

HR insights podcast

Series 8 | Episode 10

PSA: This transcript has been written with assistance from AI.

Is AI the future of talent acquisition?

[00:17.6]

Welcome to HR Insights, the podcast topical discussions with and for our global HR community. Hi, everyone. My name's Stuart Elliott, and today I will be your host on the podcast HR Insights. Today we're going to talk about everything AI and talent acquisition.

[00:33.3]

And to do that, I am joined by Nick Shaw, who is the co-founder and the chief Commercial officer at Spotted Zebra. This is a fascinating tool. It's one that I have actually used. And they started out as a, as a tech company, but have really migrated more into an AI organization over the last year or so.

[00:53.0]

We talk a lot about AI and talent acquisition in this podcast, and it's fascinating to hear his views about how it really is going to disrupt the industry. Enjoy the show. It's a really good listen. If you have any questions, please email me@sealiotscothr.com thanks ever so much.

[01:20.5]

Hi, Nick, welcome to the show. Hi, Stu. Thank you for having me. No problem. Thank you for coming in and coming to our little podcast studio. No problem. Great to see you. For our audience, do you want a little intro into you and your background? Yeah, of course, yeah. So I'm Nick Shaw. I'm a chartered occupational psychologist by background.

[01:36.1]

I've spent about 20 years working with large enterprise companies globally, helping them to embed scalable assessment solutions. I currently am the co-founder of Spotted Zebra. And Spotted Zebra are an assessment and interview intelligence platform that help large enterprise make better hiring decisions.

[01:53.8]

Very cool. Tell me more about the name. Oh, yes. Where did the name come from? It's just intriguing. I see it, I hear it. Where did that come from? Everybody loves the name. So my co-founder, Ian and I, it probably won't surprise you because of the fact that you founded a business as well.

[02:08.9]

We spent a lot longer trying to work out the right name for the business than we did for anything else. So we had this vision that we wanted to create a platform. We wanted the platform to be, able to help people identify the skills that they had and better match to jobs.

[02:24.7]

Because fundamentally we felt that that would enable their own happiness and success as well as organizational success. So we knew what we wanted to do and we had a broad kind of concept. We were really struggling with, like, what does that mean? And in the end we were trying to find something that is about something unique that happens, which is kind of that unique.

[02:46.0]

I don't know. Unique, allocation of somebody to that job. Right. So. So that unique skill or capability that they have now, all zebras are striped, as we know, but every zebra has a different set of stripes. So they're all. Each zebra. I had heard that. Yep, yep.

[03:03.5]

And then on top of that, about, one in a million zebras are actually born spotted rather than striped. So that's where that came from, this kind of, unique, set of characteristics. Trying to find that unique element in the individual to match them to the right role for them.

[03:20.0]

I've never seen a picture of a spotted zebra. Oh, well, I could share one with you. I was going to say. I need to see this. There was one born recently, so somebody had posted it on LinkedIn. So, it does happen. It's quite rare, but, yeah, quite, quite fun. That's very cool. And have you always worked in this space?

[03:36.1]

Tell us more about the sort of the background of your career. Yes, yeah, yeah. I have. So I started my career at shl, so the psychometrics company, very much in an occupational psychology consulting role. So working directly with organizations to implement kind of best practice solutions.

[03:52.0]

And then my career became very commercial in orientation. So I was running commercial operations across Asia and Europe. I spent some time in, in the Nordics running a commercial sales team, and then ultimately running the UK and Ireland business for SHL. So about 110 or so people. Yeah.

[04:09.4]

What was interesting for me is that if anyone asked me what I did, I would still say I'm an occupational psychologist. So that's really at the heart for me. Although obviously I've run run large commercial, team sales and consulting. We just said sales. I'm always intrigued by this.

[04:25.8]

So how did you, were you genuinely a salesperson at that point? And do you like sales? Yes, I ran large enterprise accounts for SHL for a while. I do, but I think I'm probably like a lot of technical experts. I don't think I would necessarily gravitate towards sales outside of the context. Right.

[04:46.4]

So sales in the context of trying to solve the challenges using the kinds of solutions that we can bring to bear as occupational psychologists. And I love the large enterprise dynamics of impact at scale. So can we apply something that's best practice but adopted across tens of thousands of people then that kind of appeals to me.

[05:06.8]

So those things sort of all coming together and I appear like a nice friendly person but I'm actually quite competitive as anyone who's been in my teams would tell me. So I'm actually also quite driven by a target and a number. So I quite enjoyed that combination. Very good.

[05:22.7]

Where does that competitive streak come from? Oh, I don't know. It's a good question, isn't it? Yes, probably, yes. Just I don't know, just always had it just drive normally. Sometimes people say sports or something or something like that. I do enjoy sport, I mean, although I'm a long standing Crystal palace fan, which until the last 12 months has meant historic failure.

[05:44.6]

But now we're like the team to follow. You've been unbeaten for 18 games. Like it's pretty impressive. Exactly. So maybe that, maybe it's striving to do better is what's brought that to bear. I don't know. Yeah, that's, that's very good. It's the first time probably in my life that I've been able to actually introduce that into A conversation, not feel embarrassed.

