Artificial Intelligence for High-Volume Retail Recruiting

LEARN HOW TO:
Automate Resume Screening
Triple Your Qualified Candidates
Decrease Cost Per Hire by Over 70%
Executive Summary

Thousands of hours a year are spent screening resumes manually. Artificial intelligence for recruiting wants to give you that time back.

As CEO of GE, Jack Welch championed HR over any other department, saying on multiple occasions, “HR is the driving force behind what makes a winning team.”

**So why are we letting our most important department waste hours scanning resumes manually?**

Until recently, AI was not easily accessible for employers. Today, innovations in AI are enabling it to quickly earn its spot in the HR technology stack.

It's time to think of artificial intelligence as a competitive advantage.

- For high-volume retail hiring, AI technology is able to instantly screen, sort and shortlist thousands of candidates.
- Recruiting AI is designed to learn and replicate your most successful hires.
- The system continues to improve the quality of its candidate scoring until you have found the perfect formula for your company.
- Retailers using **Ideal’s Intelligent Screening software** have shown, on average, a 196% increase in qualified candidates and a 71% cost reduction per hire.

In the future of retail recruiting, artificial intelligence will become talent acquisition’s MVP.
Is AI for Recruiting for Me?

This guide specifically analyzes the potential of AI for high-volume retail recruiting.

Quick check—do any (or all) of these statements apply to you?

- I am responsible for high-volume hiring
- I am hiring for seasonal positions
- I am hiring hourly workers
- I am overwhelmed with applications
- I don’t have nearly enough time to look at every resume
- My turnover is too high
- My time-to-fill is too long
- My time is wasted screening resumes
- My candidates are being ignored due to resource constraints

If you’ve answered yes to any of the above, AI for recruiting is for you. Let’s take a look at how it works, why it works, and how to get AI on your side.

Manually reading every resume is unreliable, time consuming and tedious. It takes up valuable time that could be spent interviewing high-quality candidates.

**Within the next 3 years, AI technology will completely change the way we recruit.**

You’ve probably heard something along those lines at HR conferences, HR meetups, on the radio, in your sleep. But what does it actually mean? What can AI do for you?

Let’s take a look at the data.
IN 2017, SUCCESSFULLY “DOING MORE WITH LESS” WILL DEPEND ON HOW AND WHERE YOU EFFECTIVELY AUTOMATE YOUR WORKFLOW.

Ji-A Min,
Head Data Scientist,
Ideal
The Problem: High-Volume Hiring as We Know It

First, a look at the current retail recruiting landscape (brace yourself):

A single retail job opening receives hundreds of resumes. According to recent industry stats, over 72% of job applicants are unqualified. Furthermore, a full 88% are not strong enough to move forward to an interview. Sound about right to you?

You’re not alone.

Overwhelmed by applicants, most retailers can barely keep up. We have seen some employers report that almost a full 2/3rds of their resumes are never even viewed.

Forced to ignore these resumes due to a lack of resources, employers are effectively spending thousands of marketing dollars, 65% of which spent on attracting candidates who will never be assessed. The cost of ignoring these candidates is staggering.

With traditional processes, each applicant is only being considered for the exact position they apply to. Top candidates that could have filled a similar role or a role at a different location are missed out on.

To worsen the situation, according to a survey of talent acquisition leaders, 56% say their hiring volume will increase this year, but 66% of recruiting teams will either stay the same size or contract.

In 2017, successfully “doing more with less” will depend on how and where you effectively automate your workflow.

Before you have a mini-cubicle panic attack, let’s be clear: high-volume hiring doesn’t have to become more difficult every single year. In fact, AI is going to make it easier. A lot easier.

Imagine a technology that is able to instantly identify and present you with the 12% of candidates you should interview.

AI wants to do that for you.
What Is Artificial Intelligence (AI)?

At its most basic, artificial intelligence is the creation of intelligent machines that work and react like humans. AI's goal is to enable computers to do things normally done by people, with incredible speed and accuracy.

Everyday Examples of AI

Netflix
Ever wonder how Netflix knows you’re going to love House of Cards? Your personalized show recommendations are a product of Netflix’s AI. Netflix found that by using AI to provide personalized video recommendations to viewers, the take-rate on top personalized video recommendations was three to four times higher than simply providing viewers a list of the most popular shows.

Anti-Spam
How does your Gmail inbox differentiate between important emails and spam? Google’s anti-spam AI. In 2015, Google reported that their spam rate plummeted to 0.1 percent. The company credits the overwhelming success to the introduction of artificial intelligence and brain-like “neural networks” into its filters.

IBM Watson
In 2011, IBM Watson became a household name after using AI to win $1MM on Jeopardy!, beating former reigning champion Ken Jennings.
What Is AI for Recruiting?

AI for recruiting is the application of machine learning abilities, such as learning or problem-solving, to the recruitment function.

When HR and AI collide

This emerging category of HR technology is designed to reduce — or even remove — low-level sourcing activities, such as manually screening resumes.

