

How to Pair AI Tools  
and Psychometric  
Assessments to  
Supercharge Your  
Talent Acquisition  
Outcomes

Guide

## Overview

HR teams today have more influence over business direction than ever before, as they lead the search for top talent. **76% of hiring managers** admit attracting the right job candidates is their greatest challenge. The process can be costly and time-consuming, and there are several stages that need careful consideration. Organizations require a strategic plan to attract and retain top talent, which is where talent acquisition comes in.

Talent acquisition is a “strategic approach to identifying, assessing and acquiring new employees for a company” (**Forbes**) – in contrast to recruitment, it is a specialist method that focuses on the quality of candidates for long-term talent success. A well-crafted process will succeed in improving the quality of candidates, reduce the time to - and cost of hire, drive company performance, improve DEI, foster better retention rates, and encourage succession planning.

### The Evolution of Recruitment Strategies

Modern talent acquisition looks very different to earlier approaches used by recruiters who depended on job postings and resumes. Today’s candidates aren’t afraid to use social media and the internet to thoroughly research organizations and in return so are recruiters. Technology such as Applicant Tracking Systems (ATS) and AI software, is revolutionizing how recruiters source candidates and build talent pipelines, enabling data-backed decisions combined with personal information to inform their outcomes.

**96% of HR managers** believe AI can improve talent acquisition and retention significantly, and the field has reached a pivotal moment where organizations who embrace AI as a companion to psychometric assessments can see significant gains by streamlining processes and enhancing candidate experience. We know that AI is being

embraced alongside psychometric assessments, but how can they be paired to supercharge your talent process?



### Understanding AI Tools in Talent Acquisition

MResearch shows that **81% of HR leaders** have explored or implemented AI solutions to improve process efficiency within their organization. AI in relation to HR refers to solutions such as generative AI, machine learning (ML), and natural language processing (NLP). The adoption of AI is evaluated in terms of its added value, streamlining tasks that are repetitive, data-intensive or time-consuming, and allowing HR managers to focus on all-important strategy and next steps. However, with the integration of AI comes questions regarding job replacement vs enhancement, the upskilling of employees and how organizations can ensure its ethical application.

## AI Applications in Recruitment

AI has several functions within recruitment.

**01 Resume Screening** - Filtering CV's is one of the more labor-intensive processes in the talent acquisition process and one affected by factors such as time pressures and unconscious bias. AI software parses resumes to filter out candidates who are unsuitable or unqualified, based on predefined criteria. This enables recruiters to shift through larger quantities of candidates, saving time and improving their candidate pool by advancing only those most suitable for the role.

**02 Candidate Matching** - With resumes filtered, AI can streamline processes further using ML and NLP, to assist with candidate matching. These tools analyze candidate data and return a score that ranks them based on skill set, experience, and fit to role. This enables HR Managers to make data-informed decisions on who to move forward to the next stage.

**03 Predictive Analytics for Candidate Success** - AI algorithms are making huge advancements in predicting the potential performance of candidates, reducing the risk of making a 'bad hire'. Past hires provide a wealth of information that AI can analyze and translate into patterns, upon which new candidates can be assessed. Data sets look at factors such as cultural fit, past roles, and soft skills to assess how candidates may perform within the organization.

**04 Assessment Proctoring** - Proctoring is the practice of monitoring candidates during an assessment. Its role is to ensure the fairness and security of the assessment, prevent cheating, and ensure all test takers follow the given rules and guidelines. There are three versions - live, remote, and recorded. The data obtained provides added validity and reassurance to the results delivered.

## Psychometric Assessments Demystified

Psychometric assessments are used by 80% of Fortune 500 companies as part of their recruitment process. They aim to objectively assess candidates without bias and provide a score upon which candidates can be fairly compared. "78 percent of HR professionals" have seen an improvement in the quality of their hires due to the use of assessments making them an important strategic factor ([SHRM](#)).

