



How AI is Revolutionising Recruitment

The Next Big Leap After HRIS





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AI is about to profoundly transform recruitment, just like HRIS did when it first revolutionised manual HR processes. Instead of an entirely new set of tools, what we'll see is an incremental augmentation of existing HR technology, making what we already do smarter, faster, and more effective.

AI brings some incredible advantages: faster candidate matching, reduced costs, and a more diverse talent pool. But it's not without its challenges. While AI is a powerful enhancement, it still requires human oversight to ensure security, transparency, and ethical decision-making.

This whitepaper delves into how AI is radically evolving recruitment practices and software, making it more efficient and impactful, especially in industries like healthcare, construction, manufacturing, and education. We'll be unpacking how AI is automating repetitive tasks, improving the candidate experience, and helping HR teams make smarter, data-driven decisions. This isn't a trend, it's the future of recruitment.

1. The drawbacks of traditional recruitment

Before we take a deeper look at the emerging role of AI in recruitment, why is this necessary or beneficial?

Traditional recruitment is famously time-consuming and inefficient. You have drawn-out processes like screening resumes, scheduling interviews, and responding to candidates, which can lead to delayed hiring decisions. According to ELMO's most recent [Employee Sentiment Index](#), 35% of Australian employees (and 34% of New Zealand employees) found prolonged decision-making time or response times the most frustrating aspect of the recruitment process.

Then you have high operational costs and the constant struggle to attract top talent, adding further pressure.

But the stakes are getting higher now. Workforces are becoming more mobile, talent shortages are becoming acute, expectations have shifted, and competition for the best candidates is fierce. Despite efforts to make the hiring process more inclusive, there are issues of bias and a lack of diversity.

These factors make it increasingly clear that traditional recruitment methods are no longer cutting it. While HRIS software has already chipped away at these issues, AI promises to take it a step further.

2. Enablement not replacement

AI won't necessarily replace people or jobs. The way HR roles function, however, will most certainly change, and adaptation will be key.

What we're primarily going to see as AI integrates further into recruitment tools will be the drastic elimination of tasks that don't require human judgment or creativity. These emerging AI powered tools will instead:

- Remove needless repetition
- Speed up workflows and reduce manual processes
- Allow more meaningful work
- Enable data led decision making
- Allow more competitive talent acquisition

While AI enhancements will improve HR practices, it cannot replace the very act of being human. Professor Peter Cappelli at the Wharton School says;

"AI may excel at processing data and automating tasks, but it cannot replicate the human ability to assess cultural fit, empathy, and team dynamics. The real opportunity is in combining AI's efficiency with human judgment to create a hybrid model that elevates recruitment."

Professor Peter Cappelli | Wharton School's Director of the Center for Human Resources

What are the current industry-specific issues?

When it comes to traditional recruitment techniques, there are a lot of truths that apply across all industries.

While AI is transforming recruitment across all industries, this paper takes a closer look at the specific challenges and opportunities faced by industries where many of ELMO's customers operate, including construction, manufacturing, healthcare and education.

1. Construction

According to Master Builders Australia, an additional 130,000 workers are needed in 2025 to meet the sector's demands. Construction often faces fluctuations in workforce needs, as projects ebb and flow.

Such project or schedule based hiring, along with the influx of younger workers can exacerbate safety and compliance concerns, especially when it comes to training and certification, making it difficult to maintain a reliable and qualified workforce.

2. Manufacturing

40% of the Australian manufacturing workforce is over 45. This is a clear sign that a large portion of the workforce are nearing retirement age, and with fewer younger workers entering the industry, it creates a looming skills shortage.

Manufacturing companies often struggle with high turnover rates, skills shortages, seasonal hiring demands, and a complex array of awards and compliance. This can make recruitment a complicated and costly endeavour. HR leaders may need to ramp up focus and energy on attracting younger talent to the sector.

3. Healthcare

Healthcare organisations are facing significant challenges in attracting and retaining talent, especially for specialised roles. Then there's the ever-present issue of burnout, understaffing, and complicated degree and certification requirements.

4. Education

The education sector suffers from high levels of burnout and turnover, exacerbating the need for consistent role replacement. States like the Northern Territory and South Australia have seen a significant rise in vacancies over the past few years. Regional teachers often work more than 50 hours per week, leading to burnout and retention issues. Highly specialised roles are hard to place and there's issues with the ability to offer competitive salaries amid high competition.

How is AI revolutionising recruitment software?

With that unpacked, let's explore how AI has become a major catalyst for change and is poised to address long-standing issues in recruitment.

"AI-driven tools are allowing companies to reduce recruitment costs by streamlining processes like candidate screening and interview scheduling. The future of hiring will not be about finding candidates quickly, but about finding the right candidates efficiently."

