



The Future of Work: Intelligent by Design

Eightfold AI's 2022 Talent Survey





Executive summary

As Nobel Prize-winning engineer and physicist Dennis Gabor said, “The future cannot be predicted, but futures can be invented.” We are facing an uncertain future for employers and employees and accelerating change across all aspects of work and business. Eightfold surveyed over 250 HR leaders and nearly 1,000 employees and found that current HR processes are misaligned with the needs of recruiters and talent leaders. While employees’ expectations have drastically shifted, HR leaders are trying to stretch pre-pandemic methodologies to fit post-pandemic realities.

Phenomena like the Great Resignation are distracting HR teams from legacy processes and systems that desperately need updating. To succeed, talent professionals must reevaluate their established methodologies and examine what’s working and what needs to change. Advances in technology, especially artificial intelligence (AI), can help HR teams overcome the ongoing talent shortage and record-high turnover. Armed with valuable data and insights, HR leaders can use AI to augment their processes and architect a future of work that is intelligent by design.

Disruption is inevitable

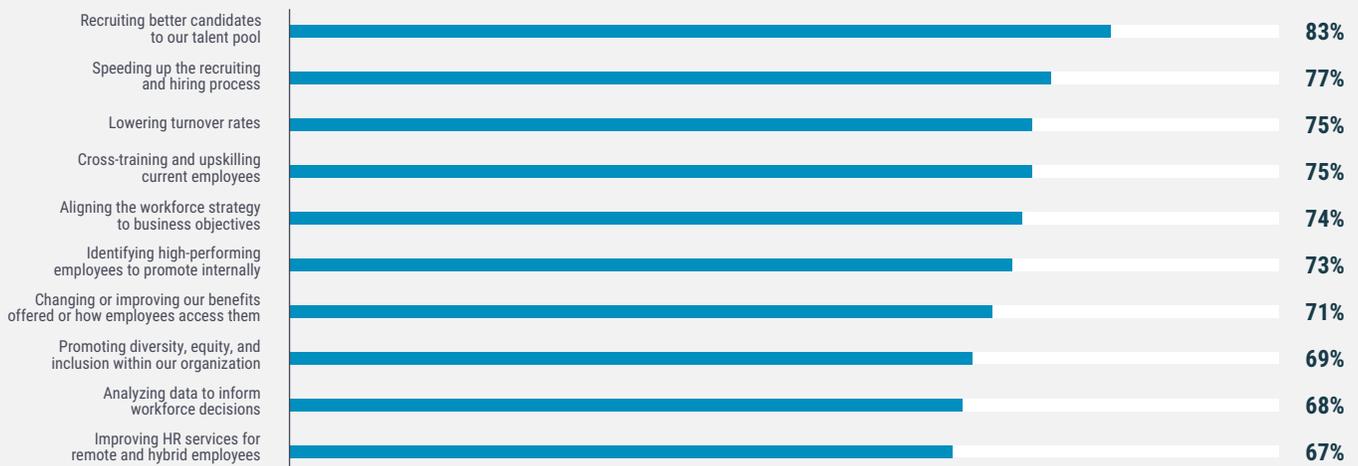
As ongoing instability continues to be top of mind, HR's attention has been on job seekers, job hoppers, and job offers. While HR has been focused on finding and retaining talent, which are short-term priorities, current approaches have failed to account for future needs of the post-pandemic workforce.

HR leaders must understand the shifting needs of workers in light of pandemic-induced difficulties: the growing talent shortage, snowballing turnover, widespread anxiety and burnout, and employees demanding more — more opportunities, benefits, empathy, wellness offerings, and so on.

Within this slough of difficult talent conditions, human capital leaders find themselves primed for change; that is if they're willing to reexamine long-held processes. The global conditions that have transformed the nature of work are beyond any individual's control, but by using data and insights to make more informed talent decisions, HR professionals have an opportunity to architect a future-ready workforce, both resilient and diverse, that can pivot quickly in the face of market changes.

A talent intelligence platform integrates dozens of insights about workers — their skills, capabilities, experiences, career aspirations, performance, demographics, learning needs, and development opportunities — to help match people to the right opportunities. A talent intelligence platform is the backbone of integrated talent management, matching qualified candidates to jobs.³

Figure 1: **HR leaders are juggling more priorities than ever**



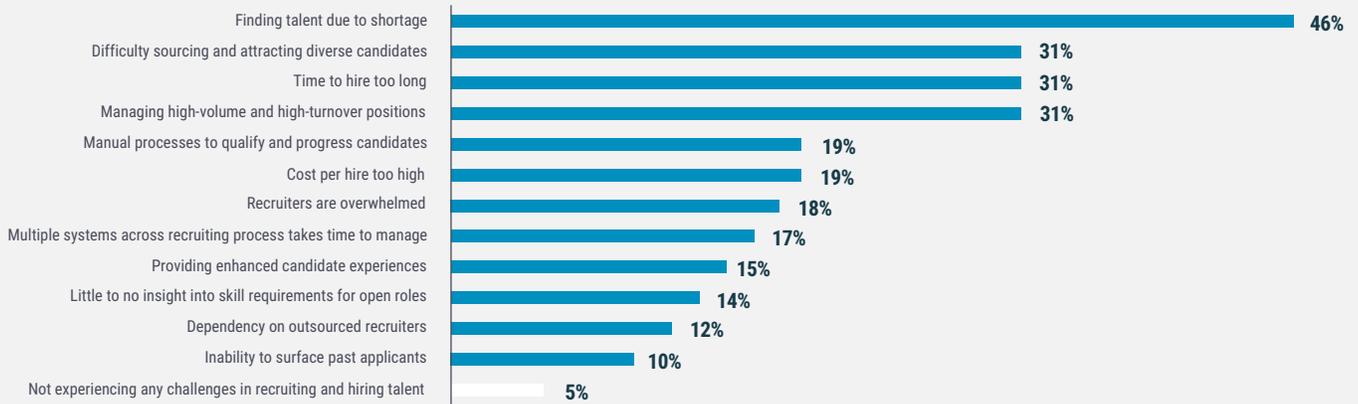
Q: To what extent are the following initiatives a priority for you over the next 12-18 months? (Responses to top priority or high priority) Base: 259 HR leaders
Source: Eightfold AI's 2022 Talent Survey

When asked what their priorities were over the next year and a half, the top three responses were recruiting better candidates (83%), hiring faster (77%), and lowering turnover rates (75%) (figure 1). Overcoming the talent shortage and record-high turnover will require the right combination of processes and technologies to fine-tune talent acquisition and talent management.

