

The impact of artificial intelligence on the candidate experience.



# WHAT IMPACT DOES ARTIFICIAL INTELLIGENCE HAVE UPON THE CANDIDATE EXPERIENCE?

# DEEPER INSIGHTS INTO THE PERCEPTIONS OF POTENTIAL APPLICANTS.

Artificial intelligence (AI) is being used more and more in various areas of our lives. For example, companies use it to aid the application process.

But what do potential applicants think about artificial intelligence in recruiting? This representative study has the answer: Most respondents have negative associations and are critical of AI in recruiting. 43% even think that artificial intelligence makes the application procedure worse for them.

The reason: for the respondents, the human factor is essential to a positive candidate experience. However, more than half fear that the use of AI is pushing interpersonal aspects into the background – and the vast majority expect an impersonal application process. But for a third of respondents, artificial intelligence means more equal opportunities, e.g. regarding race, age and gender. And almost as many assume that AI will speed up application processes.

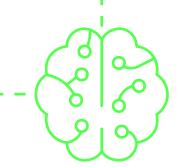
The study also shows how often artificial intelligence is even identified in recruiting: "Applicants are often completely unaware of the use of AI in the application process," explains Prof Dr Katharina-Maria Rehfeld, Professor in Human Resource Management at IU International University of Applied Sciences. Fittingly: 9 out of 10 respondents were not aware of having experienced AI in an application process.

Almost two thirds are of the opinion that AI will be used more often in recruiting from now on. But only around 1 in 3 think this is a good thing. Thus, how can companies relieve the doubts that potential applicants might

Thus, how can companies relieve the doubts that potential applicants might have about artificial intelligence? – First and foremost with human contact during the application process and more clarification about the use of AI.

"Artificial intelligence is the future, and there is no stopping this development, including in HR management. Our aim must be to use the opportunities provided by the technology wisely and reduce the risks."

Prof Dr Michaela Moser, Professor in Human Resource Management at IU International University of Applied Sciences





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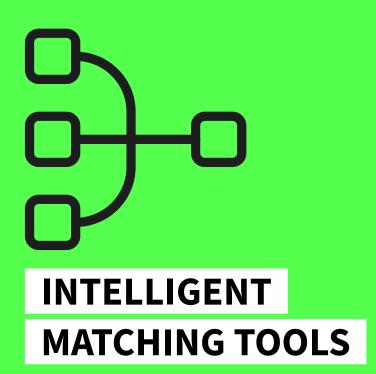
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#### FINDING TALENT WITH AI.

HOW ARTIFICIAL INTELLIGENCE IS USED.













**Prof Dr Michaela Moser and Prof Dr Katharina-Maria Rehfeld Professors in Human Resource** Management at IU International University of Applied Sciences

"IN THIS DAY AND AGE, WE ALL HAVE **DEALINGS WITH ARTIFICIAL INTELLIGENCE** (AI), OFTEN WITHOUT KNOWING IT, E.G. THROUGH SEARCH ENGINES OR VIRTUAL **ASSISTANTS. THE USE OF AI ALSO OPENS UP BRAND NEW POSSIBILITIES** IN RECRUITING.

Digitalization in recruiting is responsible for increasing volumes of data, known as Big Data. This is where artificial intelligence plays a key role. That's because it can prepare this Big Data for a specific purpose, convert it into smart data and make it of use. This provides HR with helpful insights in the recruiting process. For example, AI can make initial contact with the candidates and use algorithms to analyse their voice, speech, facial expressions and word choices. This enables conclusions to be drawn regarding how suitable the applicants are for the position based on data.

These insights serve to better understand applicant behaviour and optimise the candidate experience. The "candidate experience" comprises all of the accumulated experiences and perceptions of applicants during the application process in a company, from the job search to the interview and ultimately to onboarding.



## FIVE IMPORTANT TAKEAWAYS.

# 01

## A BAD IMAGE: ARTIFICIAL INTELLIGENCE EVOKES NEGATIVE EMOTIONS.

Humans value human values – including and especially as part of the application process. Honesty and a respectful approach are particularly important to the respondents. So what is their opinion of the use of artificial intelligence in recruiting? – Quite skeptical. The most common unsupported associations with AI are "impersonal", followed by "not good" and "strange".

02

### AGAINST AI: LESS HUMAN. FOR AI: MORE FAIRNESS?

There is a lot of skepticism about artificial intelligence in application processes: 64.7% oppose it and see this technological development as a negative thing. Above all, the loss of interpersonal aspects such as sympathy and what is perceived to be uncontrolled data processing are causes for concern. However, 1 in 3 respondents see an opportunity to prevent discrimination (for example based upon race, age or gender) with the help of AI.

03...

## LITTLE TRUST IN THE DECISIONS MADE BY AI.

Almost two thirds of respondents do not trust the decisions made by artificial intelligence. And more than 70 % would like a human to monitor every step in the process and make the final decision – this applies above all at the interview level. As a general rule: The further along the application process artificial intelligence is used, the more strongly it is rejected.

05

#### DOUBTS ABOUT AI.

For two thirds of respondents, one thing is clear: the use of artificial intelligence in recruiting will increase in future. Although many respondents have a negative view of this potential development, there are several measures that employers can use to relieve doubt. These include providing a personal contact for the duration of the application process, more transparency and clear communication of the benefits of AI.

04

#### BIGGEST CONCERN: AI IS IMPERSONAL.

Artificial intelligence's impersonal nature was named as its greatest weakness. The respondents also admitted that human errors in its programming could become a disadvantage. Of interest is that only very few of the study participants were aware of having contact with AI in previous applications.



#### IMPORTANT VALUES IN THE APPLICATION PROCESS: **HONESTY BEFORE SPEED**

Throughout the entire process, from the job application to onboarding, human values are most important to the respondents: honesty (51.1%), an appreciative approach (48.5%) and personal contact (38.2%).