[06:03.0]

So I'm taking the opportunity to do that. I think it's a wonderful story in terms of the the journey and, and spot is Deborah. So this is your baby as it as well. Yeah. Like your startup. Yeah. Talk to me a little bit about what it's been like doing a startup. Yeah, yeah. So Ian and I founded five and a half years ago. Yep.

[06:20.7]

And I think what's been fascinating is that Ian is a serial tech entrepreneur. So Ian has built and exited several businesses that are tech based but not in this space. And Ian was also an SHL customer and I knew him personally, so he had a kind of vision of the space, of how it could be improved.

[06:39.3]

But we obviously had lots of options available to us in what we could do. I think what's been really fascinating is, to build this business at this time. So our platform, has occupational psychology and skill science at its heart.

[06:55.3]

But over the last five years we've seen just an explosion in terms of what we can do through technology. So Ian and I had this vision that you could embed the best practices of psychology into the platform so that users can adopt it really in their flow of work. So for example, you can do job analysis, you can understand the skills you need for a job in the flow of work in the platform, rather than that be some kind of activity that's happening with consultants or sort of on the side.

[07:23.2]

So things like that we felt were really important. But with the sort of the explosion around AI in particular over the last 12 months, the platform is also not the platform that we launched five years ago, which might sound obvious, but you might not expect just how quickly technology has accelerated.

[07:40.8]

So we've been able to really kind of, bring some of this new innovation to bear. So I think what's interesting as a journey, as a founder, is you can't get too far ahead and you can't stay too fixed on what you've got today. Because what you've got today, you probably had a vision that would be the right thing 612 months ago.

[08:01.0]

But actually you've got to be prepared to let go of stuff, go again, innovate, stay ahead. And that can be, I think, challenging as well with the team, because you've got to bring the team need to feel that they're with you. They have to be on the journey. They have to be on the journey and you have to kind of get that balance of you're on a journey and it's the right thing to do, but not feeling like that's going too quickly or it's too disruptive and that there's a vision and there's a reason.

[08:25.4]

So I love it. It's fascinating. And it's brilliant to be carving out an identity around what we're doing in our market. And so the vision of the business when you started it versus what it is today, it sounds like they're two different things a little bit.

[08:43.6]

So I would say the vision is quite similar, but the execution is quite different. Right. So the vision was so with being an occupational psychologist, one of my observations and kind of reasons for starting the business was I felt like, particularly in talent acquisitions teams, we'd moved away from some core best practice.

[09:05.2]

So things like job analysis, understanding the skills for the job, creating an assessment that matches to those skills, making sure your interview questions, everything was all connected. Those are all the fundamental principles of occupational psychology, certainly from an assessment and measurement point of view.

[09:22.3]

And we've moved away from those. So we had things like standard interview questions or job analysis not being done. So we reuse a job description from five years ago, or we plug in a, sort of standard off the shelf test. And what happens then is you get people saying this doesn't work, or they say we have adverse impact.

[09:41.9]

So we used an assessment that actually impacted a particular group of people. Or the hiring manager wasn't happy with the solution. They weren't able to use it because it didn't feel like it was in their language. And so you get poor adoption and poor results. And then you get organizations saying, I don't understand why we've discriminated against this population.

[10:00.0]

Or we're not seeing this group come through our process. What's happening here? And it's because fundamentally people are taking shortcuts. And whether that's because of lack of knowledge or maybe lack of time, whatever it might be, it's usually time, isn't it? Yeah, that's normally the one. Yeah.

[10:15.2]

People kind of feeling like, this is a. Or I think in some cases it's not broken so we don't need to do anything to fix it. Because at the high level, if you're running some of these big programs, I'm getting my numbers through, we're hiring the graduates that we need to hire, whatever it might be.

[10:31.0]

Okay, I might hear a bit of noise around some other stuff here, but it's not broken. So I think, our fundamental belief was that we could create a technology platform that would enable you to identify skills, measure them effectively and directly, but do that, through technology, and embed that.

[10:51.2]

Why I say that. So that vision is still the same. The execution is different because of the emergence of AI. So we built our platform end to end, to deliver on that promise. What's happened now is we've embedded AI through the flow of work so that things happen much, more seamlessly for hiring managers and recruiters and can happen much more at scale.

[11:15.2]

So really practical example is they can, use our platform in their intake conversation. It listens to the meeting between the recruiter and hiring manager. The platform instantly surfaces skills that they're talking about, embeds those skills into a profile. It also embeds those skills into an interview set of interview questions.

[11:33.4]

It uses that to recommend the assessment regime that needs to be completed by the candidate. So that's all happening instantly whilst the recruiter and the hiring manager are talking about the job. So the principles are still the same, but we've used AI and technology just to accelerate and, bring more, more of that sort of science and knowledge to bear in that conversation.

[11:54.3]

Yeah. So is that transformed you a little bit more to a tech firm because of that? Yeah, I would say we do, we do see ourselves as a tech firm, with, with people science. You know, it's an interesting blend. I suppose you've got people science and psychology for me, Ian, with technology and AI.

[12:13.8]

And we've got a lot of interaction between our occupational psychology team and our AI team. Because increasingly what we're finding is the occupational psychology team can make sure we're embedding best practice. They can be looking at the outputs that are generated by AI, so things like interview summaries or interview evaluations or scoring, and they can be applying the human judgment on that and looking to track how are these things performing.