The great disconnect

According to the U.S. Bureau of Labor Statistics, in 2021 the average time to fill a job skyrocketed from 20 to 50 days, while the rate of job openings doubled from a pandemic low of 3.4% in April 2020 to 7.1% in December 2021.¹ In 2022, there was less than one available worker for every job opening (0.76 workers per opening), the lowest in history.² Not surprisingly, 46% of HR leaders reported finding talent as their greatest recruiting challenge (figure 2).

Figure 2: **Finding talent due to shortage keeps HR leaders up at night**

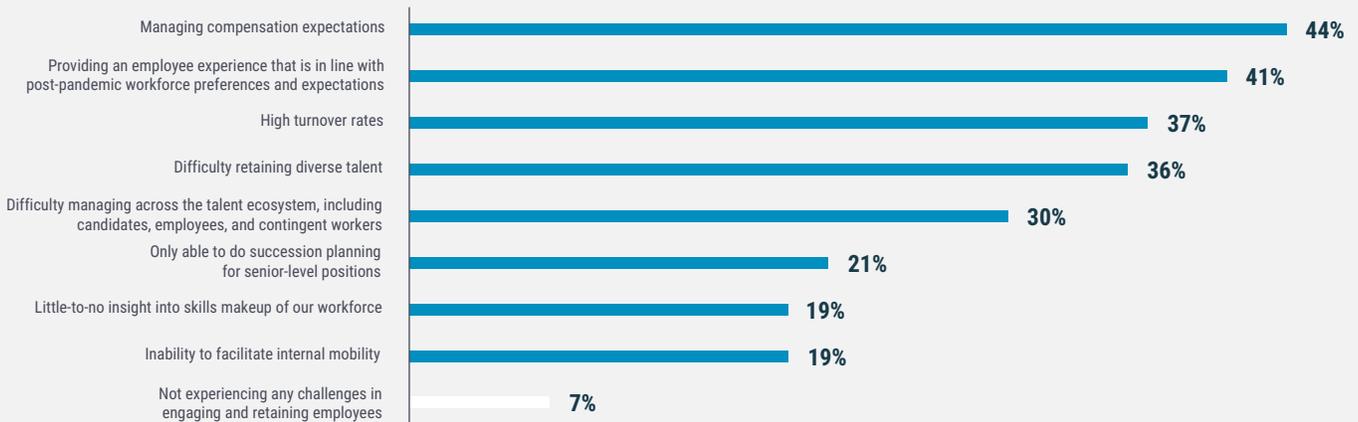


Q: What are your biggest challenges in recruiting and hiring talent? (Select up to three.) Base: 259 HR leaders
Source: Eightfold AI's 2022 Talent Survey

One in three HR leaders said their most significant challenges were attracting diverse candidates, long hiring processes, and managing a high volume of applications amid turnover. Only 5% of respondents cited not experiencing any challenges, meaning 95% of HR leaders struggle to recruit talent. Notably, one in five HR leaders reported their recruiters were overwhelmed.



Figure 3: **Meeting post-pandemic workforce demands tops the list of retention challenges**



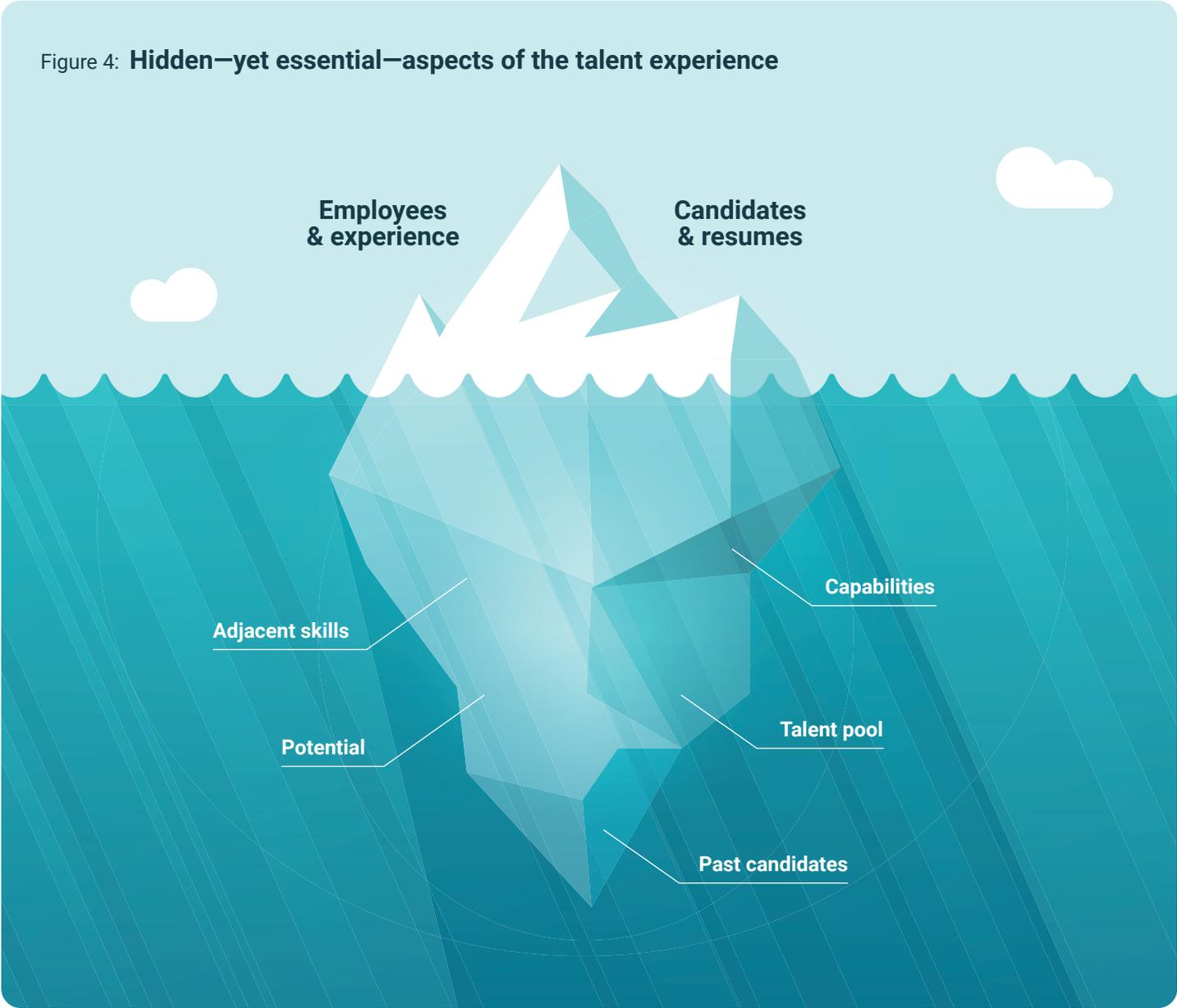
Q: What are your biggest challenges in engaging and retaining employees? (Select up to three.) Base: 259 HR leaders
Source: Eightfold AI's 2022 Talent Survey

HR leaders face a wide range of challenges when it comes to retaining talent (figure 3). The top three challenges are managing compensation expectations (44%), meeting post-pandemic workforce demands (41%), and handling high turnover rates (37%). Only 7% of respondents reported not facing any challenges with engaging and retaining employees. Across the board, HR leaders face a common trial: hiring qualified talent and convincing them to stay.