And aspects such as speed (40.2%), reliability (38.5%) and transparency (23.4%) ensure a positive candidate experience.

**Quick responses** 

40.2

**Personal contact** 

38.2

**Transparent** application process

23.4

And now think about the application process itself: What is particularly important to you throughout the course of the application process? In %: top 6 answers

Honesty

51.1

An appreciative approach

48.5

Reliability

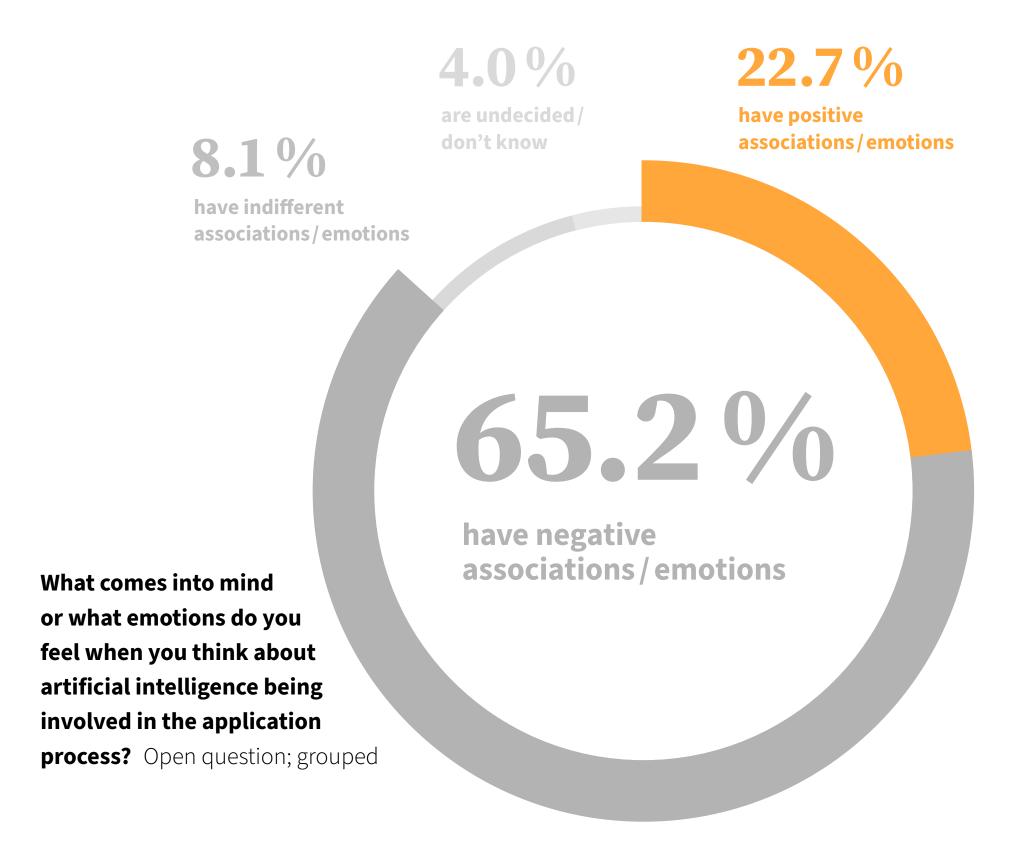
#### EMOTIONAL REACTIONS TO AI IN RECRUITING.

## POSITIVE. NEGATIVE. NEUTRAL?

65.2% of respondents have a negative perception of artificial intelligence in the application process – ranging from "impersonal" to "fear".

The most commonly named positive associations (22.7%) are: "interesting", "good", "speed" and "future". However, negative associations are almost three times as common.

It is remarkable that respondents' attitudes towards AI depend upon their level of education and background, among other things. And that only very few of the respondents have ever been aware of having experienced artificial intelligence in previous application processes.





#### **MIXED FEELINGS:** AI IS IMPERSONAL. AI IS INTERESTING. AI IS STRANGE.

What comes into mind or what emotions do you feel when you think about artificial intelligence being involved in the application process? Open question; grouped, top associations