[12:41.0]

So I think the intersection between sort of human, occupational psychology expertise, technology and AI expertise in our business is absolutely fundamental. That's right at the core. Interesting. Now, AI is pretty much raised in almost every conversation I have with either candidates or clients.

[12:58.7]

And it sounds to me as though AI wasn't there at the beginning of this, beginning of your company. A, how did you find it? And B, what did you do then to try and integrate it into what you were doing? Yeah, that's a brilliant question. How did we find it?

[13:15.5]

I think a combination of, Ian's background and expertise. So being all over what's happening in terms of tech and advances in tech. And then also just starting to see clients, candidates. I'm sure you've seen the same. Starting, to experiment. Right.

[13:32.7]

So, candidates, are now recording their interviews. Okay, well that's interesting. They're using note taking technology, or hearing HR teams say, I'm about to do an interview with somebody. I think I might try using a large language model to try and create some questions.

[13:49.7]

Okay, you just start. It's sort of a combination of us seeing where it's going and then starting to see people experimenting. And so that's been sort of probably at the heart of it. What we've been trying to then do is work out what does that mean?

[14:06.2]

Lots of people are talking about it today, but what does that mean in the future? How quickly is AI going? What does that mean for the world of work? So that's kind of the journey we're now on is starting to help our clients navigate what that future scenario looks like. Yeah. And we'll digress in a little bit, but a lot of clients I talk to, some are embracing it like you wouldn't believe. Yeah.

[14:26.5]

Some are super sceptical or compliance restricted. Yeah. So they can't do certain, certain things. So it sounds to me as though you, you didn't have those restrictions. You were able to go and test and try and that's obviously served you very, very well.

[14:41.5]

But a lot of clients are still worried about that. Yeah, I suppose it's an interesting combination, isn't it? Because we can test and try. Yeah. So at the moment we've actually changed the structure of one of our teams. So we've moved away from a squad structure, we've got a crew, much smaller group using AI enabled tools.

[14:58.6]

We've reduced the coordination costs massively. Them operating at about eight to 10 times the efficiency that they would have had in the previous team. So we've been able to move more quickly and we're using AI tools, but we serve a group of large enterprise customers. So we're typically working with organizations that are at least 3,000 FTE.

[15:17.6]

So they're in the bucket you just described. Right. So some of them are super, advanced and really think about this. Some are very sceptical. Some are not even allowed to use AI within their HR teams because of governance restrictions. So I think one of the challenges for us is how can we, we need to move quickly to take advantage of this and to innovate our platform.

[15:37.9]

But we also need to make sure that adoption is high and that we, you know, we help people remove those barriers. And so some of what we're doing there is trying to help people really understand what you can and can't do with AI. There's a sort of blanket, EU.

[15:55.4]

AI act means we can't use AI or we can't make decisions. Although HR is a high risk category, it's not actually as black and white as that. So I think sometimes this is about. Okay, this is not binary. Yes. No, this is probably more about education of where might I use AI and how close is that to the decision that's being made on the candidate.

[16:15.3]

So could I use AI to summarize an interview and prepare my notes? Does that feel high risk? It shouldn't do. It shouldn't. It shouldn't do. It shouldn't do. Yeah. Would using AI to make a, just give us like we have a conversation together and then AI gives a score and then you decide whether you take me to the next stage of the interview or not based on the AI score. Yeah.

[16:38.9]

That feels maybe a bit more high risk than just summarizing my notes. Yeah, that feels more like the machines are taking over than the people. That's what I would say to that. Yeah, exactly. So I think one of the things for us is making sure that people remain at the heart of the decision making.

[16:56.5]

And we're using AI to improve their efficiency, surface insight, provide information, but not to take them out of the loop of the actual decision that's being made. That's certainly the balance we're on at the moment. Yeah, and I can understand that. So essentially you're enhancing decision making, not trying to replace human decision making.

[17:16.9]

Yeah, exactly that, exactly that. If you look at some of the, just to stick with interviewing at the moment, if you look at some of the analysis around this, you'll see that human interviewers generally use about 25% of the interview evidence that they collect.

[17:33.3]

Apart from experts like yourself, you'd be perfect. But obviously it's much higher than that. Clearly average interviewers. Average interviewers use about a quarter of what they collect. Whereas actually, our analysis shows that AI users can use up to about 90% of what's collected in that interview.

[17:49.4]

And it makes sense, Right? You ask a question to me about collaboration and then I answer about collaboration. But I also give you something about problem solving or analytical thinking. Most interviewers forget those other bits because they were thinking about the first question. Whereas AI doesn't have that AI just looks for evidence and then it organizes that evidence around the skills for the job. Yeah.

[18:10.7]

And so it can be much more effective when it's used for activities like that. So that's some of the things that we're looking at and I'm going to go on a little bit on that. And I'm assuming bias, I'm assuming the attempt is to try to remove as much bias from that as well.

[18:26.9]

Yeah, absolutely. And I think sometimes we tend to think about humans being perfect and then like what's the downside of using the AI? Yeah, yeah. Will the AI introduce bias? And of course as practitioners we need to be thinking about that, we need to be really mindful.

