

**EPISODE 1567**

So Money episode 1567, leveraging AI to land the job with CNET's Laura Michelle Davis.

*“LDM: Tailor your resume for each job. All of us have like a standard resume. A lot of times we just send that off in mass, but you actually have to make it unique for the particular role. You can use an AI-powered keyword simulator to make sure that you have at least a 70% keyword match between your resume and the exact job description.”*

[INTRODUCTION]

[0:00:08]

**ANNOUNCER:** You're listening to So Money with award-winning money guru, Farnoosh Torabi. Each day, you get a 30-minute dose of financial inspiration from the world's top business minds, authors, influencers, and from Farnoosh herself. Looking for ways to save on gas or double your double coupons? Sorry, you're in the wrong place. Seeking profound ways to live a richer, happier life? Welcome to So Money.

[0:00:57]

**FT:** Welcome to So Money, everybody. I'm Farnoosh Torabi. If you have been in the job market recently, applying for jobs, chances are you've encountered artificial intelligence. You may not have even realized it. More often than not, AI is helping to identify candidates. Is your resume speaking the AI's love language? Are you applying at the right time? Because that, we're finding out, makes a huge difference to the machines.

Our guest is Laura Michelle Davis. She's an editor at CNET, where she specializes in personal finance content and also writes about technology, culture, and labor. She's worked as an English teacher, a Spanish interpreter, and a book proofreader. She's also a friend, one of the gifts of working at CNET, as you know, I worked there for a little under two years and had a

great time as editor at large of CNET money. They licensed the Money podcast. Laura and I worked very closely together on my column, my podcast, and she has recently written about the impact of artificial intelligence on the labor market, specifically how it's impacting job searchers.

She and I discuss how employers are leveraging AI to support the hiring process. She breaks down a software program, which is being widely used, the applicant tracking system where almost every Fortune 500 company is filtering candidates through an ATS. How does it operate? What is it looking for? As Laura describes it, AI powered hiring software is a black box. She offers us the new rules of this brave new world to help us job seekers get a leg up. Here's Laura Michelle Davis.

[INTERVIEW]

[0:02:41]

**FT:** Laura Michelle Davis, welcome back or first time to So Money?

[0:02:46]

**LDM:** First time.

[0:02:47]

**FT:** Is it?

[0:02:48]

**LDM:** Yeah.

[0:02:48]

**FT:** Because I feel like you have been such a part of the show. When I was at CNET, you and I worked very closely together on the podcast, on articles, that stem from the podcast. So, it feels

like you are the So Money, like you are So Money, and then you are So Money in the sense that you've worked on it with me. I guess better late than never, but you've very much been a part of the fabric of this show. It's just an honor to have on officially.

**[0:03:16]**

**LDM:** Yes. It's an honor to be here. I was always in the room with you in spirit.

**[0:03:23]**

**FT:** Yes, for sure. In edit. We did some great collabs. The reason I wanted to bring you on today is because you have done a lot of reporting on the state of AI and its impact on the job market, specifically from the perspective of job hunters. Today, we're going to get into what are the systems of play? How can we as job hunters have a strategy work with AI, not against it? First, let's just talk about the playing field and how you've noticed employers are leveraging technology specifically AI to support their hiring processes. I mean, this is like we're talking about this it's a new thing, but it's been going on for a little bit longer than probably we started talking about it as media people.

**[0:04:11]**

**LDM:** Yeah. I mean, I think the first thing is talking about what AI involves. Visual and image processing, natural language processing, speech recognition, machine learning, where computers are looking for patterns and massive amounts of data and then using those patterns to create an outcome. I think that's why AI feels so scary when you relate it to employment. I mean, there's the threat of it replacing jobs through automation. In the meantime, the software is making huge impactful decisions about our livelihoods. It's true, AI is getting a lot of attention right now, but automated technology has been part of the hiring and recruitment process for a while.

AI powered software and algorithms we had those huge job platforms at the start of the online job search. Back in the 90s, you saw the big boom and employment boards in the 2000s. Then you have the introduction of applicant tracking system software, which allowed these

businesses to filter and sort candidates and parse resumes. So, that ATS software basically became like robot recruiters. Some of the most popular ATS systems, Greenhouse, Jobvite, Taleo, workable. It's a really fast-growing market. Then companies will often take that software and they will customize it for their recruiting needs.

