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The Ultimate Buyer's Guide
to AI in Human Resources

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Now is the time to start using AI for all your talent management and acquisition needs. After reading this guide, you will have a full understanding of:

- **Why AI is an imperative now** for management of the modern workforce

- What AI can do in **different parts of the employee lifecycle**

- The meaning and importance of phrases like **"Talent Network,"** and **"capabilities"**

- How to tell the difference between **artificial intelligence and more primitive technologies**

- How each member of the talent team **benefits from AI**

- What questions to ask **potential vendors**

- About Eightfold's® **Talent Intelligence Platform**

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The Business **Challenge**

Talent challenges have persisted for years. They're more pronounced now. **They include:**

In short, remote work is accelerating. So is the use of "hybrid" programs, where some people work in the office, and some remotely. Or people split their time between remote and headquarters. This creates new challenges: are remote workers disadvantaged, for example, when it comes to hearing about promotion opportunities, mentor opportunities, or chances to work on new projects and teams?

Poor DE&I policy is no longer acceptable. Customers, suppliers, and potential employees won't and shouldn't tolerate a failure to pursue meaningful action toward fairness. Actions, and not words alone, are required.

Business is changing fast. "Disruption" is a cliche, but it's an apt description of what's happening. The digital transformation in particular was accelerated by the pandemic. *Forbes* says that "87 percent of companies think digital will disrupt their industry, but only 44 percent are prepared for a potential digital disruption."

The skills needed by businesses are changing fast. The World Economic Forum "suggests that the half-life of a professional skill is just five years."

The changing composition of the workforce in most every country. In the U.S., for example, over the past 20 years, the number of working people in their 70s has increased from under 10 percent to nearly 15 percent, according to the U.S Census Bureau, accelerating the need for smarter succession planning. And the youngest generations in the workforce are far more diverse, according to Pew Research. When the "Silent Generation was young (ages 22 to 37), 84 percent were non-Hispanic white. For millennials, the share is just 55 percent."

People can more easily find new jobs as more companies allow remote work. This has made keeping employees even harder.

Regardless of economic cycles, the competition for talent in high-demand roles in technology, healthcare, manufacturing, and other sectors has not eased. There is still a "skills shortage." Incredibly "only 16 percent of new hires have the skills needed for their current and future roles," according to Gartner.

19%
Increase in the hiring of women after a communications company turned to Eightfold's Talent Intelligence Platform

35%
Faster time to fill for all roles by a CPG company using the Eightfold Talent Intelligence Platform

New Approaches Needed

The old ways of addressing these challenges and the outdated policies and procedures in many companies have not worked, and will not work for the future of work. These human-resources practices have not left companies prepared for remote work, highly diverse workforces, and the continually changing nature of the work itself.

For example, there continues to be an over-reliance on "who you know" for mentoring, and promotions. This leaves some talented employees (such as those who are in a remote location while others are together at a headquarters) with disadvantages. Informal mentoring also can disadvantage people from under-represented groups who have fewer connections.

The way people hire and promote has not worked. There is a long-standing over-reliance on resumes, job descriptions, and interviews. These do not produce quality hires. Resumes have improved little since Da Vinci first wrote his. Job interviews are about as effective as a coin flip, according to decades of study. Job descriptions are famously vague and cliche-filled.

Skills libraries have not been sufficient for emerging areas. Using outdated skills taxonomies doesn't work when technologies like blockchain quickly emerge and technologies become outdated rapidly.

With regard to the aging of the workforce mentioned above, companies are losing valuable institutional knowledge by continuing such policies as blanket eliminations of the 5 or 10 percent of employees annually. Such policies are often enacted without knowing the full capabilities of each of the employees being separated.

Lastly, siloed talent functions haven't successfully prepared businesses for their needs. As an example, talent-acquisition departments sometimes make improvements in diversity recruiting, but if *inclusion* isn't a focus for a company once someone's on board, turnover is high among under-represented groups.

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Why True AI is **Now Possible**

Technology did not provide the answer to many of the above challenges, until recently. But the progression of deep-learning artificial intelligence has changed the game.

The problem is, most of what you hear and read about isn't really about artificial intelligence.

The promise of Talent Intelligence, or AI to understand talent better and make better decisions regarding talent, requires something called distributed neural networks. Essentially, this is technology that requires a massive amount of data and can find patterns between different pieces of information.

This AI is analyzing literally more than a billion people, and more than a million skills. It can:

Handle huge data volumes that exist today.

Find the factors that lead to success without guidance.

Improve employee careers, internal mobility, and succession planning.

Move past the overreliance on resumes/CVs, interviews, and job descriptions.

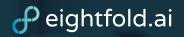Predict accurately, enabling decision-making based on potential.

Be instructed not to consider personal characteristics, and thus greatly improve diversity.