More specifically, AI for resume screening utilizes machine learning to determine which candidates should progress to the interview stage. AI for resume screening replicates the way a human evaluates a resume and can assign a score to each candidate based on this objective analysis.

Rediscovery

AI for recruiting also offers the ability to “re-discover” candidates. Large retailers are sitting on top of a goldmine of interested candidates. By assessing this existing resume data, employers can reach out to past candidates for different roles and locations. Candidates who have applied to your company previously are 14x more likely to re-engage.

Machine learning

AI for recruiting becomes increasingly valuable as the technology learns what top candidates look like at each individual organization. Using this ability to learn, AI recommendations become stronger with every hire, fire, and exit.
Why Retail Recruiting Needs AI: A Look at the Statistics

“In some companies, in industries such as retail, turnover rates among hourly workers are as high as 80% to well over 100%.”

Joan C. Williams, Wall Street Journal

Turnover is notoriously high in retail positions and even the most organized managers can find themselves scrambling to fill a position.

Now think of this same problem multiplied by 15.7M, the number of retail employees in the United States alone.

Unfortunately for retail, turnover is a very expensive problem to have. Surveys have found the average cost of turnover for a retail store worker is $3,384.

This is where recruiter AI can be immediately valuable.
At this point you may be thinking, “Artificial Intelligence sounds cool, but how does it impact retail?”

Let’s take a look at retail specifically.

**Why Is AI for Retail Resume Screening Something You Should Care About?**

1. Employment of retail sales workers is projected to grow 7 percent from 2014 to 2024.
2. In 2015 there were over 9MM retail hires in the United States, the equivalent of 25k+ hires a day.
3. Hiring is now digital. In 2000, 22% of resumes were submitted via email or posted on the web. In 2016, over 90% of resumes are now posted online or sent via email.
4. Retail employers have reported that a full 2/3rds of applications remain untouched inside their ATS and are never assessed.
5. With so many candidates untouched and marketing dollars wasted, the “cost of ignore” is significant.
6. Manually screening resumes is prevailingly considered the most inefficient part of recruiting.
7. It is very difficult to assess past resumes, with millions of data points, without AI.
8. 52% of talent acquisition leaders say the hardest part of recruitment is identifying the right candidates from a large applicant pool.

AI that automates resume screening gives you your valuable time back and bring your best candidates to the top—instantly.
There are two main problems talent acquisition professionals encounter when it comes to high-volume recruiting: resource constraints and an overwhelming number of applicants.

Artificial intelligence tackles both of these issues.

**Problem #1 Resource Constraints**

The demands on talent acquisition are higher than ever. Teams and budgets are shrinking and candidates are being unintentionally ignored.

Until now, employers have been forced to choose between lowering time to hire and increasing quality of hire through standardization.

AI says you don’t have to choose.

Automated resume screening decreases time to fill while identifying and replicating your most successful hires.

**Problem #2 Overwhelming Number of Applicants**

A blessing and a curse, your brand is so popular you rarely have to hunt for talent—talent comes to you.

Although flattering, this problem can be extremely overwhelming. As more candidates roll in, it becomes very difficult to track applications let alone screen and shortlist them.

Unfortunately for candidates, this means many applications fall through the cracks and are never even seen.

**Improve Candidate Experience**

On top of a poor candidate experience, this means you could be missing out on over half of your top applicants, simply because there is not enough time in the day. Meanwhile, Marketing is spending thousands to bring in more candidates, the majority who will never be screened.
Find Hidden Talent

Using AI for recruiting, employers are able to assess each and every resume, in minutes—regardless of the number of applications. In fact, AI for resume screening works better the more resumes you provide.

Simply by assessing every resume, employers have been able to triple their qualified candidates. The cost per candidate also plummets as the percentage of qualified candidates rises.
THERE ARE TWO MAIN PROBLEMS TALENT ACQUISITION PROFESSIONALS ENCOUNTER WHEN IT COMES TO HIGH-VOLUME RECRUITING:

#1 RESOURCE CONSTRAINTS

#2 AN OVERWHELMING NUMBER OF APPLICANTS

ARTIFICIAL INTELLIGENCE SOLVES BOTH OF THESE ISSUES.
How Intelligent Screening Works

At its most basic, there are 3 stages of Intelligent Screening: enriching, training and learning.

**Enriching**

In the first stage, enriching, AI technology goes beyond simple keyword analysis and enriches your existing application data. Typically when a person reviews a resume, they don't look for individual keywords, they look at past experience and skills. The first step in intelligent screening is to think like a human and enrich application data.

For example, a typical keyword search, such as “retail,” will only return candidates with “retail” on their applications. Ideal’s technology adds additional intelligent dimensions as it understands that job experience at “Walmart” or “Macy’s” can also represent retail experience.

**Training**

Armed with this enriched and structured data, Intelligent Screening is able to begin the second stage: training. The training phase uses the employer's historical screening decisions to train the system to successfully mimic a human. Remember Deep Blue, the IBM program that beat Grandmaster Gary Kasparov at chess? Deep Blue won by learning from millions of past games. That's exactly what Intelligent Screening does for retail hires. Intelligent Screening learns from the millions of past screening decisions, made by thousands of hiring managers, to make intelligent decisions.