**[0:05:43]**

**FT:** Right. You talk about how almost every Fortune 500 company at this point is using ATS applicant tracking system, a computer software program, best for large volume hiring, for the employer, I guess it helps them parse through a lot of the applications. How does it actually work? What is an ATS looking for?

**[0:06:05]**

**LDM:** Yeah. So, the ATS is used to speed up and streamline and automate the hiring process. It's scanning these resumes for certain keywords that meet the job description and then parsing the content into categories. You can like think of it as a gatekeeper and it will essentially move your application onto the recruiter or it will weed you out and then you won't get seen at all. Then there's a lot of other functions that the ATS does, like storing candidate's information and other hiring data and then tracking candidates through the hiring process.

It's helping the HR team keep an electronic record of who they've contacted and what stage of the process are in. In terms of what the ATS is looking for, your resume has to have a certain match of keywords with the job description, like in the skills and experience areas. It has to be readable and comprehensible to the software. So, that's really the only way that your resume will get to the desk or email of a recruiter.

**[0:07:06]**

**FT:** Jumping ahead a little bit, because I wanted to ask you about the best ways to speak to the AI, so that it "likes" your application or feels like it's a good match. I was watching you talk on I think it was CBS about the days of glamming up your resume, using fancy fonts or big words, like \$10 words, like not so much the best way to speak to AI. They're looking for just, they're

looking to match, right? The keywords and probably simplicity is best. Maybe a quick tip on just even how to like format your resume, so that you can get through that first level and not inadvertently make yourself –

**[0:07:50]**

**LDM:** Go to the no pile.

**[0:07:52]**

**FT:** Yeah. Like inject yourself from the job process, hiring process.

**[0:07:57]**

**LDM:** Yeah. I mean, essentially, it is about having this like baseline understanding of the tools that are being used and then having some of those tips that you mentioned. So, just like getting your foot in the door, the ATS is going to reject the majority of resumes out there. If you're able to make it past that first robot screening, you might be in the top 25% of applicants and then you can actually be seen by a human.

I have a disclaimer here, of course, I'm not a career coach or a recruiter. I got tips from some great people with experience in the field. A career coach named Lauren Milligan from ResuMayDay, helped me break a lot of this stuff down. The staff at a scanner, an online job scanner called Jobscan and then a lot of other people in HR. There was a lot of continuity in terms of the advice that they gave. The first tip, like you said, simplicity, keep it simple. You want to use AI powered platform like an advanced resume scanner, like Jobscan to see if you have the right length and the font and the formatting. They'll tell you if it can even be read by a resume robot.

Instead of those charts or graphics that make it look really nice and fancy, that actually blocks the software, so your data won't be extracted and your resume won't be read. The key tip there is like, don't be creative, no images, boxes, tables or weird fonts. You just need something that's ATS friendly. Then the second tip that everyone offered was to tailor your resume for each job.

All of us have a standard resume, but you and a lot of times we just send that off in mass, but you actually have to make it unique for the particular role.

You can use an AI powered keywords simulator to make sure that you have at least a 70% keyword match between your resume and the exact job description. So, what that keyword simulator is basically doing is like imitating an ATS. If you don't have a high percentage with a solid match, you won't make the cut. So, that means paying attention to like different titles for job positions you've held. You basically have to tweak your resume and cover letter depending on the requirements and qualifications for the role.

Then the last thing is that people recommended was to use AI to your advantage, but to obviously be you when you're working on a cover letter, you can use generative AI programs like ChatGPT to write your cover letter. Include those keywords in there, but you also want to have specifics that only you know. So, if you want specifics like metrics and measurements of your accomplishments, you know, growth and projects and revenue or whatever else. So that way, when the recruiter reads it, you'll stand out, you'll have a specific story, you'll point them in certain directions, and you're like highlighting these skills that are exclusive to you. That's where like your human agency will stand out your show, your dynamic and versatile and independent in that way.

**[0:11:04]**

**FT:** You also wrote about you have an article on CNET now about how AI powered hiring software is this black box, but then you go into some of these pieces of advice from the experts you talked about. One of the pieces of advice was on timing. Is it true that when you apply and the timing of your application can make a difference to these ATS machines? How does that work, like how to set up for failure?

