



Why AI will hire your next employee

Jobstore knows in 5 seconds if they're suitable.

By David Braue on Oct 15 2018



Needing a new employee but dreading the hiring process?

You're not alone.

With [estimates suggesting](#) that it can cost over \$250,000 to find and hire a new employee, vetting and choosing the right employee can be a major pressure point.

Aiming to ease that pressure, recruitment services firm Jobstore is opening shop in Australia based on its belief that artificial intelligence can dramatically slash the time and money that goes into hiring new human resources.

Three-year-old Jobstore has rapidly grown across the Asia-Pacific region based on the success of its Jobstore Recruitment Platform – which feeds clients' new job postings into nearly 50 third-party job sites, then tracks the responses to those ads and collects submitted applications and credentials on behalf of its clients.

The company's proprietary AI algorithm – developed by its 20-strong in-house team at a cost of over \$1 million – can not only pick out and compare each applicant's credentials and skills with the requirements of the position, but is powering a broader HCM capability that will track and proactively correlate companies' hiring activity against budgeting requirements.

“Filtering minimises the number of applications,” managing director Anson Wang told *Information Age*, claiming the AI process can cut the overall time for hiring by over 70% – and, at the same time, find the employees with the best fit to reduce the eye-watering [costs of bad hires](#).

“HR people traditionally have to go through every single application to identify suitable candidates and arrange interviews,” he said. “But within five seconds, we can help clients identify the best candidates for their job.”

“Because you respond very quickly to applicants, you have a much higher chance of getting a good candidate that everyone wants.”

To err is human; to discriminate takes AI

AI has rapidly gained currency as a transformative force within recruitment, where the sheer breadth of job roles and depth of individual requirements has created a morass of legislative and compliance requirements that each employee must satisfy.

Some observers have predicted that [AI could replace](#) 16% of recruitment jobs within the next decade, based on broad take-up and Figures suggesting 80% of executives see AI as a tool to improve productivity and performance.

Yet while AI engines have proven effective at developing strategies to cut a swathe through mountains of job applicants’ credentials, there are already side effects.

Amazon, for one, recently [pulled the plug](#) on its own AI-powered recruitment system after the code was found to be favouring men for technical jobs.

The AI wasn’t the problem, so much as the data set with which it was trained: that data, which included 10 years of applicant data, was heavily skewed towards men – so the AI engine dutifully decided that men were automatically the best applicants and down-scored people who were not men.

Amazon’s experience reinforces the importance of maintaining human oversight over AI-powered decision making, which is [steadily infiltrating](#) every part of the workplace even though [most people aren’t comfortable](#) with businesses using AI to engage with them.

Reinventing the process

Yet JobStore’s endgame is about much more than quickly scanning CVs.

The Malaysia-based company’s Talent Sourcing Platform and Application Tracking systems have already enjoyed successes across the Asia-Pacific region.

Jobstore counts among its customer base Japanese printer giant Konica Minolta, marketing firm Marcus Evans, and organisations including Singapore Airlines, The Australian High Commission, PwC Malaysia, and 7-Eleven Malaysia.

In December, a planned \$8m ASX listing and capital raising will bolster the firm’s market capitalisation to over \$34m and catapult the firm into Australia – where a [\\$15b](#) recruitment services market, which itself employs 166,700 people across nearly 7500 companies, is ripe for AI-driven transformation.

The firm will use the capital to establish its Sydney-based Australian presence, including a local artificial intelligence R&D facility.

That site will be supporting and enhancing technology that Wang says forms the core of a new human capital management (HCM) module that will use personnel-related activities to drive AI's insight into modules around workforce analytics, payroll composition, training, budgeting, and other staff-related administrative functions.

"AI will apply to the entire system," he explained, "and it can do projections on the next month's or next year's payroll."

"This forecasting helps companies to manage their internal resources and the cashflow on their employee expenditures."

Six-figure license fees will keep the software off the radar for all but the biggest firms, but Wang says four more Australian organisations are already trialling the software – and he is confident the potential benefits will make a strong case for AI-driven HCM.

Wang is also flagging potential acquisitions of technology and/or recruitment firms, to bolster Jobstore's growing presence in the Australian market.

<https://ia.acs.org.au/article/2018/why-ai-will-hire-your-next-employee.html>