Go well beyond what can be learned from one company and use aggregated learning based on thousands of companies.

Create a positive experience resembling the most used consumer technologies in the world.

Greatly reduce the reliance on informal networks and connect employees to new opportunities and mentors based on their interests and potential.

Artificial Intelligence can help unlock a person's potential and ultimately transform how companies hire, manage, and develop their people and address the challenges mentioned at the outset of this buyer's guide.

AI and a Talent Intelligence Platform

You may have heard of "Talent Intelligence" or a "Talent Intelligence Platform.™" A Talent Intelligence Platform is not a tool, or a feature, or a piece of technology used somewhere in the talent-management process or lifecycle.

A Talent Intelligence Platform, a term that'll be used more throughout this guide below, is a technology that a company, often a larger enterprise, uses guided by artificial intelligence to make better decisions throughout everything it does related to talent.

How AI Focuses **on Capabilities**

Corporations face a scarcity of talent. You've heard employers say, "we can find people, just not the people with the skills we need." Or, you may have heard, "we don't have a labor shortage. We have a skills shortage."

This is a problem of thinking about skills versus thinking about *capabilities*.

Companies usually look for their potential employees, their potential hires, including those being promoted internally, to have a certain set of skills. That made a lot of sense before AI was as advanced as it is today.

AI has been used to analyze the careers of more than a billion people. The AI is able to see the relationships among more than one million skills and identify people's *capabilities*.

A skill shows what an employee or job candidate can do now. A *capability* is what someone *could* do, even if they haven't done it before.

So a company thinking just about skills might approach succession planning by saying, "When our head of sales is promoted, who has the skills to take their place?" The capability approach is all about "who has the potential to be highly successful in the job?" It could be someone in a different department. The important thing is that the AI technology can see, based on the massive amounts of skills and careers that it has analyzed, exactly who has the potential needed.

A company looking to fill a human resources job based on skills would only look at human resources professionals. A search to fill that job based on *capabilities* might uncover a potential employee who, for example, gained all the necessary experience and capabilities, but hasn't ever held a job with an HR title.

When a company can understand the capabilities of every one of its workers, the company has a much wider pool of talent available for any role.

This wider pool means improved succession planning and internal mobility. Instead of hiring someone from the outside to take over from a retiring or departing employee, someone who has done the job before, a company can use AI to look within its own workforce to see who has the capability to be successful.

Turnover decreases. Instead of employees leaving for new challenges, they find them internally because their company knows where their potential can be of value.

Capabilities shift your thinking from "who knows who" to "who has what it takes to do this job?" This is an important shift in mindset to increase diversity and inclusion. Everyone has an equal chance, rather than people with stronger connections getting a better shot at a promotion or hire.

How AI Improves
Diversity, Equity, and Inclusion

Everyone's trying to increase diversity. They're just going about it the wrong way.

It starts with analytics. With these Talent Intelligence Platforms, where AI is used for talent, you see where in the hiring process you have a diversity issue. Are certain groups dropping off at the top of the funnel? After the interview? At the offer stage?

Equal Opportunity Algorithms, the state of the art in bias prevention, are used to prevent bias. It's about who can do the job, not just who has done this exact job prior. Deep-learning AI can analyze a massive amount of data and can examine, at scale, who has the potential to do what, regardless of their background.

Also, these platforms can anonymize. By handing managers profiles of people with photos and identifying information anonymized, unconscious bias is reduced. Each person is evaluated based on their potential.

With a Talent Intelligence Platform, the emphasis on diversity does not end upon hire; it is a critical component of talent management and continues throughout the employee lifecycle. Potential and capability take precedence over who knows who.

Mentorship and training are managed centrally, and personalized, allowing each employee to find mentors based on their interests (the job they seek next) and capabilities. By creating one self-service way for employees to pursue learning, mentorships, internal projects, and an internal promotion, everyone is on a level playing field. And, it helps address a challenge we brought up at the outset: remote employees being at a disadvantage vis a vis in-office or in-headquarters employees.

Who Benefits From Talent Intelligence?

Chief Talent Officers, Chief People Officers, and Chief Human Resource Officers

With a Talent Intelligence Platform, heads of talent have the analytics they need to see how their workforce's capabilities compare to competitors'. They can do more with less, lowering costs through higher internal mobility, lower turnover, and greater redeployment. They achieve far more efficient hiring and decrease contingent-work spending.

CHROs simply find that their talent teams are more valuable with the adoption of a Talent Intelligence Platform, focusing much more of their time on work they do best, such as coaching internal employees and acting as a business partner and advisor internally.

19%

Increase in the hiring of women after a communications company turned to Eightfold's Talent Intelligence Platform

Adoption of Talent Intelligence Platforms allows Chief Talent Officers to be seen as innovators, bringing the leading technology used elsewhere to the "people" realm and preparing their organizations for the future of work.

