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Using artificial intelligence to diversify the recruitment process at L'Oréal

by

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Overview

Artificial intelligence (AI) and the narrative surrounding it have prompted a large number of companies to develop dangerous techniques and take excessive risks. In the light of this, L'Oréal adopted a modest approach by implementing two original Human Resources (HR) solutions with the aim of easing the workload of its recruitment team, overwhelmed by the number of job applications due to the Group's worldwide reputation and presence. Focussing on the categories which received the greatest number of applications, L'Oréal's international recruitment team adopted two AI solutions which were also the company's first steps into this field. The integration of these solutions, both by recruiters (whose time was freed up to concentrate on other, more rewarding tasks) as well as by candidates (whose applications were handled more quickly and who felt that their skills were taken into account) bodes well for the future of these sorts of innovations if they are implemented carefully into organisations.

Report by Pascal Lefebvre • Translation by Rachel Marlin

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I belong to an unusual group of people. We call ourselves the 'L'Oréal babies' because we all started our careers at L'Oréal as interns, fresh out of business school, and we have stayed with the company ever since. I am currently vice-president of HR, and I am in charge of the 'Talent Acquisition' team which handles the Group's recruitment. Most of my career has been in HR. I started in training, and moved to recruitment, before becoming HR manager and then HR director in different departments of the Group both in France and abroad. I spent just over three years in Canada as HR director of our subsidiary before returning to our head office in 2018 when I took up the job which I hold today. Our HR managing director, Jean-Claude Le Grand, who is well-known in HR circles, is particularly interested in external recruitment, and this is an invaluable asset for me.

Recruitment on a worldwide scale

My principal mission is to manage 170 recruiters throughout the world in all the divisions and functions of the L'Oréal Group. These recruiters must have the same recruitment approach, the same objectives, follow the same key performance indicators (KPI), be inspired by the same vision and be equipped for all of this. My role, therefore, is to ensure that recruiters all have the tools necessary to carry out their work successfully at L'Oréal.

The second part of my job is to organise the recruitment 'ecosystem' because, contrary to popular belief, recruitment is no longer just the work of recruiters. It is the principal function of HR and one of the essential activities of a company. All the key people involved in this ecosystem, including the HR department, managers, employees and external partners, have to align themselves with our recruitment philosophy. We have to agree on the characteristics of the people we want to recruit, our search strategy, how we promote our corporate image, and so on. This is why our motto at L'Oréal is 'We are all recruiters'.

An incubator specialised in information exchange in the HR field, 'Disrupt HR', was launched in 2017. The underlying concept is that in a rapidly changing world, if a company continues to operate using traditional methods, it will tend to grow more slowly primarily because staff in its HR department will find it increasingly difficult to keep up with changes going on around them. Therefore, we have to break ('disrupt') with our usual way of functioning, and create three activities which we have called 'Spot', 'Grow' and 'Engage'. 'Spot' focusses on the way in which we identify talent, both inside and outside the company. 'Grow' is concerned with the way in which we expand these talents, and 'Engage' centres on how we generate in-house employee motivation. Inspired by this, L'Oréal has put forward a number of initiatives with the aim of trying to protect innovative HR ideas from cumbersome validation processes so that these ideas cannot be dismissed out of hand by management complaining that there are not enough resources, money or time. Up until now, we have launched sixteen projects with this incubator. For example, in the 'Grow' area, we have introduced 'flex learning', and in 'Engage', a programme of flexible, contractual solutions based on work with freelancers, the gig economy (the job market for short-term contracts), and so on.

HR and artificial intelligence: a marriage of convenience?

Because of this protective framework, we were able to consider implementing artificial intelligence (AI). The recruitment process at L'Oréal is very different from any other company. Every year, the Group handles one million job applications worldwide, and our employment website, 'Careers', has more than 5 million visitors. Unlike more centralised companies, we are fortunate to have a network of 170 recruiters around the world. We recruit 14,000 people every year, one-third of whom are managers.

When I first arrived in the company, our recruiters complained that there were not enough of them to handle the workload, and they complained about the growing turnover of L'Oréal employees which they attributed to managers' inability to hold on to talented staff. I explained to them that this was not a temporary crisis, but a deep-rooted trend which showed no signs of being reversed. Globally, L'Oréal's turnover rate is 15.5 %, which is the norm for this sort of company. However, there are striking discrepancies in turnover rates related to job function, geographical area and level of seniority, and over the past few years, these differences have been growing. These are important challenges which every company faces in terms of holding on to its talented employees, continuing to offer an attractive work environment, and satisfying employees' expectations in general and those of the new generation in particular. We made this information very clear to all our recruiters so that they understood that they would be increasingly solicited because of growing demand, but that we were not about to increase their number. Therefore, we had to find innovative solutions to deal with the problem.

