Mervyn Dinnen 0:07

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Mervyn Dinnen 0:50

Well, welcome to the HR Means Business podcast. I'm your host. Mervyn Dinnen, my guest today is Felix Wetzel from Cielo now, Felix and I go back a long way. We first met through social media about 15 years ago and at early un conferences and early events, and we've been in touch ever since. In fact, Felix once effectively hired me when I was at job site, and we were just talking about how maybe AI, which is what we're going to be discussing today, is effectively the new social media. It'll be an interesting one that we shall explore in a few minutes. But anyway, Felix, please introduce yourself and let people know what it is you do.

Felix Wetzel 1:47

Yeah hi, I'm Felix Wetzel, like Mervyn said, I'm going a long way back in the HR tech world. I've been part of job side right at the start, and then worked with different companies and startups in the HR tech world, I've always had an interest in new technologies and how they impact what we do. And for the last nearly three years, I'm now with Cielo, and there I'm the VP for Product Management, and my focus is specifically on digital products. And over the last maybe two years, generative AI, because, well, that's what we're here to talk about, and it's kind of one of the most amazing things I've ever seen in my life. And just to kind of say maybe about Cielo, or for people that don't know, Cielo is a, you know, has a global recruitment process outsourcing company with 20 years experience and over 300 plus global enterprise clients. And at the same time, we also have, you know, brand, brand consultancy, business, employer for employer branding and Staff Executive Search technology solutions. But we are very, and obviously I'm a little bit biased here, and I think we're very open and really pushing the use of generative AI to our own teams and to our clients. And that is really, really unique, because it gives us a gives me certainly a great insight in kind of seeing real what happens end to end for clients. We have real data. We can see the impacts that are happening. And obviously, as we are a margin driven business, nobody will be using these tools if they wouldn't deliver results.

Mervyn Dinnen 3:29

We'll talk a bit about the impact of AI on HR shortly, but the most obvious, I mean, anybody, any listener who checks onto sites like LinkedIn, for example, work can't escape the fact that there's almost, I wouldn't even say, a daily or an hourly, a minute by minute, debate about how AI is affecting the recruitment process, talent acquisition. And you wrote a piece for LinkedIn not that long ago about your manifesto. So I want to ask you a little bit around that. One of the things you said in it is that AI isn't the threat, it's the mirror. What did you mean by that?

Felix Wetzel 4:10

Well, so just to give you a I guess why I wrote this manifesto is because of what you've just described, of LinkedIn. I've read all of those different, you know, I've read loads of different polls, I've read loads of different press releases from different tech vendors. And it really, I don't know, it really upset me, in a way, because I thought there is so much nonsense being talked about. And I come to this what the nonsense is, but it's a little bit like, you know, you've mentioned social media before, and it is the same thing. Again, it was before in social media, before on the internet, where loads of people are suddenly, kind of creating, creating noise, creating confusion, because they make them back, but they make money in the back of it. And I thought, hold on a second, let's just take a step back. Let's just have a look at this. We've seen this with social media and social media and generative AI. It's very, very different, but they have some similarities in the way that we are in talent acquisition, are rolling it out. But the biggest thing actually, is that the fundamental failure of recruitment of our industry isn't technologically it's human right, because AI isn't disrupting recruitment; AI is exposing it. It's showing all of the different broken processes that we currently have and that we continue to, continue to push out there. And the one thing that we need to, I think we're at a crossroad, and it is not only for talent acquisition. Every industry is at a crossroad, but I talk about talent acquisition because it's our industry about to saying, like, Okay, do we just replace humans and we keep the broken process, and therefore we create more dehumanization, more industrialization, more processes, or do we actually re imagine what recruitment could be like with the human really? And instead of replacing the human, putting the human at the heart of it and helping amplify the human essence and integrating it with the AI intelligence, and therefore creating something that is more positive, right? Positive more for candidates, because we hear all about candidates, but better for hiring managers, better for recruiters, and that's what it's ultimately about. And I think we need, we need to, as an industry and as humans, as a society, really think, where do we want to go with AI? We want to go and make it more human, which I believe we can, and we can become more human, even though it's like the most advanced technology, which is kind of funny. Or do we really go and just cut everything down, replace everybody and just make it like a broken process even worse?