### Types of Psychometric Assessments

70M + credentials have been created and issued via Acclaim. A digital badge issued through Acclaim is a digital representation of a learning outcome, experience, or competency. These badges can be earned in a wide variety of environments and here are some examples of how higher education institutions can utilize digital credentials for their students:

» **Personality Tests:** 'Personality Assessment involves the administration, scoring, and interpretation of empirically supported measures of personality traits and styles.' (Source: APA; [Personality Assessment \(apa.org\)](#)). They enable Hiring Professionals to gain insight into the traits of a person's character, their behavioral profile, their motivations and values in a consistent and unbiased manner. Information that can supplement candidate's CV by providing objective insight into performance and an individual's team fit. Personality assessments such as SOSIE 2nd Generation and the Golden Personality Profiler, both offered by Pearson TalentLens, can be used as part of a talent selection and development process.

- » **Cognitive Ability Tests:** These assessments provide insight into a candidate's likely job performance, academic ability, and aptitude for training by focusing on an individual's reasoning, learning abilities, and general intelligence. These skills are sought after by organizations as they are essential for problem-solving, complex decision-making, abstract thinking, and numerical skills. Comprised of numerical, verbal, and non-verbal tests, tools including Pearson TalentLens' Raven's Adaptive, and the Bennett Mechanical Comprehension Test, have been relied on by organizations for their unbiased and reliable data.
- » **Critical Thinking Assessments:** Critical thinking ability is a cognitive skill and one that is in-demand by organizations searching for candidates able to analyze information from multiple points, draw conclusions and activate plans

– without supervision. Critical thinking ability is a strong predictor of performance and a key component in innovation and creativity. One of the most widely used psychometric assessments is the Watson-Glaser Critical Thinking Appraisal.

- » **Language Assessments:** Language proficiency assessments such as the Versant™ English Assessment provide all sectors with the ability to test their prospective candidate's capabilities for perceiving, interpreting and effectively communicating the national language. This is needed to understand how the prospective candidate will interact with internal and external colleagues. Formal language testing helps businesses, HR and recruitment teams proactively assess language quality and ability and is being enhanced using AI and remote proctoring to ensure security and validity.



## The Synergy of AI and Psychometric Assessments

Combining AI with assessments enables organizations to create a more reliable and effective hiring process. This combined approach can help employers make more informed hiring decisions and build a more diverse and high-performing workforce in the following ways:

### Enhancing Objectivity in Decision-Making

AI enables recruiters to make data-driven decisions throughout the talent life cycle. AI can handle large volumes of qualitative data, providing objective feedback and reliable insights to inform outcomes. Whilst psychometric assessments are standardized based on criteria such as age, gender, level of study, with their effectiveness being underpinned by reliability, validity, and sensitivity studies. Integrating these two powerful tools can complement one another to facilitate objective decision-making, free up time to focus on interviews and candidate advancement, and mitigate unconscious bias to provide a complete and rounded picture of candidates.

### Reducing Bias in Talent Selection

Unconscious bias is a key factor of consideration for any HR professional looking to shape diverse and inclusive teams. Considering variations in personality, values, learning styles, for example, is a very important “though often a ‘hidden’ and so overlooked, form of diversity” - Angus McDonald. By combining AI with standardized, psychometric tests, organizations can create a more reliable hiring process.

However, it is important to note AI is not immune to bias as it is only as good as the data used to develop the algorithms. To solve this issue, organizations need to invest in robust bias mitigation

strategies across their HR processes to ensure fairness and select diverse and inclusive teams.

### Improving Predictive Accuracy of Candidate Performance

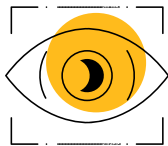
Currently, 26% of new hires leave a job within one year of employment ([SHRM](#)), putting pressure on HR professionals to avoid the costly mistake of making a ‘bad hire’. By predicting candidate performance during the recruitment process, HR teams can select candidates most likely to succeed within their role. Systems that combine psychometric assessments with AI technology are improving their accuracy of predictions. Pearson TalentLens’ Role Assessments, uses AI to analyze and rank candidates by fit to role score, facilitating better decision making.