We became interested in AI when we defined our precise specifications in a document. Our intention was that this would be the basis for a work tool and not something which we created for fun or for prestige. We defined the challenges L'Oréal faced in terms of recruitment so that the choice of AI solutions corresponded to specific problems. Many companies take extreme standpoints with regard to recruitment; others hastily find pre-existing market solutions because they are not able to develop algorithms themselves, and they want to give the impression that they are keeping up with what is happening and their competitors. This is particularly dangerous because there are a great number of software packages which exist today, but which are neither ready nor 'plug and play' (ie. ready for use), and need a large number of parameters to be installed. Making such hasty decisions raises ethical questions, particularly regarding recruitment.

Other companies keep themselves at a distance, and hesitate launching into this venture, either because they feel that AI is too dangerous or because they fear it might create risks and affect their reputation. These companies prefer to wait a few years in order to see whether a suitable and successful outcome emerges.

If L'Oréal had adopted this 'wait and see' approach, this would have been a huge mistake. There is a large learning curve with any new venture. In just a few years, we and our recruiters have learned a great deal about these AI solutions and how to work in an ecosystem with start-ups and tech companies. We have also learned to question our objectives, evaluate the performances of our tools, and decide whether we need outside support. If we had not accepted these AI solutions, we would be three years behind schedule, and I would feel a great sense of regret. Are our solutions the best? I do not know yet. Are we moving in the right direction? We are doing everything we can to do so! We shall continue to adapt and adjust, change and develop our 'road map', and navigate our way forward as best we can.

Our aims

Our philosophy which drove our objectives was that on no account did we want to replace our recruiters. We wanted them to become so-called 'augmented' recruiters, so they could carry out their work in better conditions.

On this basis, we defined four specific objectives. The first was efficiency, in other words, ways in which recruiters could save time. The second was quality, by giving ourselves the tools which would allow us to target the candidates we were looking for better. The third objective was to increase diversity, a fundamental value in the L'Oréal Group which has been ingrained in its DNA for a very long time. The vast number of applications which we have to handle daily is nonetheless a major obstacle to this diversity as a recruiter may be tempted, when confronted with the scale of the task, to act quickly and just choose one sort of person or profile. Therefore, it was essential for us to find tools which allowed diversity to flourish. Finally, our last objective was the candidate's experience, the aim being to make the recruitment process positive and agreeable for the candidate which, additionally, could give us a true competitive edge.

Having defined these four objectives, we then chose a few solutions put forward by the market. This was complicated and we made mistakes. Our first mistake was that we did not explain everything sufficiently with regards to what we wanted to do: our HR teams abroad were not well informed about matters which

for us, in the head office in France, were crystal clear. This created misunderstandings notably with certain subsidiaries in other countries which adopted AI solutions which were somewhat risky and which we had to put an end to straightaway. At L'Oréal, we strongly encourage entrepreneurship, empowerment and taking initiatives, but in certain instances, we forgot to remind our employees of the framework and the factors which are non-negotiable. Therefore, we had to reaffirm our authority by clearly stating our objectives and committing ourselves to helping each team so as not to lose focus on such a sensitive subject in terms of image, ethics and reputation.

Mya the chatbot

We are currently working with two AI tools. One is a chatbot ('chat-robot') called Mya, and the other is Seedlink, AI software which helps us to assess whether candidates are culturally compatible with L'Oréal.

Chatbots are well-known solutions and exist in all aspects of daily and professional life. When an Internet user consults L'Oréal's career website and applies for an internship or a job as a beauty consultant for example, he immediately comes into contact with our chatbot which reveals immediately that it is a robot and not a person. We are very transparent about this. In the interaction which follows, the chatbot asks factual, closed-ended questions which are related to the prerequisites of the job in question, its geographical location, the candidate's availability, internship contracts, potential work permits, and so on. The chatbot also provides all the information available about the job, including the salary as well as useful information about L'Oréal and the Group's work culture. The chatbot communicates in both directions, by both asking questions and providing information which candidates frequently request. This all takes place in the language of the candidate's country.

In the beginning, we were frequently asked about how candidates felt about communicating with a robot. Before the chatbot, this pre-screening work with closed-ended questions was carried out by recruiters during telephone interviews. This work was basic and not gratifying, and took up a great deal of the recruiters' time, time which could have been used for tasks which were more rewarding. This preselection work, which did not make use of recruiters' talents, has now been assigned to the chatbot.

Candidates appear to find this experience very satisfactory. There is a very well-known syndrome known to recruiters as the 'post application black hole'. It is the period of time, which can sometimes be very long, during which applicants have no feedback whatsoever about their job application. This puts them in an extremely uncomfortable position where they are passively 'subjected' to the recruitment process. This is particularly hard for the younger generation who are not used to these sorts of delays. Therefore, it is greatly appreciated when a candidate has a 'correspondent' who, once the candidate has applied for the advertised job, replies that L'Oréal is happy to receive the application, asks questions, and lets the candidate know immediately whether his application is suitable. Once this conversation is finished, if the application satisfies the job requirements, the candidate is put in contact with a recruiter who fixes a date for a face-to-face interview.