Talent Management Departments

Talent Intelligence Platforms address every aspect of talent management, including:

- **Internal mobility:** employees are matched to internal roles based on their capabilities and potential. Everyone has an equal shot with these platforms. Capabilities and potential have replaced informal networking. Every employee can see how to improve their career, what they need to do. No one is left out.

- **Talent mentoring:** instead of relying on informal networks and "who knows who," AI is used to match employees with mentors based on who has knowledge in their areas of interest.

- **Projects and gigs:** rather than go out to a temp agency or other contingent-work supplier, employers can find internal employees interested in taking on short-term projects to brush up on skills they're not using in their everyday roles.

- **Succession planning:** companies can find replacements for departing employees based on capability. Successors may be in a different role or location and are often overlooked under the status quo.

- **Talent redeployment:** So often people have been let go, even though there are jobs available internally. Morale suffers, and there is a loss of institutional knowledge. With AI, companies know the skills of every employee. They have the ability to match every employee against every open job requirement automatically. Jobs are saved, and millions in severance costs are as well.

81%

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

• **Reskilling/Upskilling:** At the top of this buyer's guide, we talked about how business is changing so rapidly. With that has come the need to upskill and reskill. A key part of this is using artificial intelligence to provide insights to talent executives. These leaders can see how the skills of their workforce stacks up to competitors, and where there are gaps in terms of the capabilities employees need to compete in emerging areas. With a Talent Intelligence Platform, companies can then take actions such as adding employees with the right capabilities; helping employees build their skills; and supplementing their workforce with contingent work in growth areas.

Talent Acquisition Departments

A Talent Intelligence Platform improves every aspect of the talent-acquisition process from source to offer, including:

• **Career sites.** There are huge drop-off rates on career sites. Companies put a lot of effort into the home page of the career site, but when someone does a search, they often don't find a matching role. Even if there's a job that might fit for the candidate, the candidate is often unaware that it's a fit. Talent Intelligence Platforms allow candidates to upload a resume to a career site. The AI is used to match a candidate's capabilities to open roles. A candidate can see the roles for which they're a strong match, and why they're a match. This gives them the confidence to apply for the jobs, and has resulted in much higher click-to apply rates. These platforms can also be used to build career sites. AI is used to tailor a career site to prospects, so that the videos and other content they view, such as people they'd work with, are personalized.

• **Sourcing.** On average, companies are spending roughly 90 percent of their sourcing dollars on external sources, according to Deloitte. This includes agency commissions, job boards, professional network licenses, and more. These are the sources of candidates who know you the least, and are least likely to result in a hire. With Talent Intelligence, companies focus on the people who know them the best: their Talent Network. Past applicants,

current employees, past employees, and employee referrals -- using AI to match their capabilities to open jobs. See the sidebar on "Talent Networks" for more.

• **Screening.** Rather than wading through hundreds of resumes per open role, companies use AI to match people based on their capabilities. "Strong matches" are ranked highest, saving huge amounts of time, and freeing up recruiting teams for higher-value, higher-touch work.

• **Scheduling.** AI can be used to automatically schedule interviews. This can reduce administrative time by about 60 percent, and free up talent professionals for more strategic work.

• **Interviewing.** Right now, interviews are far too subjective. About 85 years of research has shown that job interviews are not much more reliable than a coin flip. With a Talent Intelligence Platform, interviews focus on what a person can do. AI is used to validate skills on candidates' resumes; in other words, to confirm a skill that the AI has indicated a candidate hasn't listed, but is likely to have. Similarly, the AI may indicate that a given skill is missing. The job interview can be used to probe into whether a candidate does have that skill after all.

60%

Improved recruiter efficiency at a discount airline by automating the processing of resumes using the Eightfold Talent Intelligence Platform

DE&I Leaders

Diversity and inclusion have been top-of-mind for years, yet most companies have seen little progress. Using a Talent Intelligence Platform, companies have finally provided an equal chance for all employees. AI is used to match employees with mentors, projects, and new jobs. Everyone has a chance at a promotion based on their capabilities. In hiring, candidates are anonymized. Users of these platforms have seen the share of female applicants rise by up to 50 percent, and hiring of women increase by up to 19 percent. Built-in dashboards provide complete diversity information across the hiring funnel, creating true accountability at the corporate and individual level.

Learning & Development leaders

With a Talent Intelligence Platform, no longer does learning and development operate in a silo. Employees take courses they need to grow and move into new internal roles. The L&D department can work with employees and managers to build customized training programs for employees based on where the employee's interests and capabilities (as shown by the AI) lie, and what the enterprise's needs are.

Hiring Managers

The manager-recruiter meeting is long a source of friction in the hiring process. With a Talent Intelligence Platform, managers won't find themselves wasting time on the wrong people. In fact, recruiters can create a slate of candidates right at the intake meeting and review it with the hiring manager. The two parties can make adjustments to the skills and experience needed if they want to broaden the slate.

