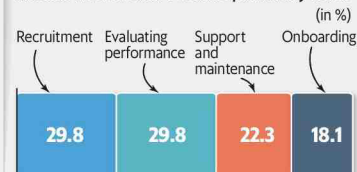


Note: This is based on responses from 71.8% respondents. The rest hadn't explored such a chatbot.

### WHAT COMPANIES SAY ON AI AS AN HR TOOL



HR tasks where ChatGPT could be particularly useful



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SARVESH KUMAR SHARMA/MINT

with a combination of human and AI interactions. Only 3% was comfortable solely with AI.

That said, the report highlighted the potential for errors and biases if one depends too heavily on AI considering that human programming can introduce a valuable element of judgement. 'Relying too heavily on AI without maintaining human interaction can lead to a feeling of disconnection in the work environment'.

Companies are developing AI-driven tools to upskill their workforce, at a time when lateral hiring is proving to be expensive, and companies are preferring to utilize existing workforce across various roles.

Bajaj Allianz Life Insurance said its Learning Experience Platform (LXP) nudges employees on recommended learning journeys based on their skill sets, experience and choices through an AI-driven engine.

"The HR and tech teams are also in processes of exploring to integrate ChatGPT with Bajaj Allianz Life Insurance HR BOT...to give faster and more accurate response to all complex employee queries on many aspects, including HR policies and processes," Santanu Banerjee, chief human resources officer, Bajaj Allianz Life Insurance, said.

In 2022, over 10,000 skill-based assessments were implemented as part of the company's hiring process,

he added.

"We went a step further by monitoring the early productivity levels of front-line managers and saw that the candidates who scored high on these assessments demonstrated remarkable productivity level that was twice as high," Banerjee said.

Corporations must also emphasize that while AI-based tools may replace certain roles and profiles, they will also create new job opportunities that require different skill sets.

"There's a similar fear expressed earlier about computers taking away jobs, or robots replacing humans in the workforce. All the new tech tools have further unlocked and unleashed the human potential," Amit Sharma - vice president, head, people and culture, India, Volvo Group, said.

According to HR executives interviewed for the study, 25% of employers say that AI/ML has become a fundamental pillar in the tech industry. This is followed by sales skills (13%), data science skills (12%), and business management skills (8%) to get competitive leverage.

Evaluating performance of candidates and recruitment were rated as ChatGPT's greatest utility in HR-related tasks.

Around 29.8% each of respondents picked the two options when asked about this. The other two options—support and maintenance, and onboarding got 22.3% and 18.1% votes each.

"If you see the larger picture, it's important for us to recognize that AI is creating multiple new job opportunities and avenues enabling employees to focus on strategy while AI can handle daily routine tasks," said Akhil Gupta, chief executive officer at Shine.com.