[18:43.5]

But I think we get a bit, bit sort of, I don't know what the right expression is really kind of rose tinted glasses around the human because actually the human as we know is, is very biased when it comes to. And so I think one of the, the main things for us again is that education piece around the effectiveness of AI.

[19:03.4]

What it can do is help make sure that when you're reviewing for example a transcript of an interview, the AI isn't doing that thinking about the gender or age or ethnicity of the individual. The AI is looking at what was said and what was asked. And so some of the education piece I think is for hiring managers is we give you the right questions to ask, you ask those questions, you don't have to take notes.

[19:25.6]

We're transcribing that. We're then going to organize those notes around the skills for the job and we're going to help you. So stick with that and then use the evidence and the information in an objective way to try and make the hiring decision. And when you're trying to move organizations to being more skills based, then that's a super helpful framework to move managers away from maybe some of their familiar questions around experience or whatever it might be into some things that are really grounded in the requirements of the role.

[19:57.3]

Do you find companies are more open to this when they're doing bigger hiring? So graduate intakes etc. Is that sort of a common thread or are people using it now much more for one off hires as well? Yeah, I think there's probably two core use cases, definitely volume and early careers, 100% I think, the advantage there of course is they're operating at scale so the more they can introduce into their process that brings efficiency.

[20:25.2]

You've got hiring managers running large interview Processes or recruiters doing the same. So using things like our interview intelligence platform brings a lot of efficiency and effectiveness into those scale programs. But actually we're also seeing organizations are wanting to equip their hiring managers to be much more self sufficient, particularly around experience hire roles.

[20:47.2]

And being challenged by you know, the chief HR officer, the CEO on efficiency through some of those processes as well. So where you might have had a lot of hand holding of recruiters working directly with the candidates, supporting the hiring manager, I think that model is under a lot of pressure.

[21:06.3]

And so can we get the hiring manager more tools, more technology that they can use? So interviewing a good example or creating the role profile, evaluating the candidate, doing more that's in their flow of work, that's natural, that's easy to do.

[21:22.6]

So that experience high use cases is really prevalent for us and an area that we're constantly talking about enterprises about as well. What about the candidate experience? Yeah, the thing that I hear around, I'm going to use higher view or something like most candidates hate it.

[21:45.3]

Most candidates I talk to roll their eyes when I say that they're going to have to do that. Yeah. What would you say to that person? So I can understand why they, I can understand why they would. Yeah. They're just immediately thinking that's it doesn't feel right.

[22:00.9]

They're not going to get a chance to maybe influence as much as they would like to. Yeah, exactly. We haven't at this point in our platform gone to that kind of video interviewing capability. And part of the reason that we've steered away from it at this point is the kind of candid angle and the fairness.

[22:18.0]

So can you think of anything worse than spending half an hour recording your answers to a set of questions? You're not quite sure why you're doing it. Maybe you're not in the right environment or you're not sure what the right environment is. Does it matter my background where I do this, all that kind of stuff.

[22:35.0]

And also not paying attention. As a psychologist, you're not thinking about people's level of you know, natural affinity or kind of openness to doing this stuff. Introversion, extroversion. Really simple thing to say but you know, there's, there's differences there. And then the worst thing is you're unlikely to get any feedback.

[22:51.0]

So you, you, you send this thing in, somebody looks at it, you don't know who that person is and you don't get any feedback. Yeah, terrible candidate Experience. I'm not surprised. I think the key things, we're certainly always thinking about is anytime that somebody interacts with the platform or does something, they should get some feedback.

[23:10.4]

So, they complete an assessment. Auto generated feedback. They do an interview. Auto generated feedback again using combination of the notes from the manager and the AI, the note taker. It's very straightforward to do and we do it instantly in the platform.

[23:25.5]

Create a summary paragraph of feedback that you could then give to the candidate. Because I think candidates are a lot more understanding being asked to do something if they know that it's been reviewed and they're given some feedback. Yeah, because it's human courtesy.

[23:42.1]

Naturally that's the case. I can see you're kind of like, yeah, that seems fairly obvious. It does seem fairly obvious. Although candidates always quite funny because sometimes I think that they. You're damned if you do with feedback and you're damned if you don't sometimes, then you give the feedback and then they tell you why that's wrong and you're like, well, you can't please everybody.

[23:59.2]

You can't please everybody all of the time. But I think, and I suppose, suppose especially if you're an organization where candidates are also your customers, there's a real obligation I think, to kind of make sure you protect your employer brand and you do that. So we're looking at some things like asynchronous interview powered by AI.

[24:19.1]

And we're innovating that space. So that would be, using our interview questions that we generate in relation to the role rather than the manager asking those questions. Right. You could have interaction with AI, whether that's, you know, a bot or whatever.

[24:36.6]

But instead of that being one way, actually you can now get sophisticated enough to answer, answer, ask different questions depending on their responses. Yeah. And also answer their questions. So the candidate might want to ask some questions. Funnily enough, they can't do that when they're just recording a video. Yeah.

[24:52.8]

So can you then answer their questions and have more of a, a conversation? And that's, that's what we're innovating around and we'll be releasing fairly soon. Because we feel like, there isn't a single easy answer to huge volumes of candidates.