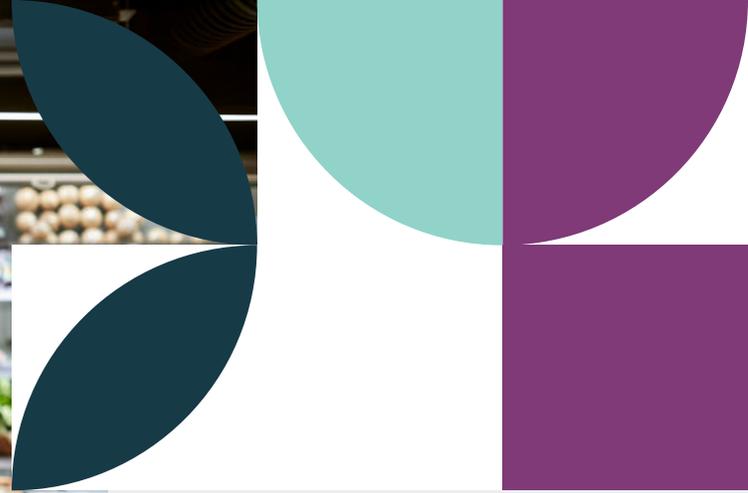
To adapt to a post-pandemic world, HR leaders must look beyond the surface and inspect which aspects of the HR function need to evolve.

Figure 4: **Hidden—yet essential—aspects of the talent experience**





Building a future-focused workforce

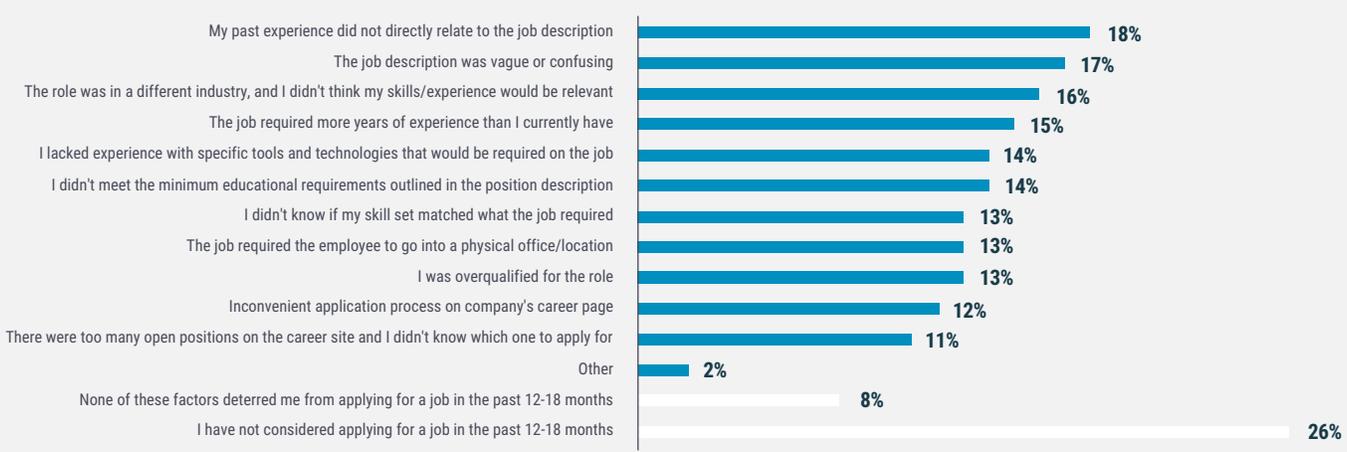


74%
of employees surveyed said they considered applying for a job in the past 12-18 months

Goodbye, checking boxes—hello, candidate potential

We asked nearly 1,000 employees what was deterring them from submitting a job application (figure 5). Notably, 74% of respondents said they considered applying for a job in the past 12-18 months but stopped short of applying to certain jobs. Why? For these job seekers, the top deterrents boiled down to confusion over their compatibility with the job. Either their experience did not directly line up with the job description or the job description itself was unclear.

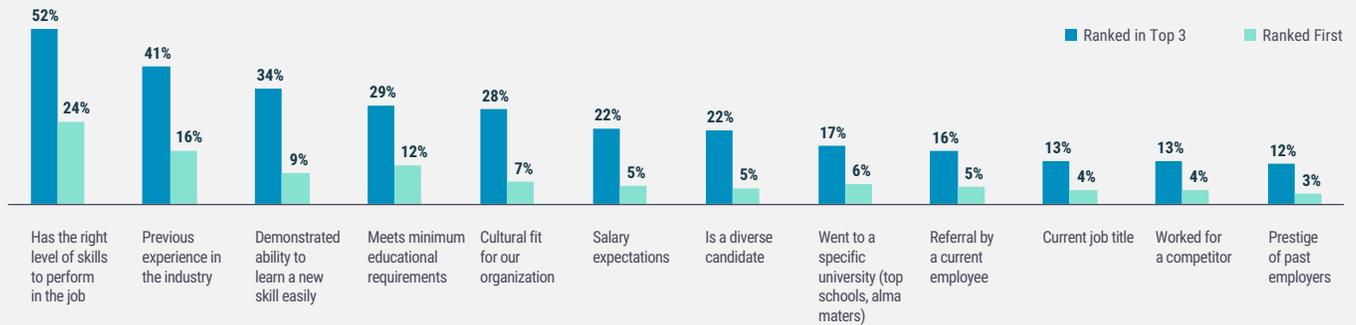
Figure 5: **Qualified candidates are stopping short of applying to open roles**



Q: If you considered applying for a new job in the past 12-18 months, what are the top reasons that deterred you from submitting an application? (Select up to three.) Base: 913 full-time or part-time employees
Source: Eightfold AI's 2022 Talent Survey

The quick fix would be to lower the barrier to entry. By demanding less experience, more talent is immediately available. If the only goal is for companies to get people into roles, they can pay talent less and hire faster without “dating” candidates for months. But overcorrecting the talent shortage issue would be reckless. Hiring unqualified candidates is not a viable solution for macro problems. Moreover, according to HR leaders, adequate experience is a must-have for candidates (figure 6).