Brian Kropp | Group Vice President | Gartner

1. Automation of thankless tasks

AI can take over mundane, repetitive tasks that once consumed HR teams' time. From screening resumes to scheduling interviews and even responding to candidate inquiries, AI systems can manage these tasks with speed and accuracy, freeing up HR professionals to focus on strategy, oversight, culture, and relationship building.

2. Superior candidate matching

Imagine an AI-powered software that doesn't just look at keywords on a resume but understands the candidate's full experience, personality, and how well they might align with the company culture. AI-driven algorithms can match candidates to roles with pinpoint precision, reducing the risk of bad hires and improving job satisfaction and retention.

3. Elevated candidate experience

AI integration can make the recruitment experience swifter, more engaging, and highly personalised. In no small part this will be enhanced by AI-powered chatbots and virtual assistants, which will be able to provide instant, 24/7 responses to candidates' questions.

When speed is the friend of the recruiter, this immediate engagement creates a positive exchange from the moment they apply, avoiding the all-too-common experience of being ghosted.

In fact, 23% of Australian & 27% of New Zealand employees said being ghosted after the interview was one of the most frustrating aspects of the recruitment process (see [ELMO's Employee Sentiment Index - Q4 2024](#)).

4. Minimisation of bias in hiring

Ideally, AI will play an interesting role in stamping out bias in the hiring process. The idea being that AI algorithms will remove unconscious preferences and be guided by skills and experience, not gender, race, or age.

However, this is a point of contention, as there remains the potential for AI to exacerbate existing bias. Recruiters and AI model trainers will need to tread carefully and ensure human oversight.

As Dr. Kate Crawford, Senior Principal Researcher at Microsoft Research and co-author of *Atlas of AI*, tells us,

"AI systems are not neutral; they can replicate the biases of their creators or the data they're trained on. It's critical that AI in recruitment be developed with fairness and transparency at the core, or it risks perpetuating existing inequalities in the hiring process."

Kate Crawford | Senior Principal Researcher | Microsoft Research & co-author *Atlas of AI*

5. Data drives smarter decisions

The hunger for data to fuel better decisions increases at pace, especially when HR departments report to the executive suite.

With AI analytics, HR teams will be able to easily gain real-time insights into recruitment trends, turnover rates, and workforce needs.

As David Green, Director of People Analytics at IBM, points out,

“Data-driven recruitment isn’t just about improving efficiency; it’s about making smarter, more informed decisions that align with long-term organisational goals. AI helps HR teams predict future hiring needs, spot trends, and enhance their decision-making capabilities.”

David Green | Director of People Analytics | IBM

What are the concrete benefits of AI in recruitment?

We’ve run through the myriad ways AI will revolutionise and streamline recruitment processes, but how will it benefit your organisation in more concrete terms?

1. Cost reduction

Reducing costs will always be a consideration in any recruitment drive. By deploying AI to reduce time-to-hire, AI helps organisations save on agency fees and advertising costs. By removing unnecessary busy work, AI also lowers the operational costs associated with recruitment.

2. Higher candidate quality

AI promises to improve the quality of hires by forging a better alignment between candidates and roles. Through tools like predictive analytics, you can reduce hiring mistakes, leading to better long-term outcomes.

3. Easy scalability

AI will enable HR teams to scale their recruitment efforts easily, even during periods of high demand or for sizeable recruitment campaigns. This means that organisations can handle high volumes of applicants without sacrificing quality or speed.

4. Incredible efficiency

The bottom line is that automation will speed up the recruitment cycle, improving overall efficiency. AI recruitment tools will also help HR teams manage candidate pipelines more effectively, ensuring a smoother hiring process, free from unnecessary hassle.

5. Increases your competitive edge

It's worth noting the serious advantage AI will grant an organisation in sourcing the best talent in a highly competitive market.

Such tools will ensure you're on the cutting edge when sourcing and hiring the best people for the job, as quickly as possible. Those who don't will increasingly be left behind in the battle for talent.

How will AI improve recruitment for specific industries?

So, how do these recruitment advantages come to bear on specific industries? With unique needs, AI will play varied roles across industry verticals, according to priorities and circumstances.

1. Manufacturing

When it comes to the manufacturing industry, AI can forecast seasonal staffing needs, ensuring recruitment campaigns are aligned with production schedules.

With the critical importance of safety certification, AI can also ensure candidate compliance by automatically verifying qualifications.

2. Healthcare

To assist healthcare organisations address staffing shortages, AI can automatically match healthcare professionals with available roles, based on their specialties, skills, certifications, and availability.

To help predict typical healthcare staffing shortages, tools like predictive analytics can help you plan for future staffing needs, ensuring a well distributed workforce.

3. Construction

To deal with the fluctuations in workforce needs that are common in the construction industry, AI can predict project-based hiring requirements, ensuring the right workers are available when needed.