**OKAY** 

GOOD

INTERESTING

# INHUMAN INOI GOOD DOUBT SCARY

REJECTION DISCOMFORT

FEAR UNEASY SKEPTICAL

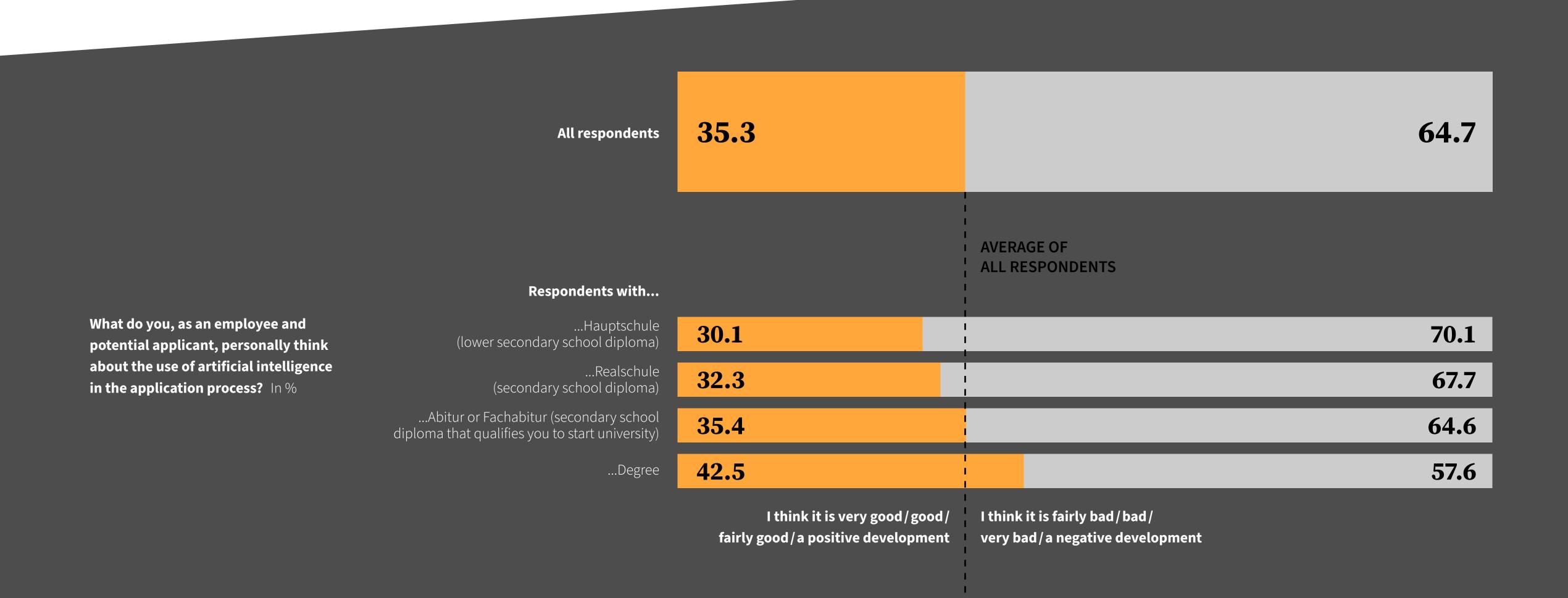
PRONE TO ERROR

**NEGATIVE** 

#### "A NEGATIVE DEVELOPMENT": REJECTION REIGNS – WITH SOME DIFFERENCES.

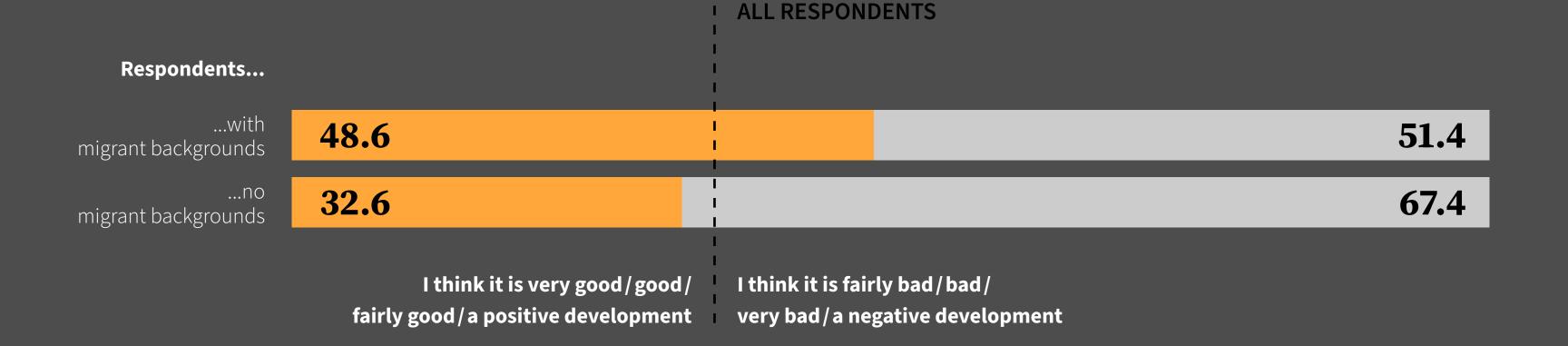
Respondents are skeptical, and not only on an emotional level: almost two thirds (64.7%) oppose the use of artificial intelligence in recruiting.

However, looking at subgroups categorised by education and race there are some differences: the higher the level of education, the more positive the reaction. And respondents with migrant backgrounds show themselves to be significantly more open to AI than respondents without.



# 48.6% OF RESPONDENTS WITH MIGRANT BACKGROUNDS HAVE A POSITIVE VIEW OF AI.

What do you, as an employee and potential applicant, personally think about the use of artificial intelligence in the application process? In %



