

How to Simplify Hiring with AI

A GUIDE FOR SMALL BUSINESSES



Small businesses can't grow without committed employees, but **almost half** (48%) of HR pros are having an increasingly hard time finding suitable candidates for open roles.

And when the right candidates do apply, they aren't waiting around for a process that drags on and on. One in four (26%) HR pros say they've missed out on a great hire because of inefficient hiring processes.

Artificial intelligence (AI) can expedite some of the most time-consuming aspects of recruitment, as it has for **other areas of HR**, which is especially impactful for busy HR pros at small businesses.

We'll explore the practical ways AI can help you start streamlining your hiring process today, so you can find the best people for the jobs you need to fill as soon as possible. We'll also cover the ethical, security, and legal precautions to take as you use AI to simplify your work.

How AI in Hiring Looks Today

A 2024 **Resume Builder survey** found that 51% of companies use AI at some point in their hiring process, with 82% using it to review resumes and 40% using AI chatbots. Usage in all areas is set to rise in 2025, with 65% of companies expected to use AI to reject candidates this year without any human oversight.



COMPANIES EXPECTED TO USE
AI TO REJECT APPLICANTS

In April 2024, to ensure fair and inclusive employment practices, the US Department of Labor **joined with other US agencies** to establish ethics **guidelines for employers** to follow while using AI to automate processes; however, these guidelines may be outdated as of January 20, 2025.

This resource may be helpful to refer to as policies and compliance around the use of AI in the workplace continue to develop, and as you begin to bring the benefits of AI into your processes.

Why Use AI in Hiring?

Thanks to AI's ability to analyze large volumes of data, generate content, and identify patterns, it can automate time-consuming but important aspects of the recruitment process—not just for employers but for job seekers too.

However, that automation might also make your job harder: job hunters can use AI to apply for more jobs in less time, leading to a **flood of resumes** per job opening for some companies. Leveraging AI may be the only way to get through them all, especially for **small HR teams**.

Here are the main **ways HR uses this technology** for hiring:

- **AI Resume Screeners:** Automatically filter and rank resumes based on predefined criteria.
- **Generative AI for Job Descriptions:** Create engaging and tailored job postings to attract the best candidates.
- **Chatbot Communication:** Conduct certain candidate interactions, schedule interviews, and answer frequently asked questions.

Discover the Power of AI in HR: AI Starter Course

This free course helps you understand how AI is transforming HR—from speeding up recruitment and payroll to enhancing employee satisfaction and performance.

START LEARNING →

Top Hiring Challenges Small Businesses Face

Small businesses often encounter several hurdles in the hiring process:

Slow Hiring Workflows: Mostly manual processes often result in losing top candidates to faster-moving competitors.

Lack of Qualified Candidates: Finding candidates with the right skills and experience is a persistent challenge.

Budget Constraints: Limited financial resources make it difficult to invest in advanced hiring tools or additional personnel.

AI can address these challenges by speeding up recruitment tasks, helping you craft messaging that reaches a broader talent pool, and empowering you to do more with less. With an assist from AI, your small business can compete effectively for top talent.

5 Ways AI Can Improve the Hiring Process

1. JOB DESCRIPTIONS

Creating effective job descriptions is crucial for attracting the right candidates. AI tools can give you a big head start:

- **Write Thorough Descriptions in a Fraction of the Time:** Generate comprehensive **job descriptions** quickly by analyzing role requirements and industry standards.
- **Enhance Engagement and Inclusivity:** Ensure you're using **inclusive language** that appeals to a **diverse range of candidates**.
- **Optimize for Visibility:** Use SEO techniques to make job posts more discoverable on job boards and search engines.

By leveraging AI, small businesses can produce **high-quality job descriptions** that resonate with potential applicants and reduce the time spent on drafting and revising postings.



Tip

Always review and customize AI-generated job descriptions, so they accurately reflect your **company's brand and culture** and the specific role requirements. While AI can help streamline and improve the writing process for clarity and inclusivity, your human oversight is essential to maintain authenticity and relevance.

2. RESUME SCREENING

Manually reviewing resumes is time-consuming and prone to human bias. **AI-powered resume screeners** give you key advantages:

- **Efficient Filtering:** Scan and evaluate resumes based on specific criteria such as skills, experience, and qualifications.
- **Consistency and Objectivity:** Ensure all candidates are assessed using the same standards, minimizing bias.
- **Time Savings:** Reduce the time small HR teams, or teams of one, have to spend on the initial screening, allowing you to focus on more strategic recruiting tasks and decision-making.

Resume screening tools that use AI help streamline the initial stages of recruitment, so you can get to the interview stage quicker with only the most qualified candidates.

Tip

To get the best results, provide your AI screener with not only a detailed job description but with an example of what a great resume looks like.

Remember that AI isn't inherently bias-free, so make sure you're looking for instances where your screening tool may be weeding out potential candidates in a way that could be considered discriminatory. Start small. Try it with one role first, double-check the results, and then **adjust your prompt parameters** as needed to make sure the AI isn't overlooking qualified candidates (for example, candidates who may have the right skills but have unusual work history or experience).

3. CANDIDATE COMMUNICATION

Communicating clearly and consistently with candidates is essential for a **positive hiring experience** and protecting your employer brand.

AI-powered chatbots and communication tools help you delegate some of that burden:

- **Handle Scheduling:** Automatically arrange interview times that work for both candidates and interviewers.
- **Answer FAQs:** Provide instant responses to common questions about the role, company, and hiring process.
- **Send Updates:** Keep candidates informed about their application status and next steps.