[25:10.7]

And we know candidates using AI to apply EN masse to roles. There isn't. That is definitely something that I'm hearing about as well. It's definitely. I'm hearing about the candidates using it more and more now. As well. So there isn't an easy answer. So we have, we're having to find a solution.

[25:26.8]

And we think the solution is also partly wrapped up in that. But it's doing it in a way that, we feel candidates will engage with and get and learn something about themselves through the process. Yeah, yeah. I want to touch on skills and people talk about skills crisis.

[25:43.2]

There's a stat here as well that says 77% of companies face a skills crisis. Yeah. How can HR leaders use the tech and data to better understand and potentially bridge that gap? Yeah. And I. So I'm going to advance this a little bit. How do skills differ from competencies? Okay.

[26:00.7]

I always ask this question and I'm always intrigued about it, and I see a lot of debates that on LinkedIn in a minute. So I'll come back to that question, in a second. Remind me if I forget, the skills crisis and what's happening there. And you're absolutely right. We hear that 77% of organizations facing a skills crisis.

[26:19.8]

And back to what we were talking about right at the start, I think this is also fundamental in what, why, kind of some of the current, previous processes were kind of broken. Okay. Because what you found was managers starting to say, look, I just need to hire somebody who is like, you know, Hannah, who was in our team before, Hannah's leaving, but I need to find a replacement for Hannah. Yeah.

[26:43.1]

And typically TA functions, particularly large enterprise, would be very narrow and then looking for somebody like that, with that, you know, with that sort of skills or background, if they were really struggling with it for a really, really senior role, they'd just go and hire for competitor X or Y and find that person doing the same job in that place. Yeah.

[27:00.4]

Now, what was becoming quite. I found really illuminating sort of about three or four years ago was I was hearing about the skills crisis and I, then started to see it in action. So heads of TA at those large financial services organizations, for the first time that I'd ever heard in my career saying it's actually true, we do actually have jobs in markets that we can't fill because we can't find people with the skills.

[27:26.6]

And I can't go to bank A or B because there you also can't find them. They're either now working in large tech company and they don't want to work for us or this skill has emerged so quickly. There's actually, a, shortage and we just can't find people. And I found that Fascinating that some of these really some of the world's biggest, most respected companies.

[27:49.1]

So it isn't just a kind of, you know, consultant stat of, you know, it sounds like a big number and it's going to get people's attention. Actually it's hitting hiring managers, being able to go and do their jobs and get work done. Yeah. So how does a skills based approach help with that?

[28:05.4]

I think the fundamental part is, what these organizations then need to do is understand what the skills are needed for success in the job and be much more granular about that. And that is both the soft skills and the technical skills. The reason that's important is because if you get really granular it moves you away from the conversation of I just need another Hannah.

[28:25.7]

Which would be lovely. But actually what are the skills that Hannah brought to the job and what are the skills that we need? Okay, well that's a really good start point because then if I know that from a TA point of view, I can be much more targeted in finding people with those skills and I might be able to find people with those skills outside of industry. Yeah.

[28:42.8]

So I'm not as restricted. And then the second benefit is actually if we're really smart about this and we think carefully, we might have some people within the organization that already have those set of skills that we're not deploying. Yeah. So it gives you that framework to be much more specific about what you need, and why you need it.

[29:02.4]

Now does it matter if you call it a skill or a competency? I'm not sure that it really does. If you're really technical about it, a competency definition would have something about knowledge, something about behaviours and something about motivation. So competency definitions normally get quite muddled in do I want to do that as well as can I do.

[29:22.6]

It tends to be a competency definition. Skills is generally about level of proficiency and effectiveness. So I think skills is a, cleaner definition. And also I think as psychologists, we doesn't do us any harm to actually latch onto language that business is using. Yeah.

[29:42.2]

And business tends to talk about skills and it helps you talk about technical skills as well as behavioural. So that's very. In some ways I don't, it doesn't matter. And it's not too much, there's not too much difference. Yeah. But I think in in just being really clean and talking in the language of the business, then that's kind of navigators more towards skills. Yeah.

[29:59.8]

What if I said to you one of the Things I hear a lot is that. Not that they can't fit necessarily find the skill, but it's the personality that they're missing. Can tech help with that too? Yes, it can. Yeah, it can, obviously. Yeah, it can. It's I think sometimes that's because hiring managers are terrible at, understanding the soft skills or describing the soft skills.

[30:22.6]

So back to the example before I need to just replace Hannah. Well, why, why do you need. Well, Hannah was really good at, and can list off some technical stuff and some activities and tasks. Yeah. Probably not be that close to or that good, at describing how they work with colleagues or the way they got work done or, whatever it might be.

[30:40.6]

So, there's probably partly. It's about defining the soft skills that you actually need and being really clear on those. And we can do that through our platform by helping people to surface that in the conversations they're having. So making sure the recruiter explores that with the manager and then we define that.

[30:57.0]

The other thing that you can do is, you don't have to just measure the role skills. So within our platform, we also look to measure, the values. So we call it about being right for us. And we have a model that's about being right for us, right for the role, and right for the future that sits at the heart of our platform.