Talent Operations Professionals

Talent-ops professionals find myriad benefits with a Talent Intelligence Platform. Valuable analytics help identify any improvements that can be made in the hiring process, such as where diverse candidates may be falling off. Operations professionals also often find that they end up discontinuing multiple tools used previously, such as a succession-planning tool, chatbot, referral tool, sourcing solution, or alumni-recruiting vendor. Interview scheduling can be handled through the platform as well.

Chief Technical Officers

A Talent Intelligence Platform will truly increase the value of IT investments. Many companies have made investments in HR tools such as, to take just one example, succession planning modules. These systems lack the deep AI found in a Talent Intelligence Platform that can effectively see who has the capability to move into new roles, regardless of the department, role, or location they're currently in. Similarly, applicant tracking systems, which have been successful serving as systems of record and compliance, have not provided a lot of valuable intelligence (despite the expense). Talent Intelligence Platforms unlock valuable information, such as profiles of "silver medalists" for past jobs who would be great for future roles, that has previously been essentially hidden within an applicant tracking system.

Employees

In companies with a Talent Intelligence Platform, employees all have a dashboard that begins with an employee profile. The dashboard allows them to see what capabilities they need to add. Employees can see who in-house can mentor them. And, what courses they should take to add new skills. They can use AI to find new internal roles, matched based on their capabilities (even if it's a job in a new department they hadn't thought of looking into). And, they can view internal projects.

This dashboard moves companies away from cultures of informal mentoring based on connections, to a system where everyone's on equal footing.

Job Candidates

Candidates get the ability to see where their capabilities fit in an organization. This is a big time-saver for them, and a big improvement to the candidate experience, because they no longer waste time sending in resumes to positions for which they don't have the skills. Applicants also are no longer forgotten after being told by a company that it will "keep their resume on file"; silver medalists actually can be found and considered for future jobs when a Talent Intelligence Platform is used.

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Questions to Ask about a Prospective Platform

What is your approach to technology and data?

A Talent Intelligence Platform should use aggregated learning, drawing complex patterns from millions of skills and literally billions of people in the world's workforce.

Does the company emphasize potential and capabilities?

True deep-learning AI systems, which are uncommon, have so much data and such a rich and deep history of people's careers that they can show what someone is capable of, even if they are currently doing a different job.

primitive or rudimentary interview-scheduling tools, employee-referral tools, and other point solutions. It should be able to look at all talent, all of a workforce, holistically, allowing a talent leader to analyze the capabilities of its pipeline and its employees, whether they be contingent or permanent.

6x

Increase in candidate response rate at an entertainment company after moving to the Eightfold Talent Intelligence Platform

Is there a full-lifecycle approach?

Some platforms handle every aspect of the employee lifecycle. Others are not really platforms, but point solutions that are part of a tangled web of tools cobbled together. A true Talent Intelligence Platform should eliminate the need for outdated CRMs, more

Can it handle multiple languages and countries?

Multinational, multi-continent, global companies can operate in more than a dozen languages within one enterprise. Look for a system used on multiple continents by large, complex, global organizations.

How does it affect the cost of achieving outcomes?

You should be able to improve efficiency. A platform should save time and money and be able to demonstrate how you can achieve more with less. The kind of statistics you see sprinkled throughout this buyer's guide should be achievable in your platform. A platform should give you a sense of how to calculate ROI and roughly what ROI to expect.

What is the prospective platform doing to remove bias?

A major benefit of a Talent Intelligence Platform is the ability to reduce unconscious bias, particularly through "masking" or anonymizing results about job candidates, such as their gender, their ethnicity or race, or even where they attended college. Equal Opportunity Algorithms -- the state of the art in AI bias prevention -- should be used. Results should be audited with data scientists.

What is integration like?

Integration should not be a lengthy, year-long process. There should be bi-directional sync with most major applicant tracking and HR systems.

What about compliance with privacy laws?

Compliance with and keeping up on an ongoing basis with European, California, and other laws should be a priority for any platform.

Is it really artificial intelligence? Who wrote it?

A Talent Intelligence Platform should be built on deep learning/neural networks, not keyword searches or similar types of searches common in the employment field. The system should be built on a foundation of extensive data powered by AI, with billions of people's work history analyzed, as well as millions of skills. The company should be an AI-first company led by AI experts, not one with a buzzword slapped on for marketing purposes.

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Eightfold.ai® delivers the Talent Intelligence Platform™, the most effective way for companies to retain top performers, upskill and reskill the workforce, recruit top talent efficiently, and reach diversity goals. Eightfold's deep learning artificial intelligence platform empowers enterprises to turn talent management into a competitive advantage. Eightfold is based in Mountain View, California.

For more information, visit **www.eightfold.ai**