By automating some parts of communication with candidates, you can make sure no one is ever **feeling neglected or “ghosted.”** Consistent communication will keep them engaged and informed, enhancing their overall recruitment experience so you don’t lose them to the competition before you’re able to make them an offer.

Tip

AI isn’t “set it and forget it” technology. You still need to incorporate human oversight into the process, so the AI bot’s knowledge base is always up to date and accurate and its tone is on brand. It’s about striking a balance between embracing the ease of automation and preserving a human touch in all your interactions.

AI in HR: The Best of BambooHR Content

This isn’t the only resource we’ve prepared to help HR take advantage of AI as a tool for making their jobs and lives easier. This content bundle features the expertise and insight of Alan Whitaker, Head of AI at BambooHR.

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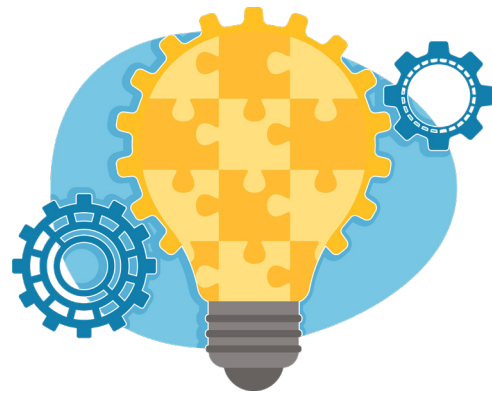
4. SKILLS ASSESSMENTS

When you’re an HR team of one, AI can be a bonus set of eyes, pair of hands, or brain to bounce off ideas as you vet the qualifications of each candidate—without relying as much on subjective judgments.

Here are some of the key ways AI can help you assess applicant skills:

- **Create Skills Tests and Simulations:** Use AI to create standardized tests that evaluate relevant skills and competencies.
- **Coding Challenges:** For technical roles, AI can fill your own technical knowledge gap, e.g., by helping you come up with coding challenges.
- **Performance Analytics:** Have AI help you analyze test results to provide objective insights into a candidate’s capabilities.

These are simple ways you can use a generative AI chatbot to help you assess candidates’ skills today, but you can also invest in an AI-driven assessment platform that can administer tests, simulations, and coding challenges for you and analyze the results. The important thing is to ensure the AI is trained on diverse and representative data sets to minimize inherent biases.



Tip

Be transparent about how AI is being used in the assessment process and what skills are being evaluated. **Invite feedback from candidates** on the effectiveness of the process and their experience.

5. WORKFORCE ANALYTICS

Understanding hiring patterns and predicting employee turnover can significantly impact long-term business success, but if you're relatively **new to data-wrangling**, jumping into **workforce analytics** is a tall order.

AI can help you:

- **Analyze Hiring Data:** Identify trends and **patterns in recruitment** and **employee performance**.
- **Predict Turnover:** Forecast which employees are at risk of leaving, giving you time to implement **proactive retention strategies**.
- **Inform Hiring Decisions:** Use data-driven insights to make smarter choices about **who to hire and when**.

By using AI to decode your workforce analytics, you can make more informed hiring decisions and optimize your talent management strategies for your small business.

Tip

Before you dive into data analytics, make sure all your HR systems and processes follow the same data formatting and standards. AI's insights are only useful if the data you feed it is accurate and complete.

Additionally, in terms of data privacy, make sure the AI tool you use is consistent with your data security policy.

Free Resource: The HRIS Buyer's Checklist

When you're shopping for an HRIS, it's important to choose the solution that's right for your business. Our checklist will help you accurately identify your needs, loop in the right stakeholders, and compare your options.

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ETHICAL AND LEGAL CONSIDERATIONS AND PITFALLS

While AI offers many benefits, it also raises ethical and legal concerns, particularly regarding bias in hiring. As it currently exists, AI has no empathy or situational awareness beyond the data it has access to.

This means AI systems can perpetuate existing biases present in the data used to train it, leading to **unfair treatment of candidates** based on gender, race, age, or other protected characteristics. Not only do companies **miss out on qualified candidates** as a result, but they can be exposed to allegations of discrimination.

PRACTICAL TIPS FOR USING AI RESPONSIBLY

- **Be Transparent:** Make the use of AI in hiring processes clear to candidates, especially when used for preliminary interviews, skills assessments, and automated **rejections**.
- **Regularly Audit AI Tools:** Monitor and evaluate your AI systems to detect and root out biases (or report them to the service provider). Provide a way for candidates to give feedback on their experience.
- **Combine AI with Human Oversight:** Use AI as a supplement to human decision-making rather than a replacement.
- **Stay Informed on Regulations:** Keep up-to-date with **laws and guidelines** governing the use of AI in hiring.

By adopting these practices, your small business can harness the power of AI while maintaining fairness and **compliance** in your recruitment processes.

WHAT NEXT?

For small businesses, free, off-the-shelf generative AI (GenAI) like ChatGPT is the most accessible way to begin using AI to support and speed up your recruitment tasks.

But if hiring is a particular pain point for your growing company, an AI recruiting tool or **AI-powered HR software** may be the best investment as you fill important roles.

For a closer look at what AI-powered HR software can do for your HR work, take our **AI Starter Course**. You may also enjoy this **AI content bundle**, which features the insight and expertise of BambooHR's Head of AI, Alan Whitaker.

We hope these resources give you the information and motivation you need to make impactful changes in your **hiring processes** this year.

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