**AVERAGE OF** 

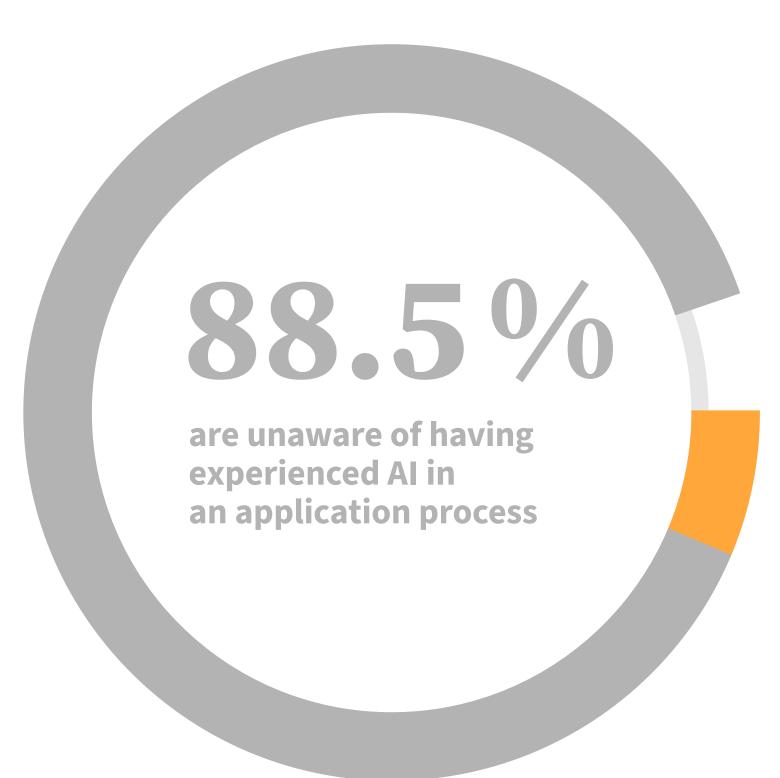


**Prof Dr Michaela Moser**Professor in Human Resource Management at
IU International University of Applied Sciences

"ARTIFICIAL INTELLIGENCE CAN HELP TO AVOID DISCRIMINATION AND, THEREFORE, MAKE CHOOSING EMPLOYEES FAIRER. THIS ASSUMES THAT THE AI ALGORITHMS HAVE BEEN PROGRAMMED WITHOUT PREJUDICE. BECAUSE THE ALGORITHM SPECIFIES HOW THE AI SHOULD WORK. BUT ARTIFICIAL INTELLIGENCE HAS A CRUCIAL ADVANTAGE OVER HUMANS WHEN IT COMES TO EQUALITY: IT THINKS IN ONES AND ZEROES. PREJUDICE AND SUBJECTIVE JUDGEMENTS ARE FOREIGN TO IT, IT MAKES DECISIONS BASED PURELY ON FACTS.

#### **WELL HIDDEN OR RARELY USED?** AI IS SELDOM RECOGNISED.

Out of all of the respondents, just 6.3% were aware of artificial intelligence in previous application processes. Most commonly when researching jobs and companies on websites, at trade fairs or by phone.



Are you aware of previously having experienced AI in an application process?

5.3% don't know

6.3%

are aware of having experienced AI in an application process



**Prof Dr** Katharina-Maria Rehfeld Professor in Human Resource Management at IU International University of Applied Sciences

"APPLICANTS ARE OFTEN COMPLETELY UNAWARE OF THE USE OF AI IN THE APPLICATION PROCESS. IN ADDITION, THE IDEA OF ARTIFICIAL INTELLIGENCE IN RECRUITING EVOKES A SKEP-TICAL RESPONSE FROM SOME RESPONDENTS, BECAUSE MANY OF THEM ARE UNAWARE OF WHERE IN THE APPLICATION PROCESS AI IS **EVEN USED. THOSE WHO ARE AWARE OF HAVING EXPERIENCED AI IN THE PAST ARE GENERALLY** MORE OPEN TO ITS USE. THEREFORE, IT IS **ADVISABLE TO PROVIDE TRANSPARENCY IN THE** USE OF AI TECHNOLOGIES IN THE APPLICATION PROCESS. BEING OPEN ABOUT THE USE OF AI HELPS TO BUILD UP TRUST AND BREAK DOWN RESERVATIONS ABOUT IT IN THE APPLICATION PROCESS.

#### OPINIONS ABOUT AI IN THE APPLICATION PROCESS.

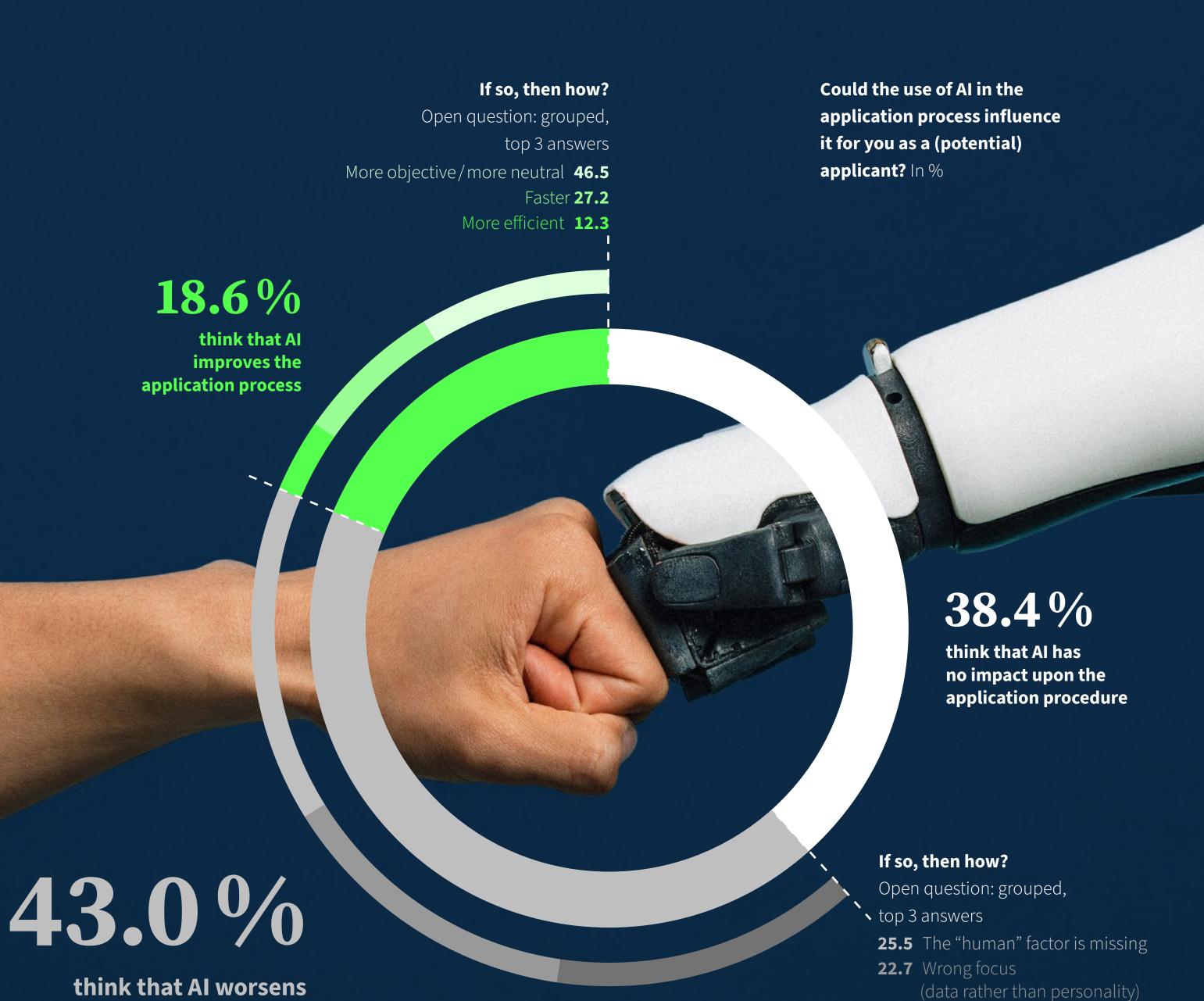
the application process

### MAN VS MACHINE

The emotional responses and judgements of the respondents show one thing above all: AI is perceived to be impersonal.