**[0:11:34]**

**LDM:** I mean, yeah –

**[0:11:35]**

**FT:** A timer for when – and what does that timer look like?

**[0:11:39]**

**LDM:** Yeah. Job seekers are the underdogs. I mean, that's the reality. I think timing makes a difference, because we don't actually know when HR stops hiring for a job. Jobs can be posted for really, really long time. The hiring manager may have already in the first week gone through and selected the top few candidates for the initial round of screening. If you apply the second week, you might be fully qualified and just be too late. It's just a general rule of thumb that job seekers should submit their application within the first few days, the job is posted, because speed matters.

**[0:12:15]**

**FT:** This might be very efficient for HR to weed out at least the majority of candidates. Are they actually getting the best crop of job seekers at the end of the day?

**[0:12:26]**

**LDM:** Yeah. I mean, you pointed to a key question, right, that you have this efficiency priority. It's taking care of these time-consuming administrative tasks in the HR department, like reading resumes and scheduling interviews. It's reducing the time it takes to fill an open position which the employer likes. It's reducing the cost it takes per hire. A lot of companies decrease their recruitment budgets, so there's a lot of pressure on HR. Computers do things faster. We know that automation can always replace human labor. We've seen this in manufacturing and production and retail and has made entire job categories obsolete.

Now this automation is really affecting white collar technical and professional jobs, including in my profession journalism, as you know, it's not a coincidence that AI is dominating concerns where there have been a lot of layoffs. It's a good thing that we're starting to see union contracts and strikes fighting back against this question, but is it leading to the best candidates? There's really no guarantee that the algorithm is picking the best fit. I mean, qualified candidates will be

overlooked by robots very easily and given this large hiring pool and the number of applicants, the system is disqualifying more than it's moving people forward. Yeah. That means a lot of talented, highly skilled candidates are just being ghosted and they never hear back.

**[0:14:05]**

**FT:** Now, we know that the ATS applicant tracking system is very popular with these bigger companies, but what about the smaller and medium sized companies? If you're somebody who wants to bypass this as an applicant, is there even a way? Is the advice, like go work for a smaller company where you're going to be more – the process is more handheld to you, that feels a little bit more ethical or fair or whatever you want to call it.

**[0:14:33]**

**LDM:** I think that a lot of the smaller companies are using it in some form. The problem is that we don't really know what is being used. It's this black box, right? It's hard to figure out which algorithm or computer, like how it arrived at a specific result. Candidates don't always know what AI is being used and how it's assessing people. If you have a situation where an application is send a cover letter and email to this person or then obviously you can save your fancy resume and your cover letter for that person. Do everything that you used to do before these times. Do the networking and do the personal connections and all that stuff.

Yeah. I mean, the main thing is that we don't really know when a system is using like predictive analytics to forecast outcomes and performance. We don't know what data is being fed in the first place. That's basically where it gets sticky, right? Because these major studies have taken place that have found that these predictive models reflect patterns with legacies of racism and sexism and prejudice against disadvantage and marginalized people.

**[0:16:04]**

**FT:** Are you hopeful at this and the people that you spoke to, generally? Are people expecting AI to ultimately be a tool for good in the hiring process? By good, I mean, like you just talked about things racism, sexism, ageism. Is there a way to use AI to make sure that what is being



analyzed is simply like qualifications and not are they young? Are they – all the things that sometimes go into the hiring process?

**[0:16:32]**

**LDM:** Every vendor that you go to, any AI powered automated software or hiring tool will say and sell itself on the basis of it reducing interpersonal bias. It will say that we know that discrimination bias has always been the case in hiring, whether that's computers or humans. We exist in this society with racial and gender and class oppression. That's the default. I would say that most hiring algorithms, everyone I spoke with is very critical of them, because hiring algorithms are going to wander bias by default. They learn what a good or successful hire is based on a company's background and performance metrics.

That criteria also, excludes minorities and marginalized groups in the real world. Some of these tools have been they're evaluating candidates' facial expressions to determine emotion or personality traits. That's been super controversial. One vendor called higher view got a lot of heat, because of disability bias in its hiring algorithm based on facial analysis. Oh, and about 10 years ago, Amazon had this tool. It's been scrapped now, but it discriminated against women applying for technical jobs by downgrading resumes that included women, like if you were part of a women sports team and then boosting the resumes with keywords that men tend to use, which I know you love.