[31:13.3]

So to address your point, you're like, actually, well, the right for us bit is about values and the ways of working here. And we can measure that. So let's measure how well the person aligns to how things get done in our organization. And sometimes we see in our platform people making decisions where they'll, look, to talent pool somebody because they're really strong on right for us on the values.

[31:38.1]

They're really high on right for future. So potential, but maybe not got the role skills right. Okay. And they can use that to say, actually they're not right for the job here, but they could be right for another job. So keep them in, keep them warm, or keep them in limbo a little bit until they find the right opportunity.

[31:53.6]

Yeah. Or in our early careers, some of our early careers clients will use that framework to help them. You know, maybe the candidate applied for graduate program A. Yep. And using our platform, they can then say, oh, let's match their skills to program B instead, because they're high on those other two areas.

[32:10.5]

They're culturally a good fit and they've got lots of potential and they can use our platform. It's, quite a clever piece of, technology called multimatch to then match them to more than one job. Yeah. And they can look to see where they're, their skills best fit. Very, very cool. If we're talking about AI, just generally and AI in hiring, what, what are the misconceptions around it?

[32:34.5]

Are there any. I think, I'll probably just take a little bit of a step back on it. I think the first thing is I don't think people realize how quickly this is coming. Right, okay. So, you know, you're, you know, people going, oh, you know, I've been using ChatGPT a bit or Claude or whatever. Brilliant.

[32:53.5]

And let's experiment, let's see how this is running, in the team. Internally, I mentioned we've got an AI team and obviously Ian leading the way there. We've been doing some work to look at the acceleration of AI capability and it's improving about 4x every year in terms of how able it is to do tasks.

[33:11.7]

So, this can scare people, but don't let it scare you. It's all right. So if you continue to map out the acceleration journey, by 2030, we predict that we will have one month AI. So let me just explain, what does one month.

[33:27.1]

Keep your mind on that. Yeah? What does one month AI mean? So at the moment, AI can do a task that would probably take you about one hour to do. So as a human, you'd spend an hour doing that task. It might be writing, let's stick to recruitment. Writing a job description. Bingo.

[33:44.1]

That's the perfect one. Putting it in, say, I need a job description comes up. That's where I have to say, it's amazing. Yeah, there you go. So, job description, interview question. Maybe you want to get the candidate to a technical task when they come in to meet you in person. Right. It gives you a framework, doesn't it?

[33:59.2]

Really quickly it's perfect and you probably get that framework. You probably then go, oh, actually, it didn't quite understand this. I need to tweak it a bit. Let me, refine it. I don't know, 10 minutes of. 10 to 15 minutes of good, solid work. You've got something you can present to the candidate or you can send them in advance. Brilliant.

[34:16.0]

Bingo. Done. You might previously spend an hour, an hour and a half doing that work. Right. So pretty much instantly you can get there. So that's today. If you continue that acceleration journey, and I mentioned one month AGI by 2030, what that means is that AI will do a month's worth of work for you in a few moments.

[34:37.1]

So yes, you'll have to review, refine, etc. But that's the speed at which this is moving. You get clients to pick up the phone more. Great. If that would happen a little bit more clients will.

[34:52.6]

But I think their AI agent might pick up the phone. That's true. Yeah, that's very true. So you'll probably find this world where, you know, actually you'll find this world where agents are doing work. Yeah. For recruiters, agents are doing work for candidates. Yeah. There's more interaction happening that isn't involving humans.

[35:11.1]

And actually a lot of the programmatic stuff, if you think about something that might take a month today, whether that's like a marketing campaign or recruitment project or something, actually I can have multiple things happening at once. As a human, what do I therefore need to be doing? I need to be reviewing, giving oversight, analysing, choosing what I want to do.

[35:32.2]

Because in theory, because this thing happens so quickly, I could do almost anything. But what do I want to achieve? What's important? And taking that kind of critical, kind of critical thinking, I think will become super important. So I don't know. That's a misconception. That's just a kind of, perhaps a eye opener to we need to get ahead of this.

[35:50.4]

And so therefore I think some, maybe a misconception is, you know, we're not adopting AI or as an organization we're quite sceptical or we're, you know, potentially a bit resistant.

[36:04.8]

You won't be able to be for too long. Yeah, honestly. And if you in HR or TA feel like you are the CEO won't be. So last week, and I've had this call a couple times, had a couple of calls in the last week where I've heard people say there's an AI startup, X in the US who is saying that they will be able to remove the function, the TA function through AI technology and we could save X million in cost.

[36:32.7]

That conversation is happening now. So you can't be in this. Oh, I don't know whether AI is going to take hold world. It is and it will. So actually what does that mean for us? That means we need to get ahead of this. We need to be starting to think about what the TA function of the future looks like.

[36:50.3]

Because it won't be that end game of I can replace everybody, but it will be technology and humans working together. It will mean a change of the kinds of jobs people are doing. And it will mean that as TA leaders in particular, you're going to be hiring for functional leaders that are thinking very differently about the jobs they need because they're also grappling with AI human.

[37:14.6]

How does this come together? And they're going to be grappling with the fact that we're moving away from a sort of knowledge economy where I had all these experts in my function that knew loads of stuff that I needed to hold on to, to an allocation economy where it's actually going to be about allocating resource and figuring out the best way to get work done.