Many fear that it robs the application process of humanity – and almost half even think that the use of artificial intelligence makes the application procedure worse for them.

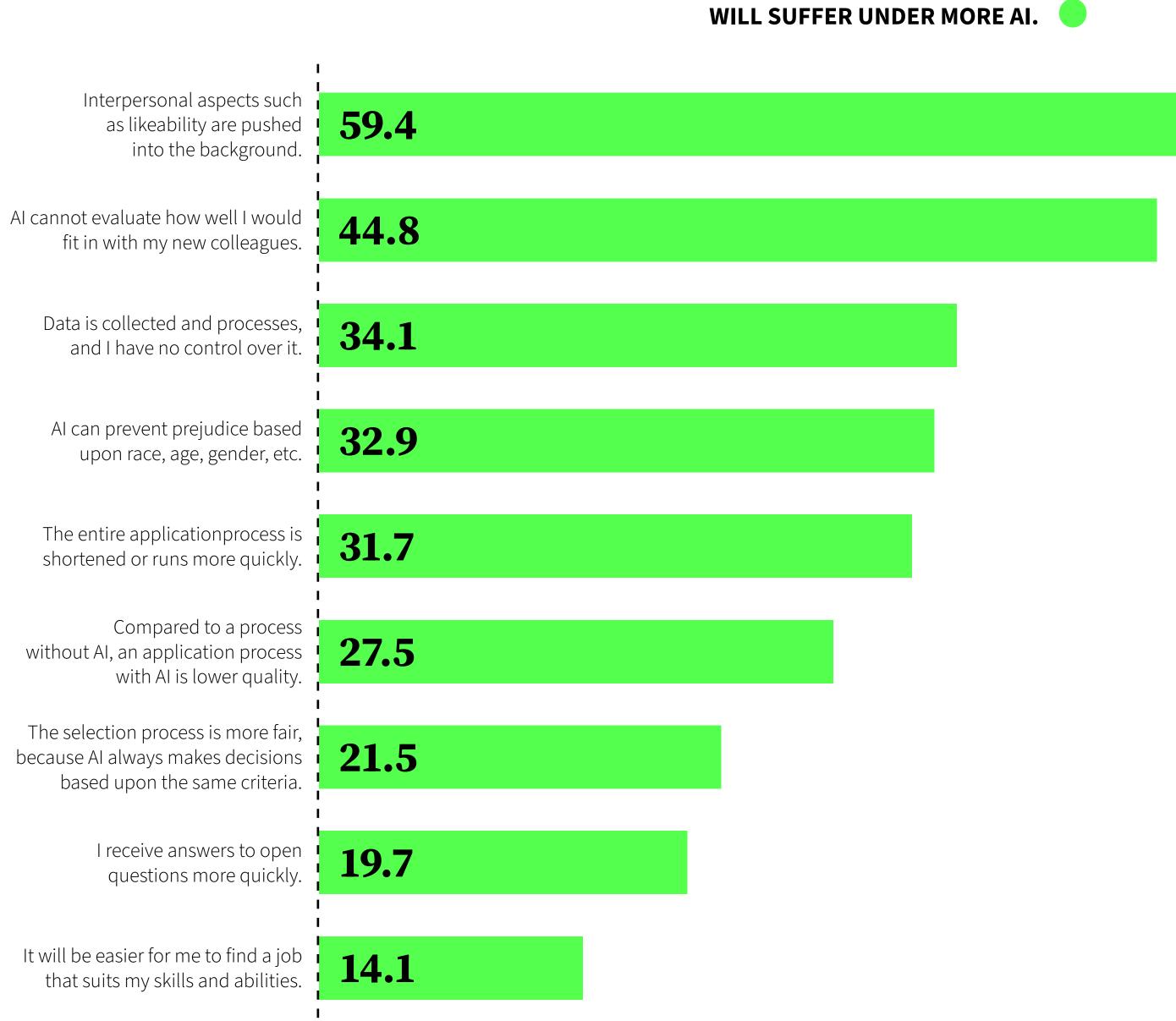
In contrast to this are positive assumptions such as more objectivity, speed and efficiency. However, the majority of respondents would like a human being to make the final decision in every step of the application process; very few believe in AI's decision-making competency.



**17.6** Al is impersonal







#### AI IN THE APPLICATION PROCESS: LESS HUMAN, MORE EQUAL OPPORTUNITIES?

When asked about their opinion of artificial intelligence in recruiting, the respondents mainly list fears: they criticise the lack of interpersonal relationships and, therefore, also the lack of an opportunity to impress employers with their personal appeal and personality from the beginning. Or to find out whether they fit in with potential employees and colleagues.

The first positive statements are at fourth and fifth place, such as the hope that AI prevents discrimination or that it speeds up the application process.