Mervyn Dinnen 6:57

Yeah. I mean, the you talk about, obviously, the flaws it explodes, exposes. What, what do you think are the main suppose, dysfunctions, if you like, that are exposed that that HR and TA have to address?

Felix Wetzel 7:13

Well, I think, right, if you, if you think about, there's a there's maybe three or four that I quickly touch upon. One of for me is like that, if we as an industry, we always talk about people, process, and technology, and there's a reason why technology comes third. But when we buy technology, and if we talk about how, we talk about AI, we don't think about people and process. We just think about technology. So we're using technology, and we're plugging it into, or blocking it into a into an existing process, instead of thinking, how, what? What do we want people to do? What are the process we want them to follow? And which technology is the right one? That is, is doesn't have to do with AI. It's the same when you buy a new ATS. Think about this. Right look forward. What are the possibilities that you have. How can you reimagine it? That's the first one. The second one for me is the future has an ancient heart, if you think about, you know, we were both involved with job boards, free job board, free ATS, before recruitment got industrialized. Recruiters were, you know, talent advisors. They were real, proper consultants. And I think AI enables us to return to these consultative roots, right? By eliminating the industrial aspect of recruitment, AI liberates the consultants. And this is what it's about, right? And then that means that you can, you have, you know, consultants were all about relationships. They were all about, you know, having a real, in depth knowledge about the industry, and it's like, how can we get go back to that one? The third one for me is, which is a really important one for me, coming maybe from a job board perspective, is that recruitment is often just a one sided funnel, like a process driven right? You pull the candidates in, and they come out it and it's just been built for the convenience, rather than mutual discoveries, we've got the convenience for the talent acquisition teams, and that's the maybe uncomfortable truth, sometimes that might help the talent acquisition teams, it might save their jobs, but it doesn't help their companies. And I think we need to get to a two sided marketplace with mutual discovery, where employers and candidates can they discover themselves, and the recruiter is the marketplace in the middle, or talent acquisition. Talent Acquisition isn't the consumer of the funnel. And that then leads us to being able to, you know, giving executive search style recruitment to every single person, right? So far, we always had like a two tier system. There was like executive search level for the for the C suite, right, for the few and for the many. It was just process driven sausage machines. So now with AI, it enables us. It makes it economically viable. It enables us that every single person that we touch can. Get the the consideration and the personalization that we normally get the C suite. And I think we can do this, and we can see it at Seattle, that when we implement this, it has fantastic conversion rates and it works for everybody else, right? So these are the four things that I think we can address and we should address to make throughdemocratizing AI, make it more human everybody involved, because at the moment, it's just a lot of robots doing stuff.

Mervyn Dinnen 10:26

You talked as well about a shift, effectively, from for recruiters, for example, from shifting from process kind of administrators almost to being true talent advisors. And I guess the same applies really for HR people as well, particularly their involvement in the recruitment and the onboarding and bringing people, people into the business. What are the kind of things that you think that HR people and recruiters can now do that maybe you know that they weren't able to do before?

Felix Wetzel 11:02

I believe we can all have more time, and once we have more time, we can become more human. We can invest more time in connections and really properly understanding it stand, understanding each other and understanding what is really required. We can also have the time to have uncomfortable conversations, right to saying, Well, you're not right for this job. Actually, candidates don't mind it. They just want to hear it, and we can't. And that's, for me, the key part. And it doesn't matter where you are, if you're in HR and marketing and sales, it's always the same, right? So far over the last year, decades, it was industrialized, and we treated humans like robots. Do so many calls, do so many this boom, boom, boom, boom, boom. That's what we've kind of really treated people about. So I'm not surprised that this happened because it's we treated people like robots, and now we can actually rediscover our humanity.

Mervyn Dinnen 11:58

Okay, touching back on some, some you were talking about giving an executive search style, kind of service. You're quite strong in what you've written and spoken about, the about AI can almost kick start a return to kind of recruitment, consultative, kind of roots. So how, how do you see, AI, really, I suppose, helping scale things like intimacy, almost the relationship between the candidate, the new hire, and the company, and the kind of levels of insight and service that you would normally be reserved for executive search and very senior projects, very senior recruitment?