Figure 6: **HR leaders understand the value of skills-based hiring**



Q: Beyond physical location, which of the following qualifications are most important when evaluating a candidate for a role within your organization? (Rank three) Base: 259 HR leaders
 Source: Eightfold AI's 2022 Talent Survey

One in two HR leaders said having the right skills to perform a job was critical, immediately followed by previous experience in the industry (41%). Rather than lower the barrier to entry for jobs, HR leaders can instead widen the criteria that qualify a candidate by redefining what success looks like for a role and hiring based on what a candidate is capable of doing. By understanding candidate potential, aptitude, and adjacent skills, leaders can attract highly qualified talent and feel confident in their hiring decisions while exponentially widening their talent pool beyond those whose skills and experience are an exact fit.

Widen the talent pool by looking at adjacent skills



For example, if your organization is sourcing a marketing role, you can look at tangential skills that you may not have considered. The graphic at left shows how a community manager and marketer share common skills, including public relations, communications, and social networking. Instead of looking solely at marketers, leveraging AI opens roles to people who might not have been previously considered.



Conventional HR technologies, such as human resources information systems (HRIS) and applicant tracking systems (ATS), are helpful for record keeping, automation, and compliance, but HR conditions are the most challenging in decades. Record-keeping systems like these weren't designed to understand candidates' potential and inform future-focused workforce strategies. To compete for and retain top talent, leaders must uncover what talent is capable of now and which skills they need to succeed today and tomorrow. Talent intelligence uses deep-learning AI to deliver these insights.

Attracting diverse candidates

One in three (31%) HR leaders are struggling to attract diverse talent (figure 2), but they're simultaneously demanding specific experiences, education, and skills. Hiring candidates based on transferable skills not only expands the talent pool, but it opens up options for underrepresented groups who may not check all the boxes simply because of their different lived experiences or lack of access to the same connections.

Talent intelligence illuminates every candidate's potential, widening the opportunities for diverse talent to apply by assessing these candidates on their aptitudes, not their specific experiences or how well those experiences line up with a job description in a keyword search. It also helps acquisition teams reduce unconscious bias by anonymizing photos and identifying information.

Talent intelligence can also help deliver a better candidate experience by matching candidates with jobs, often ones a candidate may have never considered. With explainable AI, or AI that openly reveals how and why it's recommending a match, candidates can more confidently put their name in the hat.³ This is helpful for men and women who cite not meeting the job qualifications as the top reason for not applying.⁴



Long hiring processes and high application volume

Finally, a talent intelligence platform can help recruiters source qualified candidates more efficiently. By going high tech, recruiters can go high touch. Because recruiters don't need to screen as many candidates manually, they have more time to spend with hiring managers and candidates. Instead of the proverbial "post-and-pray" approach in which recruiters post a job to a job board and then hope someone will apply, they get deep insights into candidate matches for the job and can even assess their likelihood to consider new opportunities based on interviews and advanced algorithms.³

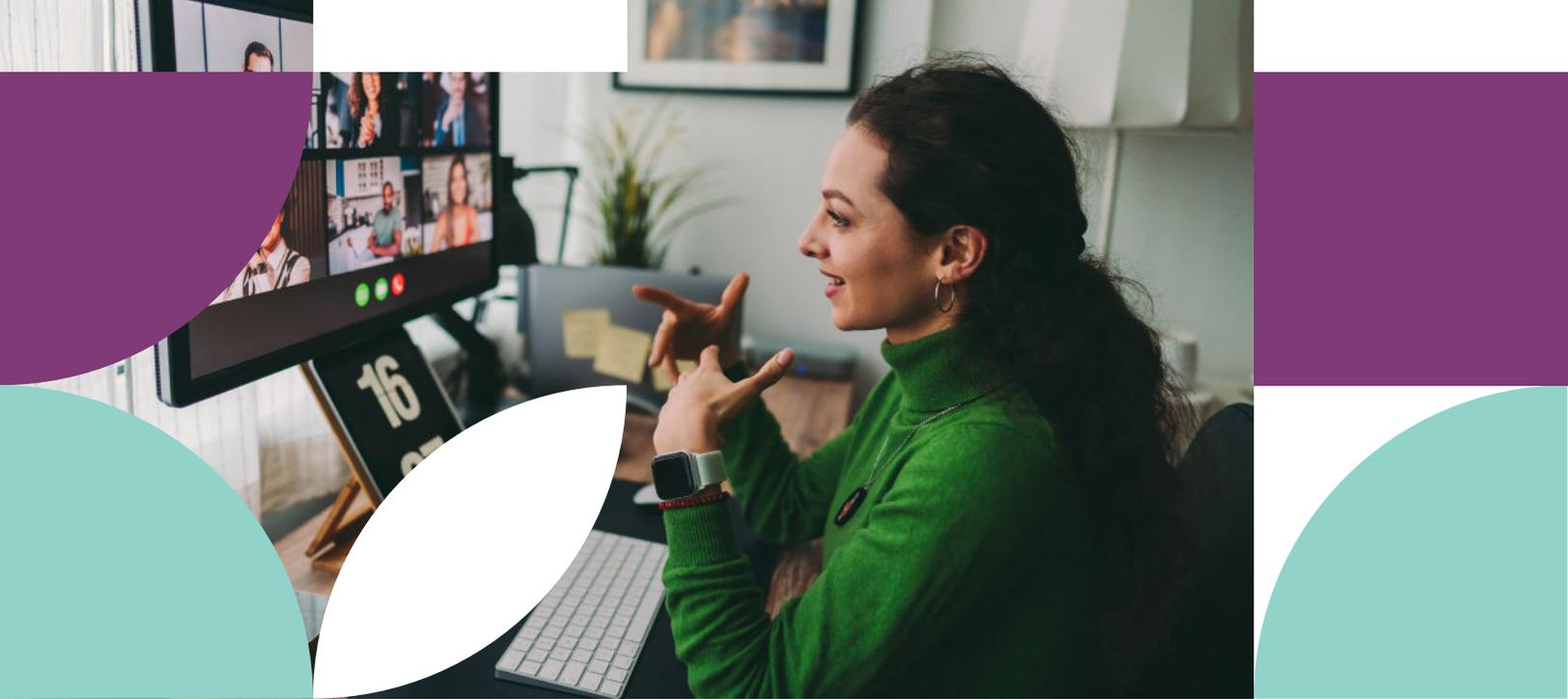
Questions for reflection:



- Is your HR team taking steps to tackle the talent shortage?*
- Do you have a plan to attract diverse talent?*
- What would it mean for your company if the current talent pool doubled?*
- Are you using technology to ease the burden on recruiters?*
- How are you addressing unconscious bias in the recruitment process?*



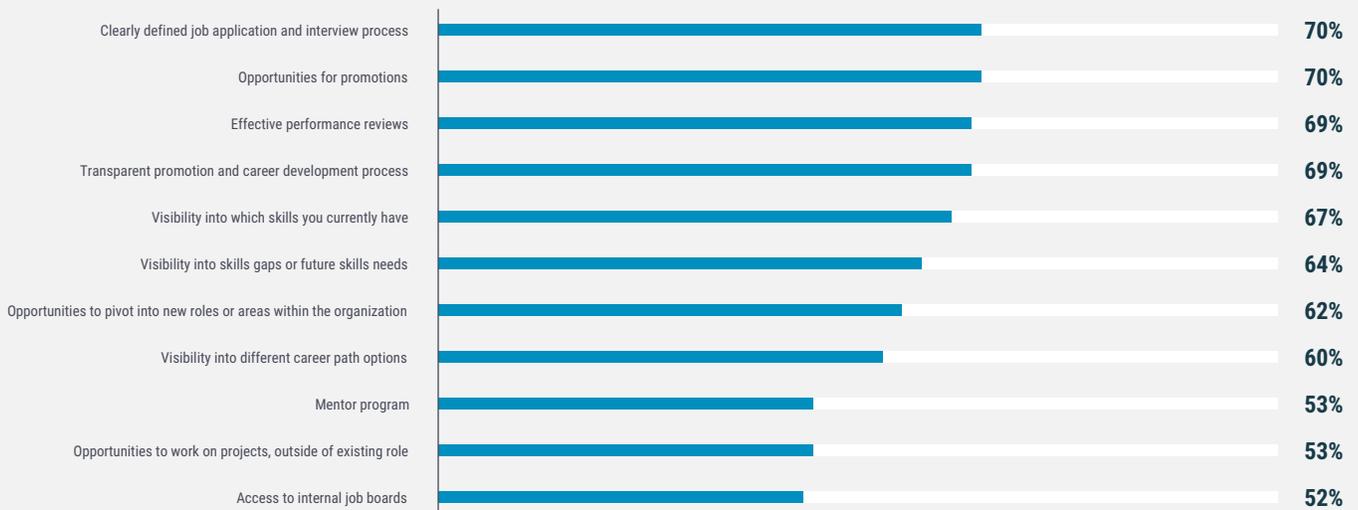
**Increasing
resiliency in a
competitive world**



Employees want to be amplified—not pacified

During the pandemic, HR was forced to be a go-between between employees and governing agencies, relaying new guidelines and information as it came. The constant back and forth, and the uncertainty heaped onto employees, resulted in high levels of burnout.⁵ In response, employees' priorities have shifted: they value transparency, flexibility, and above all, growth opportunities (figure 7). If these values and opportunities are not present within their current organization, they're likely to look elsewhere.

Figure 7: **Employees value having the power to seek out their own growth opportunities**

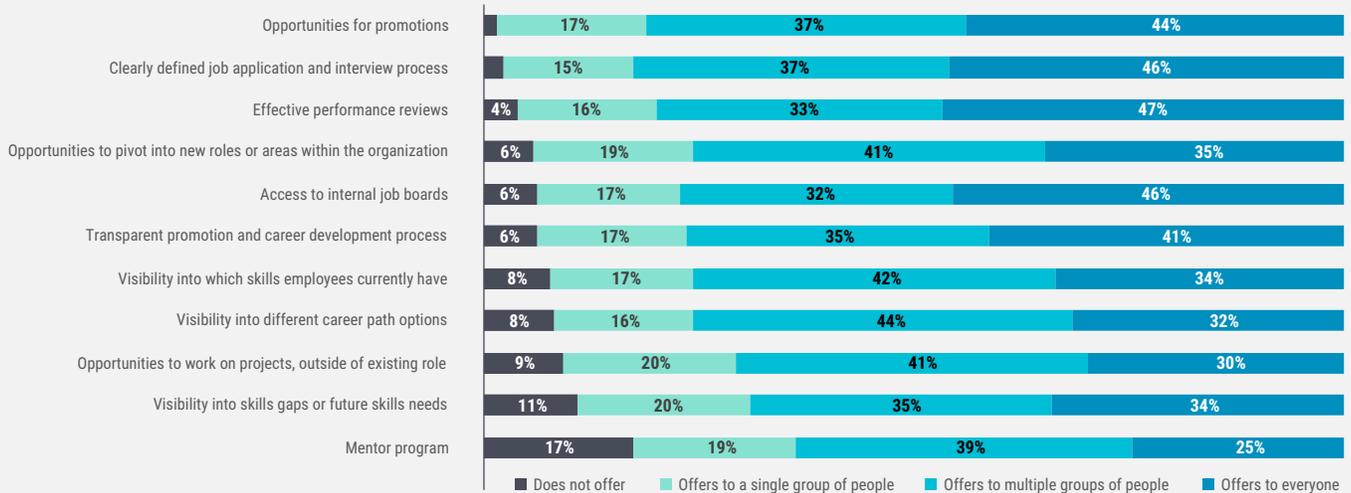


Q: Regarding your career, how important is it to you that your employer offers each of the following? (Responses to extremely important and very important) Base: 913 full-time or part-time employees
 Source: Eightfold AI's 2022 Talent Survey

Exceeding employees' expectations

The data suggests that, above all else, employees are looking to grow: to be acknowledged, to be promoted, and even to move laterally. While 67% of HR leaders rated their internal mobility as highly effective, our findings showed it's likely to be very selective (figure 8).

Figure 8: **Organizations are struggling to offer career advancement opportunities to all employees**



Q: To what extent does your company offer the following? Base: 259 HR leaders
 Source: Eightfold AI's 2022 Talent Survey

It's time to democratize advancement opportunities for everyone. Employees have high expectations when it comes to securing their futures and are often eager to learn more and take on new challenges. Yet more than half of HR leaders don't extend career advancement opportunities to every employee. This is a huge missed opportunity to tap internal talent, promote from within, and increase retention.

Yet every employee's needs are different. For example, a barista will have a very different experience than an accounting manager in the back office of that same coffee shop. Likewise, a warehouse worker needs different offerings than a software developer at that same company.

Employee experiences need to be personalized, but growth, promotion, and lateral moves should be universal and offered to all. To combat turnover, HR leaders must immediately recognize the importance of internal mobility and career advancement for everyone and swiftly roll out these offerings beyond a select group of employees.