[37:37.5]

So it's exciting for HR professionals because that should be what we're good at, understanding how work gets done, engaging with business leaders, helping them to solve those problems. But of course it's also on the other hand daunting, potentially scary.

[37:54.0]

It's moving quickly. What does this mean for me? What does this mean for my team? You know, all those questions are bound to be there, but fundamentally it's also a really exciting place to be. Yeah, I think it's super exciting. But I still go back to everyone I speak to, especially the more senior the job.

[38:13.0]

More people still find their work through their network and contacts, not through applying to a job where they get screened automatically by something. They almost are running away from that still. So I think it is hard sometimes. I think people would love to embrace it but they still feel as though they have problems in embracing it or they can't actually see themselves getting a job through it.

[38:35.1]

Yeah, I think that's really interesting. I'm certain that at the most senior roles, that's not going to change anytime soon in terms of the sort of candidate market. I think there's going to be huge demand for what we're tending to call T shaped professionals.

[38:56.1]

And those T shaped professionals are people who've got really, really deep expertise in an area. But the T comes from the fact that they'll be able to use AI and other technology to, to broaden. So there'll still be a deep technical expertise. So to give you a practical example, I might say I'm a deep expert in occupational psychology but I'll be able to use AI to help me maybe with statistical analysis that I can kind of do, but the AI tooling will help me to do that immediately. So

[39:25.8]

So or maybe it's about presentation of data or whatever it might be sort of to the periphery of my core expertise. And we really see that those T shaped professionals are going to become highly, sought after. So I think the other thing for you will be, you know, are you looking for, to place people who are very senior, who rely on their networks, who can navigate this new landscape?

[39:49.4]

Yes, of course. I don't think that's going to change. But you might also find a demand for. Where are these individuals that can deliver really outsized performance? Yeah. Because they've got expertise, but they've also embraced technology and so they can deliver what, you know, maybe was a team of three or four people before.

[40:07.6]

They can now deliver through themselves and maybe one other themselves, the technology and maybe one other. Yeah. And so those people may be very senior, they may, they may not be, they might just be really deep technical experts that you're looking to hire for and they're the sought after people, you know. Yeah, it's just, it's just always interesting.

[40:25.0]

As I said, I find it fascinating talking to people that, yeah, the more senior they, they worry about applying through something and they end up finding jobs through networks and contacts and Yeah, I just, I'm intrigued to see where that goes because I'm, it's going to go somewhere and it will change in some way, shape or form.

[40:41.9]

I'm certain of it. I'm just trying to work out and navigate where almost. Yeah, I think I, I think the. But also if you think about the task of the recruiter, and the activities that AI can do, what will AI not be able to do?

[40:57.9]

And maybe this is at the heart of what you're seeing is AI can't build those really close collaborative relationships. It can't understand the nuances of maybe somebody's career or maybe, I don't know, you're talking to a really senior level candidate who was doing role A and on their cv it looks like that maybe didn't work very well, it didn't stay very long and then they went somewhere else.

[41:16.6]

But you've got the human context of. Well, no, actually the big organizational change that happened and it then wasn't the same role or I guess you're piecing together. Now you say there are definitely things like that where you see a gap on a CV and I suppose, yeah, like I don't know whether a machine will understand what that's for or whether someone going on maternity leave will get discriminated against because that gap exists and the machine doesn't see it.

[41:42.3]

I don't know, like just something like that I think is interesting if we then look at moving on to the future of work. And evolving talent strategies. Where do you see the biggest opportunities for HR tech to drive that change over the next five years? Yeah, I think that's a brilliant question.

[41:57.8]

I think, it probably comes down to this heart of technology and people which we've been talking about. So last week I was at the newly founded artp, so the association of Recruitment Technology Providers.

[42:13.9]

It's very fancy. We were at Parliament. Right. And the reason for that is that employers are basically saying we need better guidance and guidelines on how to apply recruitment technology in a fair, safe and ethical way.

[42:31.2]

And so I think if you think about five years in technology, what are employers asking for? Employers are asking how do we get the right optimum blend of technology. But applying that in a way that's still fair leads to better hiring decisions, etc.

[42:48.0]

So I think that's at the crux of what we're going to be looking at in the next five years. I think there's no doubt that we will be streamlining, the more repetitive tasks that are currently done by humans. No doubt at all.

[43:03.0]

We'll see a fundamental shift in how the recruiter engages with candidates. So much more of this human touch element. Much more selling in the role. The benefits. Probably concierge, a little bit more into jobs. Yeah.

[43:19.2]

We'll see candidate behaviour shifting. I'm certain in five years time we'll see candidates having their own agents, particularly for volume hiring scenarios where they apply on mass with their own agent. So you'll see it literally and they just spam it out almost. Yeah, yeah.

[43:35.0]

And probably a bit more advanced than that. They'll be the agent will be looking at the job application, replying on behalf of the candidate. So you can imagine the candidate telling the agent everything that's about themselves, what they're looking for, their experience, what they'd like from the job and the agent looking to find jobs and responding accordingly.

[43:55.2]

So you almost imagine this world where a lot of the front end, initial matching stuff doesn't involve the people, so the people come to bear where it's like, well actually this does look like it could be a match for you. Let me talk to you as another person about whether it is a match.