**[0:18:10]**

**FT:** You can't even argue that was a mistake. That is so specific. That is so intentional. Oh, my goodness. A reminder to all, like bias is – there's unconscious bias, but then there's very, very conscious bias, which is I think more often than not, what is at play. We have a hard time accepting that sometimes, because outside of the business world, we're all like we try to be good people, but when it comes to business, it's like so cutthroat and it's so dollar driven. It's also wrong, like women, by the way are – I mean, the studies have shown like some of the best hires, so our mothers. You did an experiment with AI, I was reading in your article, you tried a tool, an AI speech coach called Yoodle.

**[0:18:57]**

**LDM:** Yoodli.

**[0:18:59]**

**FT:** Yoodli. Sorry. This is a bit of a learning curve for me too. They all have these like interesting names. Yoodli, tell us what Yoodli is and what happened?

**[0:19:11]**

**LDM:** It's a way to practice your interview skills. You log on, you say what type of interview you want to do. You can design your own questions or it can give you questions related to the industry that you're interviewing in. Then it records your responses over a period of time, usually a set of three questions. Then it evaluates you. It did make me nervous for a couple reasons. I mean, I'm always worried about privacy and data collection. It scared me in that sense, but I assume recording yourself in that setting isn't too different from the data that's shared when you submit a resume or cover letter or email or application online.

It will tell you – it does give you practice. It tells you your speed and your weak words, your language, your tone. The problem is in the real world, you never really know what an interviewer is going to ask you. I think it's best to prepare the old-fashioned way by looking at potential questions and then preparing and planning responses. But if you do have a lot of difficulty public speaking or have never gotten feedback or training on speech patterns, I think it's a free way to do that. I'm in favor of free things that help us.

**[0:20:28]**

**FT:** The other thing that you did was you scanned your resume. We talked about some of the ways that you can see how optimized your resume is for ATS, the applicant tracking system. What did you discover when you did that? What did you actually use?

**[0:20:42]**

**LDM:** I used Jobscan. I was given access to the premium version, which came with a number of perks. I found that my standard resume was 30% match with a job that I know that I'm qualified for. So, that's pretty, I mean, that's pretty common for the first time for most people. Then I had to go through and finesse it and try to up my keywords. That was a learning experience for sure.

**[0:21:12]**

**FT:** Did this tool give you those suggested words or how did you go about finding those keywords? Did you just try to find the job description, a potential job description, and throw those words in?

**[0:21:25]**

**LDM:** Yeah. It gives you basically two columns. You copy and paste your resume into one column, and then you copy and paste the skills and qualifications into another column, and then you press compare, and then it gives you an entire breakdown. It spells it all out for you. Then when you have the premium version, you can like go in there and you can edit it side by side so you're actually looking. then you like re-scan it to see if you get a better match after you've inserted those words.

**[0:21:52]**

**FT:** You know, it's an interesting time. I feel like technology can be, like to your point, it's fast, it's efficient, it's cost-reducing. The human role in all of this is important, but at the same time, sometimes not efficient. I will give an example of when I was working at a company and a recruiter, a third-party recruiter reached out to me on LinkedIn to say, "Hey, I think you would be a great candidate for a job at the company that I was working at." It didn't acknowledge that I – it didn't know that I already worked there.

It wasn't like, "Hey, I think you'd be – you should apply for this other job, like you're in this – so I just thought, "What? How does something like this happen?" Other than just this person didn't do the bare research, bare minimum research of like even just looking at my LinkedIn, which

would have told you I already work at this company. What is the role of HR? What's the best way that HR can show up in the recruiting process right now to pair their expertise and skills with the technology?

**[0:23:02]**

**LDM:** Yeah. I don't think I'm in position to give advice on that. I know you had a corporate recruiter recently on the show.