With the criticality of safety certifications and industry regulations, AI-powered recruitment can automatically verify candidates' qualifications to ensure immediate compliance.

4. Education

With the intense competition for scarce talent and a need to find specialists, AI can help rapidly sort candidates, locate those with the requisite skills and experience, and engage them immediately.

What are the challenges and drawbacks of AI adoption?

While it's clear that there are serious and definable benefits to AI integration with recruitment tools, this is also no bed of roses.

There will be hurdles, complications, and drawbacks, and it will require diligence and vigilance to overcome them. Human oversight will still be necessary.

1. Dealing with bias in AI algorithms

As we've touched on, there's great potential for AI to help eliminate discrimination and bias in hiring practices. The converse could also be true.

This is an important issue that needs close attention, as a misstep here could lead to the furthering of ingrained bias, and in the worst cases, the solidification of discrimination.

"Without proper oversight, AI in recruitment can exacerbate existing biases. We must ensure that algorithms are carefully trained on diverse and inclusive data sets to avoid perpetuating systemic discrimination."

Professor Latanya Sweeney | Director of the Data Privacy Lab | Harvard University

To manage this risk, a cautious and curious approach needs to be adopted. It will require the tandem forces of the programmers and integrators of AI into HR software, but also the user who can potentially lead and train these tools.

Possible approaches:

- AI systems should be regularly tested and audited to ensure they are not perpetuating bias in hiring decisions.
- Transparent and ethical AI practices need to be prioritised to help organisations mitigate risks and ensure fairness.
- Have a clearly defined Diversity and Inclusion Policy that can be used to train AI on the principles that govern your organisation.
- Choose a software provider you can trust

2. Data privacy and security concerns

Another salient cause for concern is the increasingly important area of privacy and data security. When it comes to recruitment, AI systems process vast amounts of data, using algorithms to review CVs, assess candidates' performance in real-time, and make initial staffing decisions.

However, due to the sheer volume of data handled and the complexity of these algorithms, AI-driven recruitment platforms are more vulnerable to privacy risks, such as data breaches, unauthorised access to candidate information, and potential algorithmic bias.

Possible approaches:

- Ensure AI systems comply with data protection laws that govern your organisation's scope.

- Implement secure data handling practices to protect candidate information.
- Work closely with your IT team and external experts to make sure you've covered all bases.

3. Difficulty in integrating existing HR systems

Depending on the platform you use and your specific system integrations, this can create serious headaches. There may be technical challenges, staffing and expertise issues, and retraining concerns.

Possible approaches:

- Careful planning and alignment with existing processes will be required.
- Ensure well mapped and executed integrations that allow seamless data flow between AI tools and HR systems.

4. The Critical Role of Transparency and Explainability

One of the biggest challenges with AI adoption in recruitment is the lack of transparency. Many users feel frustrated when they can't understand how AI reaches its conclusions, making it difficult to trust its recommendations. This is where explainability comes in.

Possible approaches:

- Businesses should prioritise AI solutions that offer clear, auditable decision-making processes, allowing HR teams to review and understand why certain candidates are shortlisted or rejected.
- Ensure AI-driven recruitment remains transparent, organisations can then build trust, reduce bias, and maintain compliance with evolving regulations.

ELMO is making both a priority as we look to enhance our software with AI.

Final thoughts

AI is already reshaping the recruitment landscape in profound ways by augmenting existing HR software. These improvements offer numerous benefits including improved efficiency, reduced costs, better candidate matching, and enhanced diversity. This is just the beginning.

As AI continues to evolve, HR professionals who embrace these tools will find themselves far better equipped to tackle recruitment challenges, overhaul their processes, and build a stronger, more effective workforce.

To maintain a competitive edge in sourcing the best talent, savvy HR teams should be exploring the growing range of AI-powered recruitment solutions available.



ELMO & AI

The first phase of AI enhancements to ELMO Recruitment are on the way. Soon you'll be able to opt-in to discover top candidates faster by matching your available roles with an extensive database of CVs. This update will deliver a shortlist of high quality candidates directly to your requisition (if you have ELMO Recruitment) accelerating your hiring process.

In addition, AI will soon power our help centre articles. This means you'll be able to search through our extensive catalogue using language that you use every day and find an answer more easily.

To learn more about how AI can enhance your recruitment processes, contact your ELMO Account Manager or Sales team today.



RELEASING HR'S FULL POTENTIAL

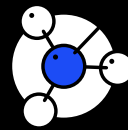
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Founded in 2002, the ELMO Group comprises ELMO Software in Australia, New Zealand and the UK, and Breathe HR in the UK. It is the trusted provider of HR technology solutions to 16,000+ small and mid-sized organisations and two million end users.

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