# THE FURTHER INTO THE APPLICATION PROCESS, THE MORE AI IS REJECTED.

Below you will find the various steps of the application process that can make use of artificial intelligence. Please specify how you feel about the use of artificial intelligence for each step. In %

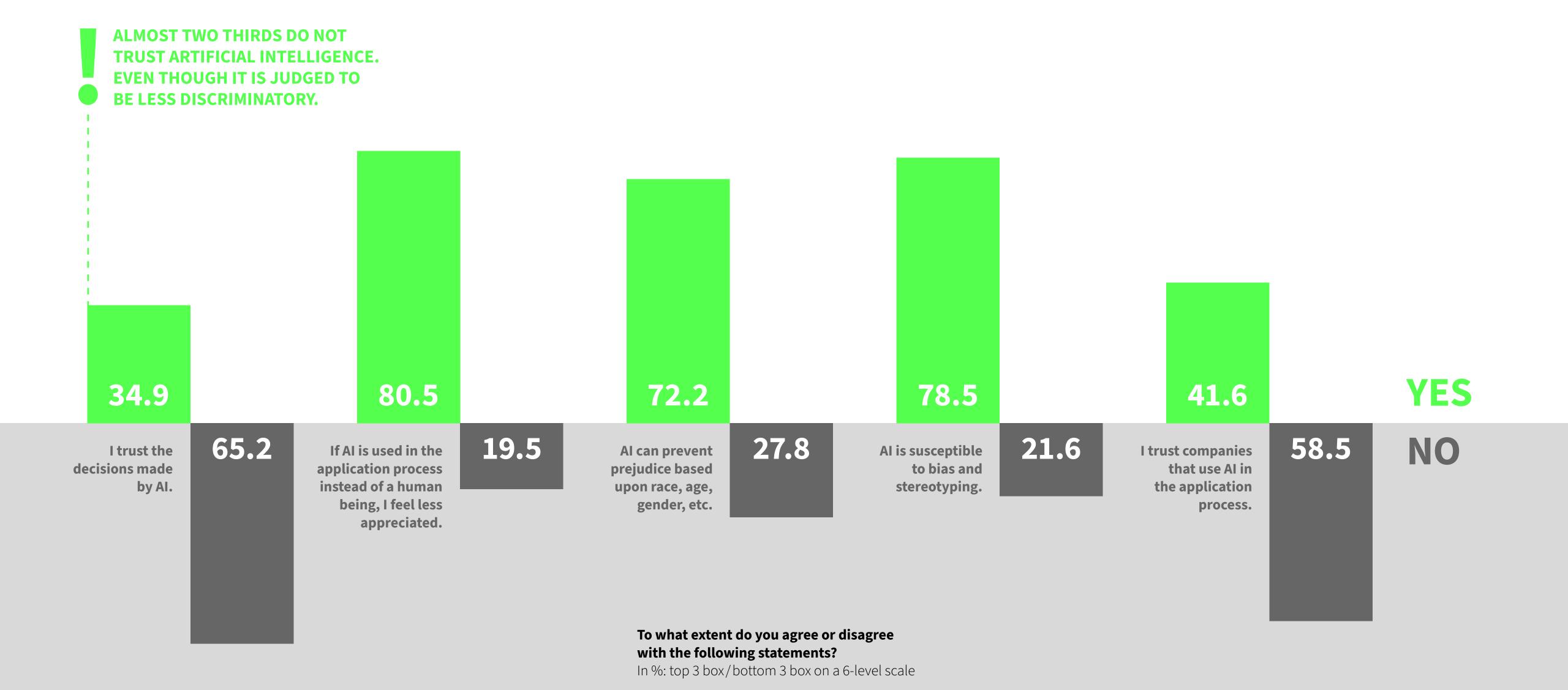


MONITORING AND THE FINAL DECISION SHOULD REMAIN IN HUMAN HANDS – AT EVERY STEP OF THE PROCESS. THIS OPINION IS SHARED BY MORE THAN 72.3% OF RESPONDENTS.

# THE USE OF AI COMES AT THE COST OF TRUST. AND APPRECIATION.

Artificial intelligence has a negative impact upon the perception of the application process and, therefore, upon the candidate experience. The reasons? – Almost two thirds of respondents do not trust the decisions made by AI and four out of five feel less appreciated as a result.

Furthermore, around 80% think that AI is susceptible to bias and stereotyping; however, more than 70% assume that AI can prevent discrimination.



#### LOOKING AHEAD. EXPECTATIONS AND DOUBTS.

## AI – THE FUTURE OF RECRUITING?

Artificial intelligence in recruiting continues to be on the rise. Almost two thirds of respondents are convinced of that fact: they expect an increase in its use in future – but are skeptical about this development.



63.3

Will be used more often in future

29.6

Will remain roughly the same

**7.2** 

Will be used less often

#### MORE AI IN RECRUITING? MANY RESPONDENTS ARE (VERY) MUCH AGAINST IT.

Of the respondents who expected an increase in AI in recruiting, almost two thirds saw this development as a bad thing. But employers can reduce this skepticism – for example by providing a human contact or more explanation about the use of artificial intelligence in the application process.