Felix Wetzel 12:43

I think, you know, it goes back to the people, process, and technology. What do we want, want them to do? So let's think about AI. But think, for example, first about the people in the process. What do we want people to do? Do I want people to sift through hundreds of applications that are coming in or that can an AI can do it, actually an automation tool can do it. You don't need AI for this, right? So, which are the tool? Which are the tasks? And I think you need to look at it from a task level. And this is, I think, where HR comes in also as well, right? Kind of looking at what are the tasks that that are considered for a certain roles, which task can be done by Gen, AI and or automation. And then these tasks, let them be done by Gen AI and automation, that means it creates space and it creates time for humans. And then we say, okay, how do we how do we now want to attach it? So for example, at Cielo, we have Cielo Source and Engage, and all of the sourcing and all of the initial, the first outreach, all personalized, is done by automation and AI. So our sources and recruiters don't have to go through LinkedIn anymore on the databases. They don't have to send the first email and draft the email, so I get a different email to you, and all of this stuff, actually, all of this is done. But what they do is they then are the first point of call in, the first human touch point, or the for for the candidate, and we push that forwards. So instead of, if you think about at the moment with recruitment, often, we want people to apply, and once they've applied, we go through the applications, and then we speak with a with a candidate, what we do is to say, actually, because all of our research shows that candidates want to speak with recruiters before they apply, because they want to know if they have a chance of getting this job. Because they've read through enough job descriptions and they don't know, sounds like I could do it, but can I do it? Do I do I? Can I do it? I want to work for this company, because we're humans. We have loads of, you know, we have Arsenal or Liverpool that we will follow on Twitter and all of this other stuff that is more important to us than finding jobs. We might have five, six jobs that are interesting for us. And so as a, as a, as an individual, I want to know, where do I have a good chance of getting this job? This means you have to have this conversation before the application, and then at this stage, then. The candidates can decide, okay, yeah, I've got a chance. And I know that when I applied as a recruiter who already have spoken to I have already started building a relationship. We've already started mutual discovery, who's waiting for me at the end. And I think it's this kind of, this is the kind of different thinking. And I tell you, when we are rolling out this technology to some clients, some clients, some some recruiters do not want to do this. They're so used of I want them to apply, then I look at the application, and then they don't see the great results that we're seeing right internally, and that our clients see that really kind of take this the time to kind of think, how could we reimagine this? How could it work? That it works for candidates, because it works for candidates and it works for hiring managers. It works for everybody. Instead of kind of saying, how does it? How is it just convenient for me, most convenient for me is apply 40 minutes. Half of them are dropping out, and then I can just pick up three because I don't need to talk to anybody. That's what I mean with we can rediscover it. And I think every you know, and there is no kind of formula, because for every country, every job that you hire, or every demographic, it might be slightly different. Nor do we know when we're so And the exciting thing for me is we're so early on, we don't yet know what works and what doesn't work. So we can all invent. We can all, you know, we all just need to be courageous enough. And that's in a way, this manifesto is that, come on, let's be courageous as an industry, there's a make a very clear from philosophical decision, saying we want to be more human. We don't just want to be more industrialized. And secondly, now let's start reimagining what this what this could look like.

Mervyn Dinnen 16:34

And that it was interesting the way you were talking about kind of, I suppose, from the candidate side of the experience, because I know, I think you used it as well in your manifesto. And I've seen a few people talk about moving from from funnels to marketplaces as a concept in that it's, as you say, the funnel, lots of applications come in, and the idea is to get down to the one that's right, whereas, you know, the we I mean, in my early days as a recruiter, I always found it really frustrating when I had a great candidate, and obviously was a fit for the organization somewhere, but because we're looking in silos at where we have a vacancy, we're not really looking at the broader perspective of as as as sometimes happened, I saw somebody say, look, not quite sure what we're going to do with this person, but I want them in the business, so let's bring them in and See how we can develop them. Do you see, maybe this approach? Finally, you know, AI can help power this as the way we we look at people capability and their potential, as opposed to just, I suppose, the historical data?

