



DISRUPTIVE TECH

Is Artificial Intelligence a Threat to the Recruitment Industry?

A Wenham Carter Career Perspective



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INTRODUCTION

Taking over the world?

AI's taking over the world... we're hearing it a lot these days. First it was Elon Musk saying that artificial intelligence poses more of an existential threat to the human race than nuclear weapons. Now there are real and growing concerns that robots will be taking our jobs. Since search and recruitment companies are in the business of placing candidates into jobs, there's been speculation that AI could alter the industry irrevocably. But how exactly will these changes play out? And how much of a threat does artificial intelligence actually pose to headhunting firms?

Some recruiters will have to move into new markets

BBC News ran a [feature](#) in September 2015 that predicted how likely it was for a robot to replace you at work, based on a study by researchers at Oxford University and Deloitte. They predicted that jobs like telesales or administrators were most at risk from automation, with clerks and some service industry

professions not far behind. However many executive level professions typically found via headhunting or search firms were found nearer the bottom of the list, with Chief Executives 282nd out of a list of 366, and Marketing and Sales Directors 347th out of 366. Similarly roles geared towards technical design, often requiring creative thinking in conjunction with technical understanding - were found lower down: take the broadly defined 'IT business analyst, architect and System Designer', listed at 353rd out of 366. Recruitment firms that search for those at-risk positions - often temporary or lower skilled roles - will need to adapt to survive.

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SOFTWARE MAY BECOME A COMPETITOR...

...but it also makes finding candidates easier. Using technology in recruitment isn't new - a quick Google search for any variation of 'recruitment automation solution' brings up a catalogue of companies selling software claiming to streamline the hiring process.

Companies like Wonolo, Freelancer and Upwork have used technology to propose cheaper and more efficient methods of career matchmaking - and these new business models are already disrupting the temp or contract recruitment market. Now we're seeing more sophisticated AI tools emerging, such as Arya by Leoforce, and Mya by Firstjob. These companies claim that they can automate up to 75% of the hiring process, drastically reducing the time the average recruiter spends finding candidates (around 50% of the working day), as well as making things fairer by eliminating human prejudice. It's a neat idea; the AI analyses large datasets including pulling information from social media including LinkedIn to predict which candidates fit the job requirements and which are more likely to be actively looking. Integrated chatbot functions are designed to improve the interview process by answering basic questions posed by candidates, (What projects would I typically be working on, Mya?) giving feedback and keeping candidates informed of developments - and supposedly increasing candidate engagement by 150%.

In some markets, such as high volume, low skill, or technical keyword matching, AI has the potential to eliminate a lot of the work done by recruiters. See [Tara.ai](#), an AI platform which aims to assemble project teams for specific technical requirements, (although even then a real person still gets involved for the more complex or creative enquiries). However, for those searches requiring more of a human element - such as niche or senior level recruitment where the number of qualified candidates are low and a persuasive case needs to be communicated about the benefits of the opportunity - AI could actually enable executive search consultants to deliver on searches quicker without threatening their 'raison d'etre'. It might put your researcher out of a job, but not the business as a whole.

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Value ads are around negotiation, emotional intelligence, and creativity (things that headhunters are pretty good at)

Recruitment bots, at least in their current form, do have their limitations. Many attributes are difficult to assess from reading a CV or online profile: perseverance, empathy and perceptiveness for example. Software will be biased against candidates who aren't the 'obvious' fit – perhaps those who have less experience in the sector but with transferable skills and the right motivation for the role. Humans will add value not only by providing a 'sanity check' but also by being creative to suggesting out of the box ideas for candidates or general recruitment strategy.

Artificial intelligence is excellent at collecting and retaining vast bodies of data, making effective decisions based on that data, and learning from past events to inform how best to act in the future. What AI lacks, especially in its current and imminent forms, is empathy, creativity, and emotional/social intelligence – therefore it is these skills that look unlikely to be replaced. It's fair to say that the best headhunters possess those qualities in abundance, implying the profession will largely survive automation.

The true art of headhunting is locating the top 5% candidates, communicating to them the merits of the opportunity, and negotiating between candidate and client to come to an offer that everyone is happy with. It may be easier (and indeed, welcomed) to automate the 'sourcing' stage, but difficult if not impossible to replicate the personal and human relationship headhunters have with their candidates and clients that is imperative for success.

Capability could be brought in house

Perhaps the biggest danger for executive search and recruitment agencies is that AI or other technologies that enhance sourcing can be used in house, undercutting agency fees and allowing internal recruiters to concentrate on the 'human' element – interviewing, negotiating offers, and building their firm's talent brand. This has the potential to change the landscape of the market and in particular force firms to diversify. We've already seen some of the big names in executive search expand their service offering and move into market intelligence, talent pipelining and succession planning to show they are worth their high fees. It will be imperative for firms that continue to operate under the agency model to communicate the value they can add to clients beyond just sourcing: whether it's feeding back pertinent market intelligence, having the interpersonal skills (and the time) to build a personal network with many industry candidates, or having the clout to 'sell' the opportunity in the right way to the firms target individual.

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**IS ARTIFICIAL INTELLIGENCE A THREAT TO
THE RECRUITMENT INDUSTRY?**
WENHAM CARTER'S CONCLUSIONS

Search is about finding the best people to fill a business need, and as long as there are humans in employment, recruiters will exist in some form. It won't be rosy for all; it's likely that firms recruiting jobs more at risk of automation will have to diversify or adapt into new markets. Recruitment firms will have to prove that they add value beyond matching a CV to a vacancy (even now, we know that a computer can do that). But for those headhunters with high levels of emotional intelligence, who can build long-lasting relationships at a senior level, and are smart about using technology to support their business model - artificial intelligence looks like it could be an opportunity rather than a threat.

Do you work in artificial intelligence?

We'd love to hear from you. Whether it's career advice you're after, help on hiring the best talent for your team or just to chat about the industry, please contact our AI team.

1. <http://www.bbc.co.uk/news/technology-34066941>
2. <https://tara.ai/>



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