Only 25% of HR leaders offer mentor programs to all employees within their organization.



Rethinking talent mobility

In addition to upward growth, many employees may be considering a lateral move. It's important that employees see a future for themselves at any organization — even in an entirely different role or function — so they don't look elsewhere. By empowering employees to learn new skills, an organization will be much more resilient to turnover. Sixty seven percent of employees surveyed said visibility into their current skill set is important and a notable 64% said it is important to have visibility into skills gaps or future skills needs (figure 7).

To bring employees along this journey, organizations can use talent intelligence platforms to offer personalized training, mentoring, and education. Again, quick fixes aren't a viable solution. Sending employees to conferences (which has merit) is not likely to be a career-changing event or something that can support long-term career growth. The solution requires long-term commitments to upskilling and reskilling employees and changes to the very foundations of talent mobility.

Lower costs by recruiting from within

When a company can understand the capabilities and potential of its people, recruiters have access to a much wider pool of talent for any role. Internal recruiting and promotion are crucial because turnover isn't cheap. Replacing an employee can cost upward of one to two times their annual salary.⁶

Instead of always sourcing external candidates, a company can use a talent intelligence platform to search for internal employees with the potential to succeed in those open roles. Turnover and recruiting costs decrease dramatically. Moreover, by using talent intelligence, companies can retain diverse employees by prioritizing capabilities over connections. Instead of employees leaving for new challenges, they're empowered to apply for them internally.



35%
of employers offer all employees opportunities to pivot into new roles within the company

Questions for reflection:



- Are you offering a great employee experience to everyone in an equitable and inclusive way?*
- Do your employees truly feel empowered to grow within your company?*
- What would it mean if you could personalize training and career journeys for every employee?*
- Do you think turnover would decrease if employees saw clear paths for upskilling/reskilling?*



**Essential
tools to
succeed**



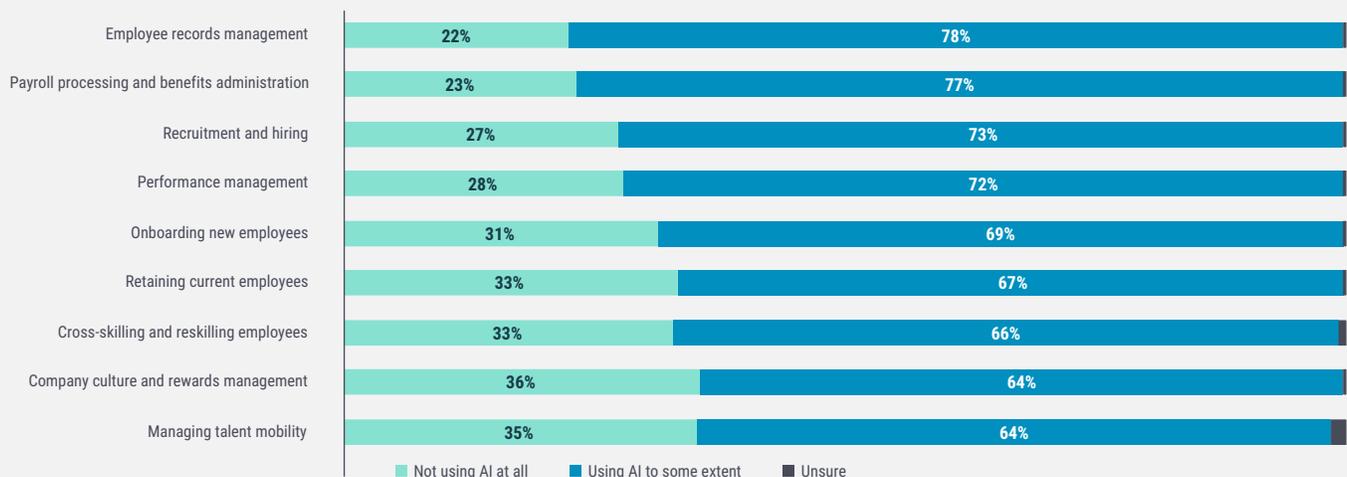
92%

of HR leaders are planning on increasing their use of AI in at least one area of HR in the next 12-18 months

AI, data, and insights: The building blocks of tomorrow's workforce

To succeed in a post-pandemic world, HR must also examine core technologies. ATS and HRIS solutions alone can't deliver the best experience for candidates, employees, and recruiters. Thoughtful applications of AI across the talent lifecycle can help HR overcome current challenges, prepare for uncertainty, and build a resilient HR function. Most HR leaders surveyed already reported using AI in some capacity (figure 9), and an even larger majority (92%) are planning on increasing their use of AI in at least one area of HR (figure 10).

Figure 9: HR has embraced AI across most major functions



Q: To what extent is your HR department currently using artificial intelligence (AI) tools/technologies in the following areas? Base: 259 HR leaders
 Source: Eightfold AI's 2022 Talent Survey

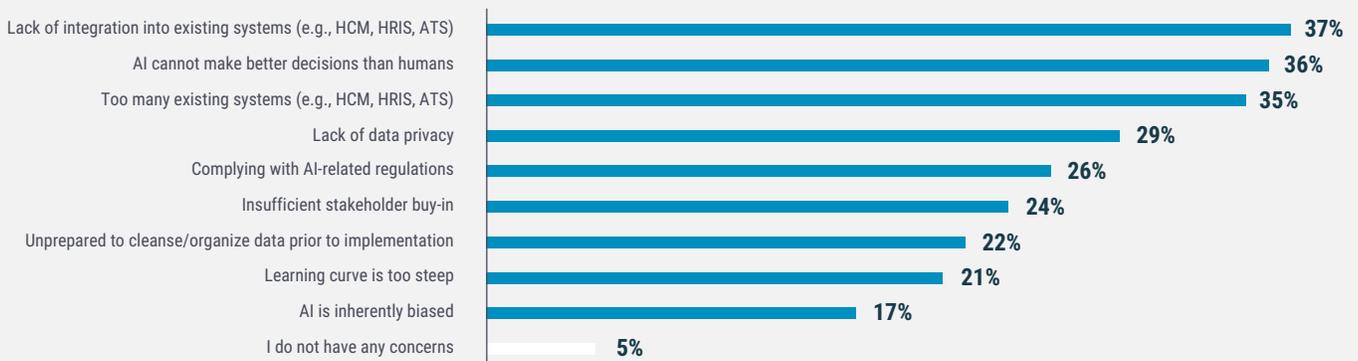
Figure 10: **The majority of HR leaders plan to increase usage of AI**



Q: In what areas of your HR department do you plan to increase use of artificial intelligence (AI) tools/technologies in the next 12-18 months? Base: 259 HR leaders
 Source: Eightfold AI's 2022 Talent Survey

In what McKinsey calls the great acceleration, leaders who continually update their business models (e.g., updating their technology) will continue to grow, while those who refuse will stagnate.⁷ This concept matches our data: Most HR leaders using AI plan to increase their usage in the next 12 to 18 months. The gap between successful and unsuccessful companies is widening, and the subsequent results will be telling over the next 18 months. So what makes some HR leaders reluctant to adopt AI?