#### What do you think of this development?

In %: respondents who believe that AI will be used more often in future

I think it is very good/ good/fairly good I think it is fairly bad/ bad/very bad

**36.6** 63.4

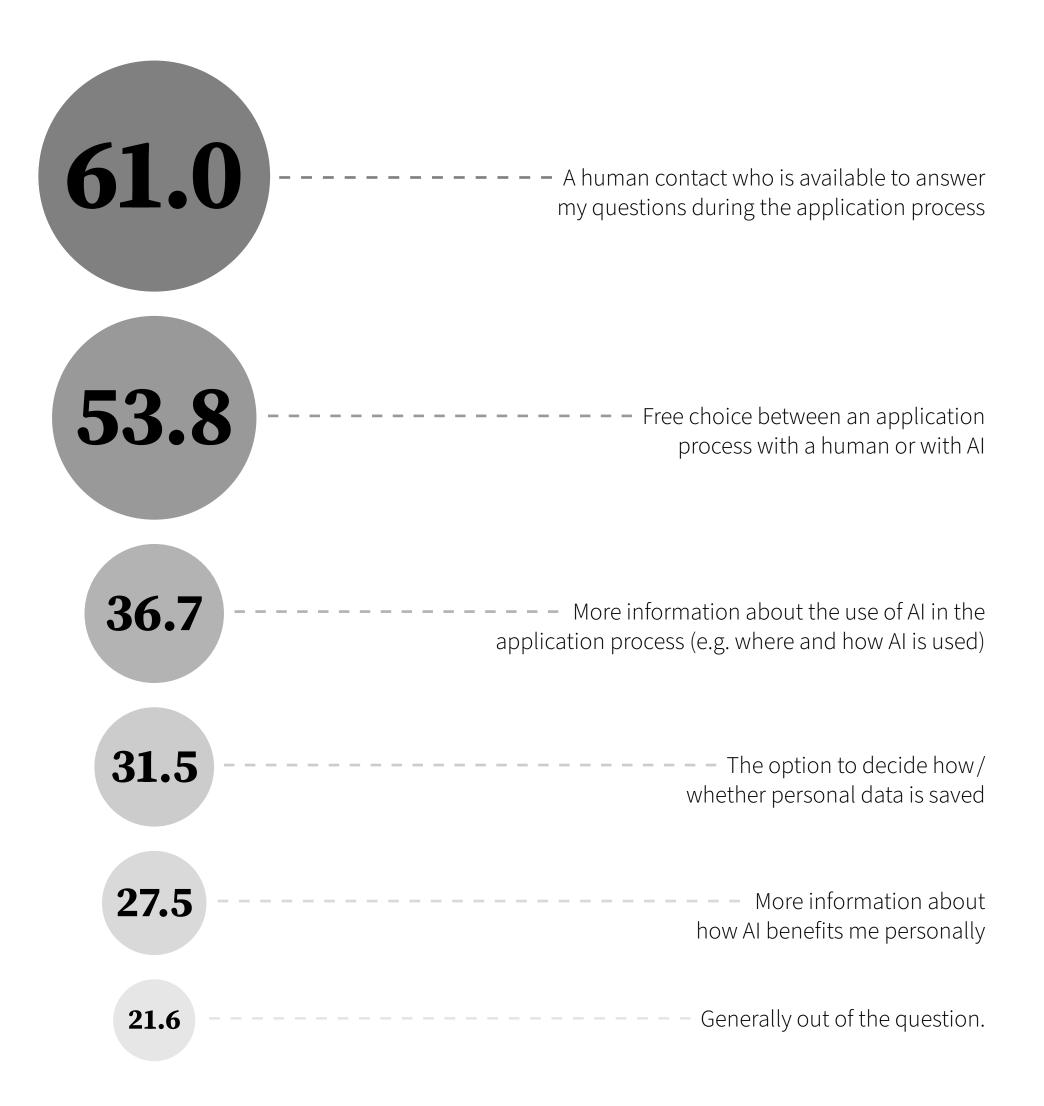


**Prof Dr Michaela Moser** Professor in Human Resource Management at IU International University of Applied Sciences

"ARTIFICIAL INTELLIGENCE IS THE FUTURE, AND THERE IS NO STOPPING THIS DEVELOPMENT, INCLUDING IN HR MANAGEMENT. OUR AIM MUST BE TO USE THE **OPPORTUNITIES PROVIDED BY THE TECHNOLOGY** WISELY AND REDUCE THE RISKS. THIS WILL ONLY WORK IF NEW TECHNOLOGIES ARE ACCEPTED BY APPLICANTS, WHICH REQUIRES EXPLANATION AND TRANSPARENCY FROM HR DEPARTMENTS.

#### "ANTISKEPTICS" THESE REMEDIES ARE KNOWN TO RELIEVE DOUBTS.

Which of the following measures would relieve your doubts about an application process that included AI? In %: respondents who believe that AI will be used more often in future and find this development to be quite bad/bad/very bad



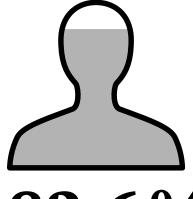
#### FACTS ABOUT THE STUDY PARTICIPANTS.

## ABOUT THE STUDY.

RESPONDENTS ARE 50/50 MALE/FEMALE. 17.5% OF RESPONDENTS HAVE MIGRANT BACKGROUNDS.

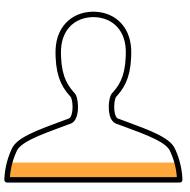
REPRESENTATIVE OF AGE AND GENDER.

Do you or your (grand)parents have a migrant background?