# Implementing AI and Psychometric Assessments in Talent Acquisition

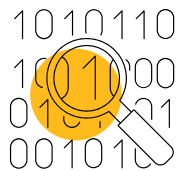


76% of HR leaders believe that the adoption of AI solutions is essential within the next 12-24 months if they are to avoid impacting business success (**Gartner**). The process is without its challenges, and HR leaders need to be prepared to plan for any early barriers or resistance by addressing the following areas:



## Creating a clear strategy

**27% of HR leaders** are concerned about the cost of GenAI whilst 18.2% are concerned over the misconception it could replace human decision-making. Ensuring HR leaders have a clear strategy for the implementation and use of AI and psychometrics and that this is communicated will be key for success.



## A balance of data

AI and psychometrics have different strengths in the types of data they analyze – qualitative vs quantitative - by combining them together a more rounded vision of candidates can be achieved with can lead to more diverse and varied teams.



## Upskilling

Implementing new AI systems brings with it new technology and ways of working. It will be imperative to invest time in training employees in how to use AI and combine the results of psychometric tests to select top talent. A transformative process, it will also be key to upskill individual's soft skills of communication, leadership, change management and problem-solving to ensure teams are well supported throughout process.

## Choosing the Right Technology Partners

52% of CEOs (**Fortune/Deloitte CEO Survey**) believe generative AI will increase growth opportunities, giving HR leaders the encouragement to engage with technology partners and explore opportunities for improving their HR process. To do this, there are number areas of review:

### Goals and expectations

HR leaders need clearly defined goals and expectations in order to source and select the most applicable partner. Explore what a positive technology partnership would look like at all levels - for your organization, your team and the end user.

### Consider the internal and external challenges and opportunities

Analyze and assess your HR processes to decide if there is a particular challenge that you're trying to overcome – is there a particular stage of your HR process or a missing component that is preventing you from obtaining insights or could AI help free your team from everyday tasks? The right partner will be able to help you address these areas and enhance your processes.

### Research and evaluate all your options

Technology partners are global and at different stages in their lifecycle, as a fast-developing field, ensure you ask for proposals, evaluate and test the available algorithms to give you and senior management confidence in the accountability and use of the system.

### Future-proof your partnership

If you do select a partner define how you want to see your systems develop in the future. Is there a road map for future developments and is their strategy in-line with you goals and expectations.

## Ensuring Ethical Use of AI in Recruitment

The rules and regulations of AI use are evolving quickly, and depending on your region different laws are in place regarding data governance. HR teams need to ensure there are guidelines in place to guarantee transparency and accountability of use, this will protect company brand and candidate engagement in the recruitment process. To ensure ethical responsibility HR teams need to address:

- » **Bias mitigation** - Evaluating current and future practices to ensure decisions are made objectively.
- » **Data security** - Compliance with data regulations is essential, HR leaders need to ensure local rules are followed regarding the storage, use and reporting of data.
- » **Transparency** - Candidates who are required to take psychometric assessments, and or are assess via AI technology need to be aware of how and why these methods are being used.

## Future Trends

Organizations are keen to see where AI can take HR in the future to improve productivity. The uptake of accessible tools such as ChatGPT to generate job descriptions and formulate interview questions has been rapid, and already we are seeing AI used for onboarding, verification, analyzing employee performance - which when coupled with psychometrics, provides greater insights into candidate and employee skill sets - outcomes that AI can use to create personalized training. There are also advancements in employee monitoring – where ML can be used to assess how employees are performing and potentially spot issues such as burnout. Across the lifecycle of HR, AI and psychometrics are making great strides.

## Ethical Considerations in AI and Psychometric Assessment Development

Psychometric assessments used within HR are required to demonstrate a commitment to fairness and accuracy, any future development of AI and psychometric development will need to answer to the same standards. ML practices will need to demonstrate a fair and unbiased use of its algorithms and data-analysis in order to fulfil a commitment to ethical standards and meet individuals legal right with regards to the sharing of personal data.