Figure 11: **HR leaders say limitations of existing HR systems are top barriers to AI adoption**



Q: What are your biggest concerns regarding adoption of artificial intelligence (AI) technologies across your HR function? (Select all that apply.) Base: 259 HR leaders
 Source: Eightfold AI's 2022 Talent Survey

Invest for the future

Talent intelligence platforms can help companies find talent faster and reduce turnover. Not only does turnover affect morale, but research shows that the cost of replacing an employee can range from half to two times their annual salary — and that's a conservative estimate.⁶ Turnover also has intangible costs on culture, satisfaction, employee trust, and productivity.

Build upon existing systems

Not all AI technologies are created equal, but the best ones seamlessly sync with current solutions. HR leaders expressed concern about a lack of integration, but the AI solutions shaping the future of HR will augment existing ATS and HRIS, not replace them.

In fact, as AI continues to meet the needs of the post-pandemic workforce, technologies such as talent intelligence platforms may become as ubiquitous as ATS and HRIS.³ The talent shortage, lack of diverse talent, and high turnover are forcing a new approach, and talent intelligence can address all three. This becomes an even greater differentiator with a single AI platform that enhances every stage of the talent lifecycle, from the candidate experience to talent management.

Magnify decision-making

A common misconception is that AI is intended to replace humans. Others may see it as a dangerous “black box,” meaning they don't understand what's happening under the surface, so they're inherently distrustful.

However, an AI-powered talent intelligence platform works by using automation and mathematical algorithms to analyze large quantities of data. These insights help humans make better, more informed decisions at scale, and do not replace human decision-making. Calibration allows HR teams to specify requirements and tweak search filters to steer the results.

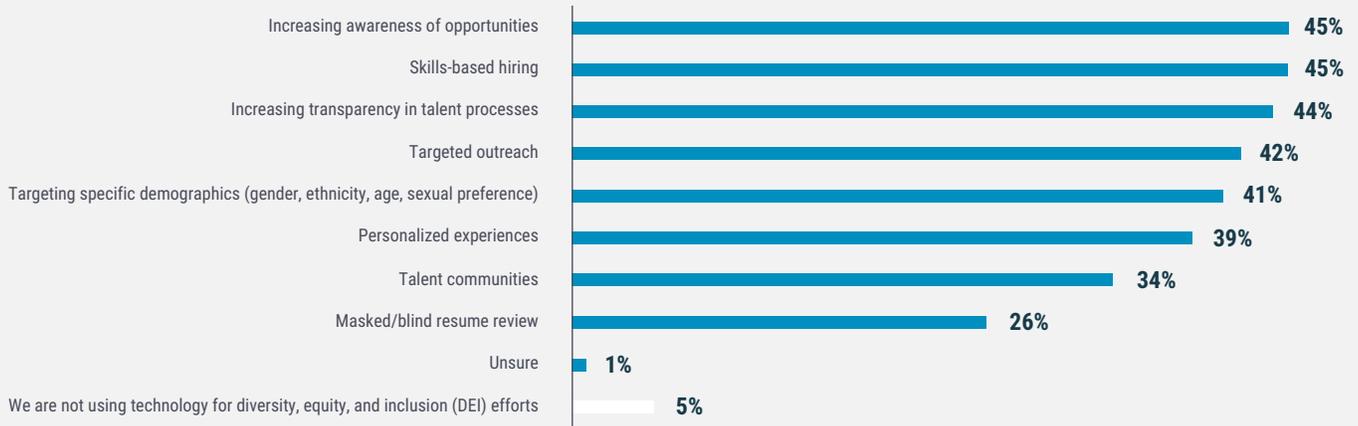


more internal hires by a communications company after adopting the Eightfold Talent Intelligence Platform



Artificial Intelligence and DEI

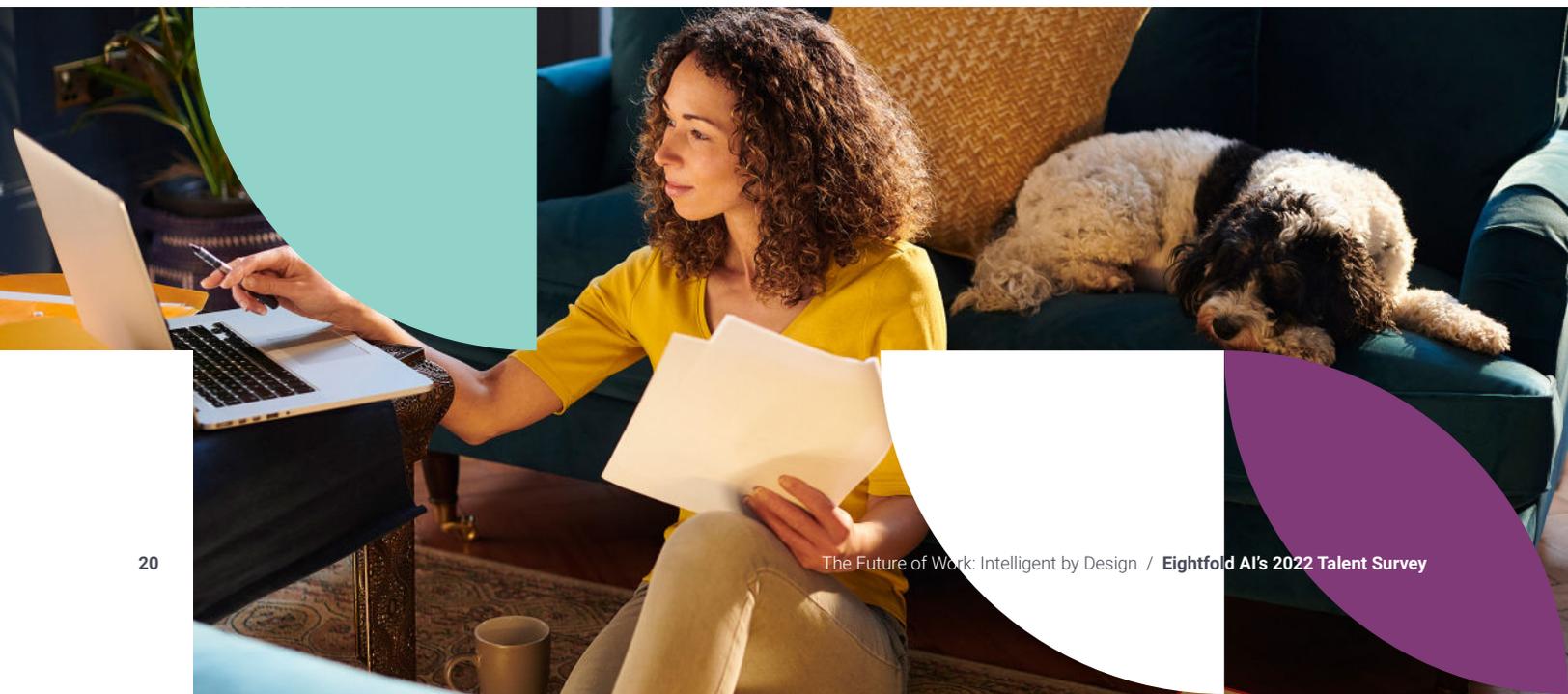
Figure 12: **AI is playing a key role in supporting DEI efforts**