Felix Wetzel 17:34

Yeah, and also look beyond just, what have they done in the past? What are their you know, what are their education that they've done? But what are their capabilities? How do they fit in? And it's and, you know, MERV, this is more than just a technological approach. It's like a philosophical shift, right? Where you go from how efficiently can we process applicants to how effective have, how effectively can we facilitate connections, right? This is the shift, and this is, like the whole thing about for me, with AI, it isn't just techno, tech, it's technical, but it's not technical. It's a philosophical shift that we have to to make as as humans.

Mervyn Dinnen 18:11

Yeah, what coming from your perspective you talk about, you know, the Great, the greatest competitive advantage won't be having the best AI but, but the best human AI integration. So what, I suppose, unless you have examples to share, you know, your vision of what a great integration should look like in an organization?

Felix Wetzel 18:34

It's, I guess it's a little bit, as I said at the beginning, right? So be very clear which tasks can be done and can be done better by an AI or an agent, and which tasks can be better done by a human that's ultimately how the separation can come that could be that you say actually, you know it could be, sourcing is done by the AI, the engagement with the candidates done by the human right, and it's sometimes also depends a little bit on on the candidate. I think we shouldn't be too prescriptive. If the candidate wants to speak with the recruiter, that's fine. If they want to apply, that's fine. They can choose that venture. What we see now also that some we also offer them and saying, Hey, you can, if you want to talk, you can either talk with a recruiter, but these are the time slots that they have free, because they're humans, you know, or if you want to talk with somebody now, you can talk with a voice AI right now, an AI recruiter. And some candidates like it, some others don't. So you can see different, different, different avenues, right? But it's this, I think, and then there comes, I think, further down the funnel, it becomes more important about who, when the human comes in, for example, for assessment centers, right? So I think, I believe assessment centers, in person, interviews will become more important. The whole kind of judgment call about, do they fit into the culture? Do they make my team better? Like, when you hire, you know, when you sign a new football player, do you don't just think, are they great left back? You also think, like, that's this great left back win me more points as a team? How do they fit into the overall structure? I think it's this kind of mentality. And then there's other things like onboarding, which is, should be a completely automated. We don't need people to kind of send me a reminder emails from onboarding or send me onboarding videos that should all be done automated, right? So at what stage do we need? Does at what stage does the human touch point help us to create a better experience and better outcomes? Right? We're still in an outcome business. But for me, outcome in recruitment isn't just the outcome for the recruiter, the outcome for the hiring manager, the outcome for the candidate. They're all linked in this when we then go back to the marketplace.

Mervyn Dinnen 20:42

It's obviously still a new technology. So there will be people within the the HR and talent acquisition space, possibly more in the HR space than the TA space, because I'm guessing from, from my experience, I have having been event events so far this year. You know, talent acquisition and recruiters are the people who are most talking about it, because I see, I they see the most immediate impact from it. But thinking about HR, What? What? What would you suggest that people look for when evaluating systems? What are the kind of things that an HR team should say, Okay, we need to invest more in, you know, an AI solution; What are we using it for? What should we be looking for? What questions should we be asking tech vendors? Because, you know, what we don't want to do is what we've done in the past with things, which is sign up to technology that we then don't really get the maximum usage from.