**[0:23:07]**

**FT:** Yeah.

**[0:23:08]**

**LDM:** Farah Sharghi, right?

**[0:23:09]**

**FT:** Right.

**[0:23:10]**

**LDM:** I can tell you what talking to some of them have said in terms of their – how they view their own role. I mean, I think most of them have said there has to be a human for most jobs. Like I mentioned, if a job application doesn't seem to be going through an online system or it's not a high volume, high velocity recruiting job or for a big company, you might get, have better stakes if you actually write the email or you have a personal content – contact, sorry. But that goes to some of the debate about automation and hiring.

Most of the recruiters who I spoke with in HR say, “Yes, it is a time saving measure.” They don't actually think the process of hiring and recruitment will ever be fully automated, because their judgment and their hands on assessment and evaluation, they feel is very important in the

process. That right now with the boom in AI, that building those human relationships is essential, if not more important.

We have seen like 100% automation for certain high-volume recruiting. We might keep seeing it for certain jobs with rapid employment growth. Yeah. During the pandemic, when Amazon was on this massive hiring spree, a number of Amazon warehouse workers were hired in 2020, they got jobs and never spoke to a single human.

**[0:24:52]**

**FT:** When you think about the future of employment and AI, what are the questions that you still have or what were some of the questions that you even asked for this article, that there just weren't good answers for yet, but it's something that in time will have answers to?

**[0:25:10]**

**LDM:** Some of the biggest questions I had were about the guardrails, because there was a lot of talk about how these AI powered hiring tools should be subject to regulations under the Civil Rights Act, specifically Title VII, which forbids employers from discriminating on the basis of race, color, religion, sex, and national origin. There's been so much debate over how these laws can apply to predictive hiring, but there are still are not any industry wide practices or guardrails.

All of the responsibility to monitor and test falls on the specific employers. A lot of the people I spoke with, I asked about what should vendors do? How can there be more transparency about the tools they use? A lot of them spoke about the need for independent auditing. Companies would have to open up their data sets, because like for now, it's mostly dependent on them being self-regulating.

There's like here in New York City, there's a law that now requires employers that are using AI and machine learning for hiring to perform an annual audit of their technology and candidates are supposed to be notified if an automated system is being used. They can also ask what data is being collected or analyzed. Enforcement of this law started in July this summer. I have no idea how regulation is going. I'm sure that there's going to be a lot more talk on this in the future,

including the Equal Employment Opportunity Commission is talking about it, but yeah, for now there's just minimal guidance.

**[0:27:00]**

**FT:** It's not just a black box. It's the Wild West.

**[0:27:03]**

**LDM:** Exactly.

**[0:27:03]**

**FT:** All the other expressions. Well, I guess it just means you'll have to come back and give us the updates.

**[0:27:10]**

**LDM:** Round two.

**[0:27:11]**

**FT:** Round two. First of many interviews on So Money, Laura Michelle Davis. Thank you so much. Fun fact, you all. I think I said this, but I'll say it again. Laura was my right hand at CNET. We worked very well and closely together. I miss working with you. It's nice to have you – at least I have this platform still to have you bring you back on. We can – we used to have these nerdy conversations. They would happen over slack usually. Now they can happen on the podcast.

**[0:27:37]**

**LDM:** Yeah. We were definitely team nerd. That was fun.

[0:27:40]

**FT:** Yeah. I love this. Thank you so much.

[0:27:43]

**LDM:** Thanks so much, Farnoosh.

[END OF INTERVIEW]

[0:27:47]

**FT:** Thanks so much to Laura Michelle Davis for joining us. I will link to her article in our show notes. Also in our show notes, you will find a link to pre-order your copy of *A Healthy State of Panic*, which has now been featured in the New York Times, Forbes, The Washington Post. I'll be on the Today Show on the day the book launches. I'm really, really excited. I cannot wait for you, especially to read this book, because you have helped me write this book. I could not have written this book without this podcast.

The podcast informed so many of the stories and the anecdotes and the insights in *A Healthy State of Panic*, because as I've discovered talking about money all these years, especially on this show for now nine years, when we're talking about money, we're usually talking about our fears. I hope you'll check it out. Pre-orders are really, really important as we know, because this is the time where best sellers are made. Between now and when the book comes out, go to [ahealthystateofpanic.com](http://ahealthystateofpanic.com). I thank you in advance. I'll see you back here on Wednesday. Until then, I hope your day is so money.

[END]