Q: How are you utilizing technology to support your diversity, equity, and inclusion (DEI) efforts? (Select all that apply.) Base: 259 HR leaders
Source: Eightfold AI's 2022 Talent Survey

Ninety-five percent of HR leaders said they're using AI for DEI efforts (figure 12). However, none of the responses broke 50% – revealing a big runway for improvement. The largest missed opportunity was using AI for masked/blind resume reviews which only 26% of respondents implemented.

According to *Harvard Business Review*, removing names and demographic info is an effective way to remove conscious or unconscious bias and support marginalized communities.⁸ As HR teams increase their use of AI, there are still many more ways HR teams can use AI to advance DEI efforts, such as hiring for potential and offering equitable, personalized training opportunities.

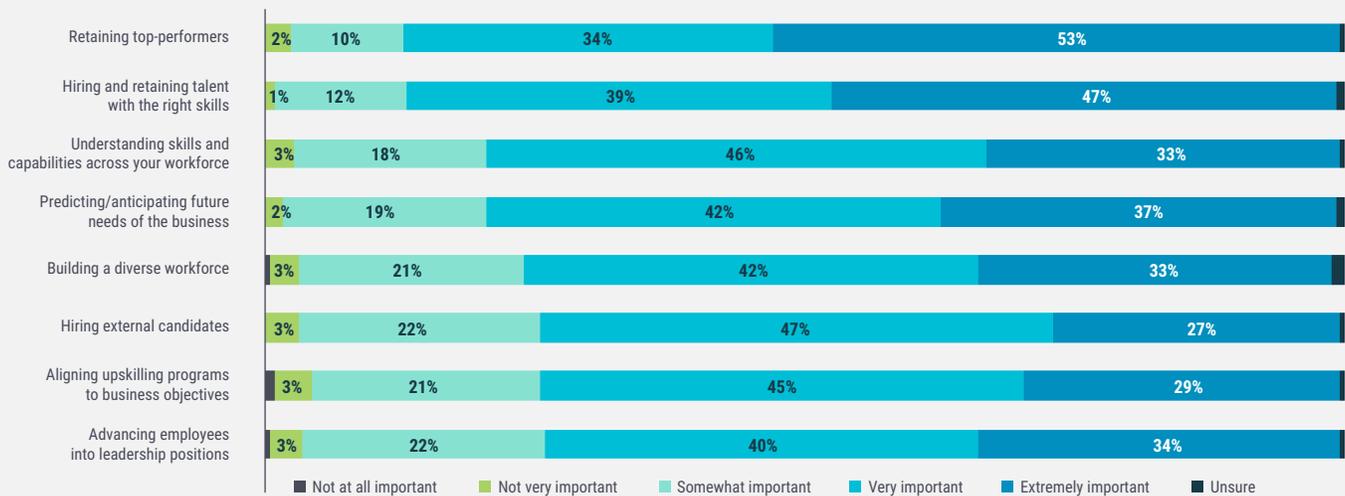


Redesigning work for the future-ready workforce

The world of work looks entirely different than anyone could have imagined, but by redesigning processes and implementing the right tools, HR leaders can reshape how they face the challenges of today and prepare themselves for the challenges of tomorrow.

In the past, businesses likely looked to their HR teams to solve pressing talent issues, especially finding and hiring employees. This siloed approach to talent is no longer feasible in today's competitive landscape. The need to attract, retain, and support top talent needs to be a workforce strategy supported from the C-suite down.

Figure 13: **Talent strategy is critical to achieving business objectives**



Q: With regards to your workforce strategy, how important are the following factors to your ability to achieve business objectives? Base: 259 HR leaders
 Source: Eightfold AI's 2022 Talent Survey

With an insights-driven, inclusive approach, companies can tackle talent issues by sourcing and hiring candidates who are better matches in less time. This also drives more equitable hiring and talent management practices by discovering underrepresented talent and surfacing candidates with the capabilities to drive the organization further.

Internally, talent intelligence gives the power to find and promote current employees who are great matches for openings. It also identifies areas where employees need upskilling or reskilling. These capabilities reduce churn and burnout, save money, and empower people to grow their careers.

In this post-pandemic era, it's nearly impossible for any HR person to meet all these expectations at once. AI helps – not hinders – the hiring process by augmenting the human experience. A single AI platform that can provide a holistic view of the workforce, and aid HR teams in every stage of the talent lifecycle, has the greatest potential for transformation. HR teams can provide an experience that attracts the best and brightest people and keeps them inspired, thus creating and building a future of work that is intelligent by design.

About this survey

Eightfold AI administered this survey in two sections to qualified respondents: HR leaders and employees in the U.S.

The 259 participants for the HR leader survey were HR professionals at the director level and above from companies with over 100 employees who had direct influence over HR decisions. The online survey took approximately 15 minutes to complete and was conducted between March 23, 2022, and April 8, 2022.

We also surveyed 913 employees which included both white- and blue-collar workers who were employed part-time or full-time across industries. Employees also had to be over 18 years old. This survey took approximately five minutes to complete and took place between March 31, 2022, and April 4, 2022.

Endnotes

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Eightfold AI's market-leading Talent Intelligence Platform™ helps organizations retain top performers, upskill and reskill their workforce, recruit talent efficiently, and reach diversity goals. Eightfold's patented deep learning artificial intelligence platform is available in more than 100 countries and 20 languages, enabling cutting-edge enterprises to transform their talent into a competitive advantage.