## Continuous Improvement and Adaptation Strategies

AI is fluid and for organizations to keep ahead of competition they need to be prepared to continuously engage in the improvement and development of the technology they are using. It will be essential to review how AI is evolving and where it has the potential to take psychometric assessment in the future. Engaging with team members and regularly evaluating the efficiency of processes, your recruitment goals will enable adaptations to be made and governance adhered to.

## A Guide for HR Professionals

### Training and Development for AI Integration

**30% of HR leaders** believe training would help overcome resistance to change when it comes to integrating AI technology into HR processes. Current employees will need training in how to use systems, ensure ethical use and knowledge of data security, problem-solving and how to make decisions based on the data provided. AI technology is also continually developing so HR teams need to ensure an ongoing investment in training, this has the added advantage of improving employee retention rates by demonstrating

commitment to upskilling teams at a time where AI can be seen to replace jobs.

## Balancing Human Touch with Technological Advancements

AI's ability to sift large volumes of data, automate interview calendars and scrutinize performance trends is almost unparalleled. However, one thing it cannot replace is human touch. Currently AI is unable to use emotional intelligence to connect with individuals, it can offer outcomes and recommendations for whom to advance to interview but it is unable to connect and communicate with candidates in a way which inspires and encourages. Similarly, algorithms can highlight potential blockages, but it will require creativity, trust and resilience to find and implement an outcome. Over 37% of CEOs and senior leaders surveyed by **Korn Ferry** envision a future where humans collaborate with, rather than compete against, AI; striking the right balance together they can make an inspiring and informed team.

## Navigating Legal and Compliance Issues in AI-Driven Recruitment

"Depending on the regulatory environment you're in, you're not allowed to make any selection decision without a human being involved." **Bill Schaninger** – HR leaders have a responsibility to candidates and their employees to ensure outcomes are fair, legal and non-discriminatory. In the US there is a focus on automated employment decision tools (AEDTs), and an **Executive Order** on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence has been signed to protect individuals right to the safe and secure use of AI. Whilst the ICO in Europe has similarly issued guidance and is consulting on the use of AI in future recruitment and selection decisions. HR leaders will need to ensure they are up to date on the latest legal requirements to build trust and transparency over their AI usage.





## Conclusion

### Enabling a Synergy of Psychometrics and AI

AI has been called transformative and disruptive and is redesigning how the talent field functions. Today's HR leaders facing demands for top-talent amid skill-shortages need new ways to source and select candidates whilst future proofing pipelines for the future. AI is working to address that need through new technologies across the HR lifecycle, and although different from psychometrics in its approach to recruitment, together they can work in synergy to save time, improve processes, provide greater insight and improve the candidate experience.

Already **92% of HR leaders** intend to increase their AI use in at least one area of HR – it will be those leaders who combine the AI and human approach to recruitment and commit to upskilling and continuously evaluating their use of insights whilst ensuring ethical compliance that will achieve the most through the talent acquisition strategies.



## Want to learn more?

If you want to learn more about psychometric assessments and how they can improve your talent acquisition process, reach out to the Pearson TalentLens team today.

## About TalentLens

TalentLens is a core component within the newly established Workforce Skills division of Pearson plc, the world's lifelong learning company and global market leader in assessments. Workforce Skills is comprised of TalentLens - Pearson's established and successful workplace psychometrics team, plus two exciting new acquisitions, Faethm AI - the world's first data backed and truly end to end future of work company and Credly, the global leader in digital credentials.

Supported by over 70 years of research, our psychometric tests, such as the Watson Glaser test, are used by hundreds of companies around the world for their employee recruitment and development projects. As experts from the business world, our primary objective is to provide you with ongoing assistance to review your practices, understand and define your needs, and support you in choosing and using our assessment solutions.