**Learning**

Finally, in the third stage, AI recruiting technology automatically learns how to improve its accuracy. With every hire, fire or exit, feedback is sent back into the screening calculations and candidate recommendations become more precise.
Intelligent Screening Success Metrics

After you deploy Intelligent Screening technology, how do you evaluate your success?

Depending on your KPIs, you may notice results within weeks of the initial training. Generally, the most important metrics to employers are:

- **Time per screen**
  A metric very important to those tasked with resume screening, is reduced to <0.1 sec. per screen

- **Cost per screen**
  A function of time per screen, cost per screen is a very valuable metric for all talent acquisition professionals, especially executives.

- **Cost per ignore**
  The candidate acquisition cost, multiplied by the number of unseen candidates. This number is extremely valuable to HR and Marketing teams.

- **Time to hire**
  Time to hire drops significantly as you become available to spend more of your time proactively interviewing and building your talent pipeline. A great overall indication of recruiting health.

Simply put, artificial intelligence helps you save time, impress your executives, and make better hires.
Early implementations of AI for recruiting have shown compelling results. On average we have seen:

- **Cost per screen reduced by 85%**
  
  By completely eliminating the need for a recruiter to manually review a resume, cost per screen plummets 85% (from $1.56 to $0.40 per resume on average).

- **Cost per hire reduced by 71%**
  
  Using Ideal’s Intelligent Screening tool, interview-to-hire ratio decreases and overall cost per hire falls 71% (from $156.99 to $44.83 on average).

- **Rediscovered candidates increase talent pool 3x**
  
  The number of qualified candidates triple (+196%) as every applicant is screened and the entire talent pool is optimized.

- **Cost per ignore eliminated**
  
  100% of applications are assessed, meaning there is no longer a “cost per ignore.” Candidate marketing dollars are maximized.

- **Potential for bias 100% removed**
  
  Since every single resume is assessed objectively, there is an equal opportunity for each candidate to progress to an interview regardless of race, gender, age etc.

**Are you ready to bring these numbers to your team?**
Using Ideal for AI Recruiting

Ideal’s Intelligent Screening technology helps employers battle recruiting insanity every single day.

We help talent acquisition professionals get back to doing the things they love, without interrupting their current workflow.

No one wants another tool to manage, so we made sure Ideal plays well with your existing systems. We add intelligence to the environment you already use requiring very little IT assistance.

Implementation of Ideal's Intelligent Screening is done in three phases:

• Ideal integrates directly with your existing ATS.

• Ideal accesses your historical hiring decisions.

• Ideal screens, shortlists, and grades all new candidates from A to D

Seem simple? It is.

Ideal eliminates manual resume screening so you have more time to focus on what is really important: building your best team.
AI and Talent Acquisition: Should I Be Scared of AI?

One hurdle we often face when employing a new technology, vendor, or creative solution, is the fear of replacing what “we’ve always done.” When it comes to AI in any industry, the concern is that the new technology will replace humans, decrease jobs, or cut budgets.

So is WALL-E going to kick you out of your job? No.

Roles that require social skills, empathy, and negotiating abilities aren’t going to be replaced by robots.

Complex tasks such as engaging and interviewing candidates will always belong to talent acquisition professionals. There is “Human” in “Human Resources” for a reason.

AI experts believe the future is augmented intelligence: leveraging AI to enhance human capabilities.

Remember: AI technology is here to assist you, not replace you.

In fact, AI promises to make your role even more valuable by automating the repetitive tasks you hate doing and freeing up your time for the complex tasks that matter.

Through good times and bad, companies turn to talent acquisition to continuously bring them top talent. In today’s competitive candidate-driven market, your company depends on you more than ever.
AI For Recruiting In Summary

• According to a survey of talent acquisition leaders, 56% say their hiring volume will increase this year, but 66% of recruiting teams will either stay the same size or contract. Their success will depend on intelligently automating some part of their workflow.

• Over 2/3rds of candidates are never even evaluated and remain untouched inside the ATS.

• AI for recruiting is an emerging category of HR technology designed to reduce — or even remove — low-level sourcing activities like manually screening resumes.

• At its most basic, there are 3 stages of Intelligent Screening (AI for resume screening): enriching, training and learning.

• Intelligent Screening is designed to integrate with your existing ATS and requires very little IT resources.

• The output of Intelligent Screening is an actionable score for each individual candidate, usually a letter grade (A, B, C, or D).

AI for recruiting will change the recruiter role through augmented intelligence which will allow recruiters to become more “human” in their hiring.

HOW CAN AI FOR RECRUITING HELP YOU?
Let us show you!

Book a Demo Now
About Ideal

Ideal builds software that Talent Acquisition loves.

Ideal uses artificial intelligence to help make precise and efficient high-volume hiring decisions. Companies use Ideal’s Intelligent Screening technology to sift through the resume noise and instantaneously identify who to interview.

Learn more at [www.ideal.com](http://www.ideal.com)

Sources

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