[44:11.3]

What you're really motivated by. Are you interested in this company? Is it a fulfilling opportunity for you? So I think that's the journey that we're on. You almost have to imagine the automated repetitive front end stuff isn't being done by Humans So we have to think about where the humans are in that and then back to the rec tech.

[44:33.1]

Why are enterprises worried about that? Well they're worried that the technology is then going to make unethical, poor biased decisions at the front end. Which is why we then need some guidance and some guardrails that say okay, it's okay to use AI for this part of the process as long as it's got oversight or auditability and clear governance whatever it might be.

[44:58.9]

That's why I think organizations are starting to say I can kind of envisage that world in five years time. But I don't want to get caught out in 12, 18, 24 months by implementing something that then gets me in hot water and I've done the wrong thing. So that's I think the journey we're on.

[45:15.0]

We can see almost the destination but there's a lot to work through between now and then. I think it's a huge amount to work through. People have always asked me over the years like why do I enjoy recruitment. Part of the reason I love it so much is the fact that your product per se is a person that can walk, talk, it can not turn up, it can decide to ignore your phone calls.

[45:34.2]

Trying to put them process around that is almost then quite hard because you're dealing with an individual that has a, that cannot turn up. Could just not, not decide to take that job. Yeah and, and that's the bit. I still struggle to see how it can really get involved but I think you're absolutely right in terms of the process.

[45:52.8]

Yeah I think it will really enhance that process as you go through it. Yeah. But it is, is fascinating if, if we then look to I suppose advice then. Yeah looking at sort of advice for companies in terms of what they should be doing now to prepare where AI is going to be I suppose more prevalent.

[46:12.7]

What advice would you give them? Yeah, I think it's really interesting as a team we're thinking about this a lot and we run an event every sort of three or four months called the Skills Leader Network and we get people together to talk about this topic. How do we prepare ourselves, what's going on in large enterprise organizations.

[46:30.9]

And the last one we ran was last week we had about 50 people there and they were really talking about how they start the journey and I think from two lenses, one being a technology lens and one being a sort of culture and change lens. So the technology lens being let's start to see AI as An ally.

[46:49.2]

Let's start to encourage our teams to use AI where we can. Let's start to think not about this binary, yes, no use of AI, but where could we start to, to apply AI? Where would that benefit our teams? So get on that journey, in quite a sort of pragmatic sort of way.

[47:07.6]

We're not trying to get to the end goal now, we're trying to get on the journey and figure this out. Let's do it through practice in a straight way and probably through some education of stakeholders. So maybe we need to go to talk to the technology team and explain that it's not about decision making, it's about doing these activities.

[47:25.2]

So there's the practical sort of see it as an ally, element. And then I think the other thing is the getting ahead of the change. So that could be also practically about AI, how is the business using it and where. But I think actually it's more fundamental.

[47:41.0]

I think it comes down to, the human element in human resources. It comes down to, thinking that, we're talking today and you know, naturally you kind of start to think about 20, 30.

[47:56.5]

Some of this sounds daunting, but we're in positions where we can. It's not that far away. So you and I are in positions where we run businesses, we can shape things, we can support teams and we have a, you know, have an opportunity to do that. What opportunity do our clients have to get ahead of, ahead of this with their teams?

[48:14.7]

Like, how are they feeling about it? What change do we need to put in place? How do we support them? Are they worried about their jobs? Are they reading stuff? I mean, you travel on the tube and you see some of these things about AI replacing SDRs. It's really in their faces. How do they feel about that as they go to work? Are they thinking, in five years time I won't have a job doing this?

[48:33.8]

So there's also cultural, human element to this, which is I just owe it to the business to get ahead of this from a efficiency perspective. I owe it to the business from a people. People perspective. Yeah. Yeah. I think, yeah, I have to say, part of mine is always around, test and try and experiment and Play around with it, like, have a bit of fun with it, enjoy it.

[48:56.0]

Because I have to say, it just takes a little bit getting used to, but when you get used to it, you start to see the benefits of it. And I also found, I don't know if you find this with your own technology. Find the more you use it, the better it gets. Yeah, yeah, absolutely. I think you get better at knowing, which questions to ask or how to frame a question or what you're looking to achieve, rather than just, I'll put something random and see what happens.

[49:16.3]

So, yeah, definitely, you're right. Practice, refine, talk to colleagues, share, learning. Those are all really important things to do and provide the environment for people to feel like they can do that completely. And while I've got you here, spot is everywhere. If anybody wants to get in touch with you or find out more about it, where should they go?

[49:33.8]

Oh, they should go to the website or look me up on LinkedIn. Message, me anytime. I'm very, probably back to where we started. I'm still very active in terms of the market, meeting customers all the time, so delighted to chat to people at any time about what we're doing and what we're seeing in the market. Email address.

[49:50.1]

Oh, yeah nick.shaw@spottedzebra.co.uk. perfect. Thank you for giving me the practical nudge there. No, no, no. I was like, no, no, let's get that out there for you as well. So, yeah, anyone that wants to find out more, get in touch with Nick direct if you want to go through me. My email, as always, is se@elliottscotthr.com But, Nick, thank you so much for coming for the show.

[50:09.6]

Really enjoyed the conversation. Thank you. Thanks a lot.