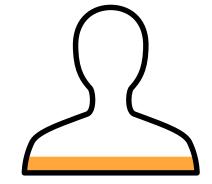
**82.6**%

NO



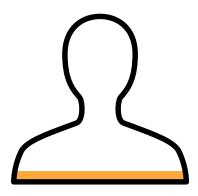
**6.7**%

YES, I DO



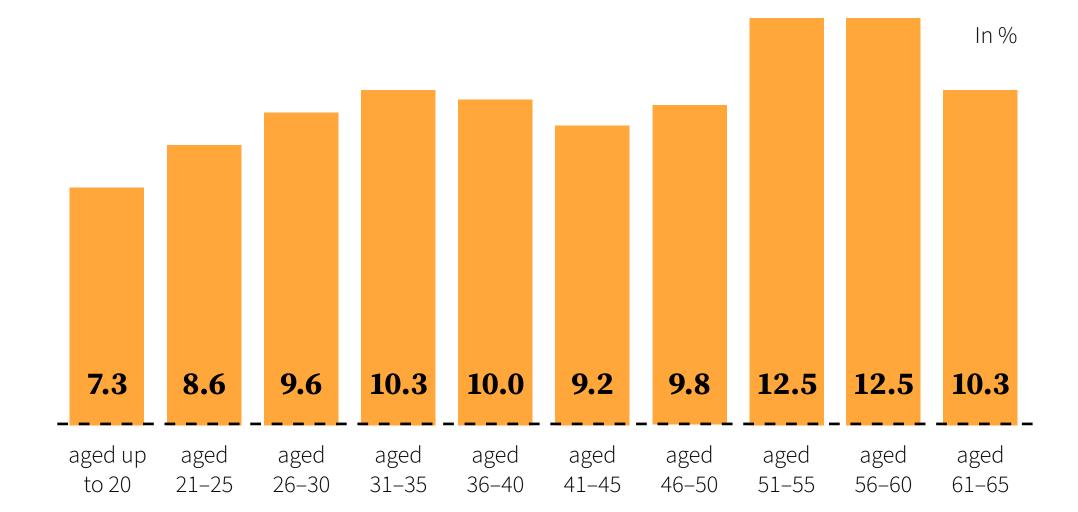
**6.1**%

YES, ONE OF MY
PARENTS/
GRANDPARENTS

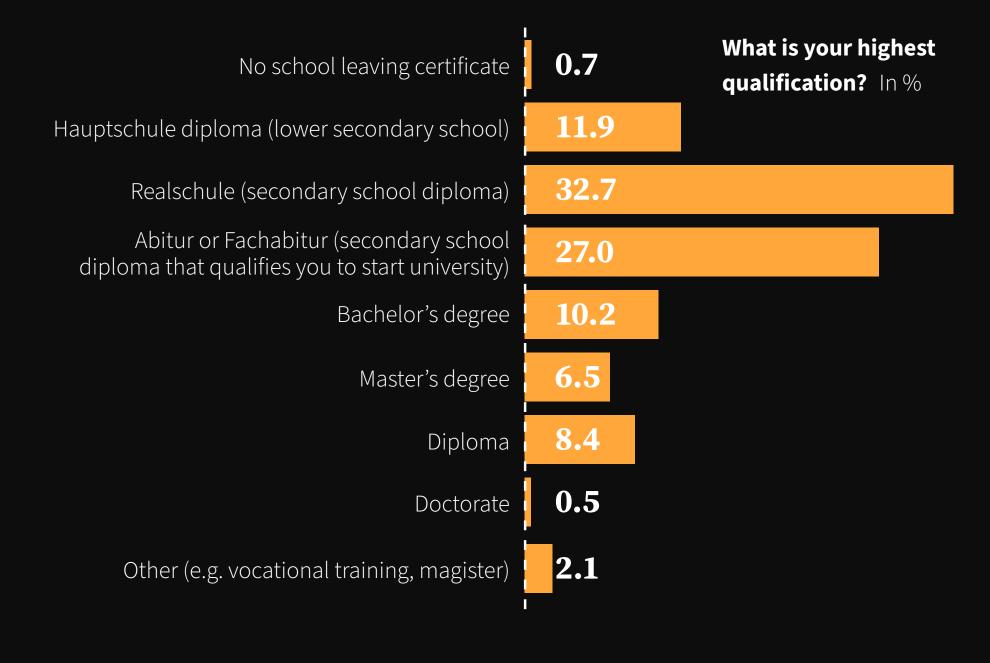


4.7%

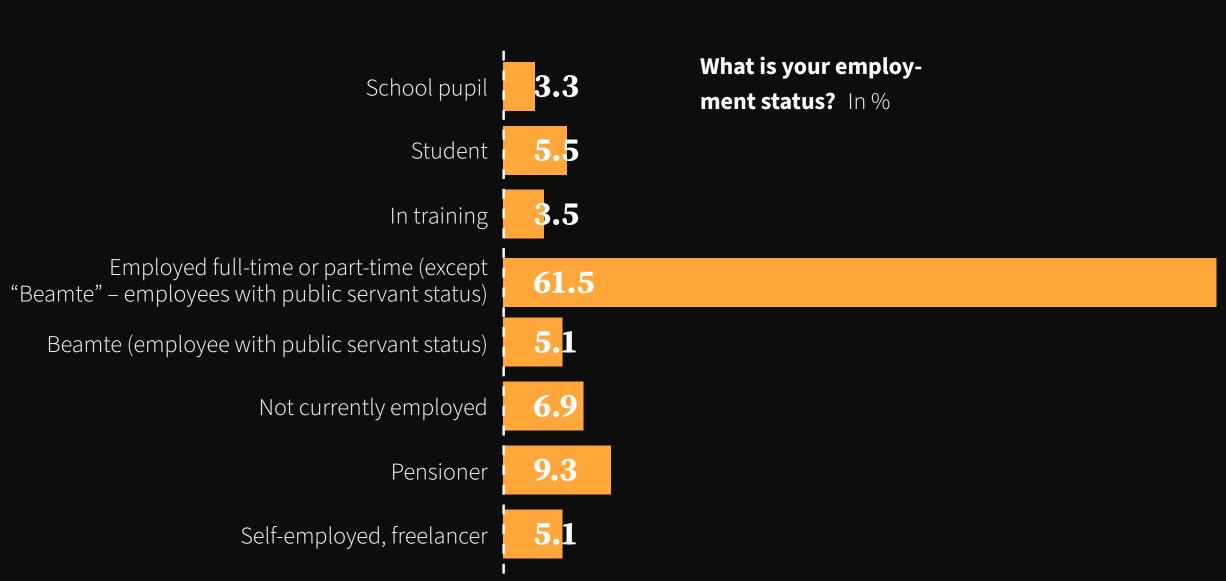
YES, BOTH
PARENTS/
GRANDPARENTS



# AROUND A THIRD HAVE A BASIC SECONDARY SCHOOL DIPLOMA. MORE THAN HALF HAVE QUALIFIED TO START UNIVERSITY OR OBTAINED A HIGHER QUALIFICATION.



#### 71.7% ARE CURRENTLY EMPLOYED. AND 12.3% ARE STILL AT SCHOOL OR IN TRAINING.





#### **Contact us**

If you have any questions or comments, please contact us: research@iu.org

#### **IMPRINT**

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The Ministry of Economics, Science and Digital Society of the State of Thuringia is responsible for the IU International University of Applied Sciences at all study locations in matters relating to higher education law.

#### Contact us:









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