Felix Wetzel 21:43

yeah, so I guess let me start a slightly different angle, from there's a lot of talk about upskilling people into in the use of AI. I think the best upskilling is when we let people experiment, like when we encourage experimentation of AI and so at Cielo together with our HR or we call people in culture team, we have rolled out our own AI workspace where, so we started rolling it out and AI, have to say, our PNC team, they Have some of the most active users, because they can see how they work, they work, and so around maybe 20% of Cielo employees currently have access to it, and it's phenomenal, right? You see, people want to use it. They are really excited about it, but they also need some help, and it helps that we as a product team are behind it, and we're doing office hours, and we're there to help them. But now we can see people building agents. We can see people working together and collaborating across silos and across functions and helping each other. It's like a hotbed of innovation, right? And so that's for me, like the the innovation isn't kind of created by a central planner. Innovation comes from experimenting on a job, right? And it's also upskilling doesn't happen through in classrooms or in zoom calls, in kind of, you know, somebody telling you about it. It's all about trying it and doing it. And I think this is for me, where the first part from, from H, from an HR people team, comes from enable your work with your team and your company to a give access to AI, obviously, with certain guardrails, right? But otherwise, don't. Don't do the same mistake. You know, we talk about social media. Don't do the same mistake where you go like, Oh, nobody's allowed to use social media. We need to have a social media policy which is, like, 20 pages long and stops anybody. Don't do this. Don't stop people, release people, and encourage them to experiment. And you know, a lot of employees are worried about experimentation, because what if something goes wrong? Is the seen as a negative? And we need to take this fear away. We need to say, experiment in your current job to find productivity gains. We see this. People are experimenting and they're building and they they're gaining productivity, and they're happier, and they're then kind of building these agents. And then suddenly you have people who can build agents, right? And it sounds so difficult, but you have suddenly people, and they're coming from, these are not people that you would say, like, oh, they're going to be an agent build out, or she's going to be an agent builder. They just take to this. That's the first thing for me, the second thing, then, is from an well, how does the organizational structure look like? So if I have agents doing certain tasks, if I now build an organizational structure, where do I need people doing roles and tasks? And where do I use agents now for me that you know the whole workforce planning that is part of workforce planning, which is part of HR, which I think is super exciting, because now you can design completely different, different parts. And we have clients. We're starting doing this. They have, like their Ghana grams, with with agents and people, and how do they work with each other? Right? So this is. Kind of another key part to kind of really build this. And then obviously you need to think, Okay, how do we know which agents do we use? How do we then, kind of also restructure it like that we have enough resources within the organization to actually look after those agents right and to make sure that our data architecture is in the right place, instead of, you know, because you need to kind of build your your snowflake and all of these kind of different data lakes. That's something that I think also is a key for HR. And then obviously, hey, there's fear. People are fearful, right to about all of this AI stuff to support them through this, through this thing. So I think HR is certainly at the heart of all of this AI transformation that we're seeing now, if they want to be and I would encourage them get involved. This is going to be great fun.

Mervyn Dinnen 25:52

It's been a fascinating conversation. We're coming to the end. So as we said at the beginning, we've known each other a long time, and I see you very much as a futurist who's always looking at the next thing. So if we sit down again in about 18 months, two years time to have a recap conversation, what do you think we'll be talking about? What? What do you think the world of HR and TA, two years on from all the AI integration we're talking about now, what do you think it will look like?

Felix Wetzel 26:26

I think we can what I think the technological advances will be significant. Right now these days, llms are forecasting or predicting which what's the next word I use? Already now they're working on what's the next action I should take. I also believe that by then, hopefully we all, with our mobiles, have our own unique agent that does our bidding as individuals, right? So we are having a completely new reality of how, especially in recruitment HR, that we're working with, and what I hope that we'll see in 18 months time, is a we'll, we'll see first real data coming out of it. Right at the moment, we're just playing and experimenting and learning really fast. But then we can say, okay, Company X did this? Company Y did that. We will see new roles coming out. We're seeing first kind of how AI and agents and people are working together. So we'll see these first, you know, first steps toward towards singularity. It's going to be great.

Mervyn Dinnen 27:27

Felix, thank you for the your time. It's been a very energizing and insightful conversation. If people listening to this want to make contact with you, what's, what's the best way?

Felix Wetzel 27:39

They can either contact me via LinkedIn, Felix Wetzel or via my email. Felix dot Wetzel at Cielo talent.com and I'm always happy, by the way, if anybody wants to have a conversation, contact me. I'd be delighted to continue this and have more exchanges about it, because I think that's what is also a being part human is that not being part Being human means that we need to do this exchange, and only together can we create new worlds and kind of experience new things. So that's it is a key part on this journey.

Mervyn Dinnen 28:13

Felix, thank you for your time.

Felix Wetzel 28:16

Thank you. Mervyn,

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