The chatbot is not used in all our recruitments. It is used in two distinct phases of the recruitment process, the pre-screening and the screening, and only for certain positions such as internships and entry-level jobs. These positions generate the largest number of applications which is why we need a tool to filter the large volume of applications received, and thereby ease recruiters' workloads by enabling them to concentrate on the applicants who satisfy the job requirements. Having saved time in the early recruitment phase, the recruiter can then devote more time to the candidate during the interview stage, and ask questions about his personality and why he is applying to L'Oréal.

Seedlink: the algorithm which measures cultural compatibility

The second AI solution, Seedlink, is more closely linked to AI and machine learning. It is an algorithm developed by a new company, and was specifically adapted for L'Oréal. Seedlink appears in the form of a questionnaire with open-ended questions, and when it is configured to L'Oréal's criteria, it enables us to assess candidates and helps us to determine whether they are compatible with L'Oréal's corporate culture.

At L'Oréal, we identified five major skills which we look for in candidates during our recruitment process. They are their skills as an entrepreneur, an innovator, a strategist, a people developer, and an integrator (their ability to make connections with and between other employees). We personalised the algorithm based on these five skills to ensure that the questions we asked the candidates helped us to assess their abilities in these specific areas.

Because this tool was used in a number of countries, we had to adapt it specifically to local contexts. To do so, we created benchmarks based on the answers of experienced employees, already in the company, which helped to standardise our questionnaire. Today, this tool includes three to five open-ended questions, and when the candidates' answers are compared with the benchmark, they generate a score which enables us to determine whether the candidates' skills match the skills we are looking for. It is very important to note that the machine does not choose the candidates: the recruiter consults the scores and then decides whether he wants to interview the candidate or not.

The open-ended questions appear online and candidates write an answer (the minimum length of the text is specified). For example, the candidate may be asked to describe an uncomfortable situation in his professional life, and how he coped with it creatively. Let us take the example of a student applying for an internship in the United Kingdom who notices an interesting traineeship offer on the L'Oréal UK Careers website. Once he has sent off his application online, he is immediately contacted by our chatbot Mya which asks him questions. If the chatbot concludes that this student is eligible for the internship, a link appears which directs him to the Seedlink questionnaire. He will then be contacted by a recruiter who, on the basis of the student's score, decides whether or not to interview him.

Today, about fifteen L'Oréal subsidiary-countries use this system. Some only use the chatbot, some use just Seedlink, and others use both. We let them make their own choice because everything depends on their local context. These solutions are only cost-effective when there are a large number of applications. If this is not the case, the investment is disproportionate to the need, and is therefore largely unjustified. On the other hand, for subsidiaries such as those in the United Kingdom, Brazil, the United States, China and India, these tools are extremely useful.

Enriching diversity

Diversity is one of the four objectives for which we envisaged using AI applications. It may appear bold to claim that these solutions help us to recruit a more diverse public, but this is the case, as we can see with an example taken from the United Kingdom. The UK, like L'Oréal, is a very attractive job location, and therefore our number of applications there is double the average. For years, the UK HR team (about 10 recruiters) received more than 20,000 internship applications every year. The recruiters worked hard to reduce this number because they were unable to manage the volume satisfactorily. They tried to solve the problem by using their creative skills to devise specific campaigns in specific schools and universities in order to focus on people with the same skills or those who had done similar internships in order to reduce the number of inappropriately-matched recruitments.

The problem with this, however, was that it quickly killed any diversity. When I first met this team, they were very proud when they told me that they had managed to halve the number of applications because of their creativity. I told them that this was not a reason to be happy and, as far as diversity was concerned, it did not represent the Group's values at all. We decided to implement the two solutions, the chatbot and Seedlink. We then created a performance assessment matrix for each of these solutions. This helped us to measure every year the change in the number of universities and schools where our interns studied and to assess our progress with regards to this criterion because we used these solutions. We applied the same means of assessment for choosing men or women

China was the first country where we tested Seedlink. The volume of applications handled there by a relatively small team was considerable. When our recruiters started to test Seedlink on all the graduate applicants, they were

quickly able to handle the files of candidates who had neither the expected academic training nor the experience. With Seedlink, they were much more relaxed and were able to select diverse applications, no longer eliminating them by just looking at their CVs but by ensuring that they corresponded to the job requirements and that they were compatible with L'Oréal's corporate culture.

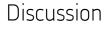
Ethics and vigilance

This AI venture has resulted in many challenges for us including, first of all, knowing how to handle our success! In all honesty, it is not difficult to use the chatbot. It is very factual, has closed-ended questions, and apart from the technical aspects which can be left to the specialists, it is not very complicated to reach our objective with the chatbot.

Seedlink, on the other hand, is more complex and brings us face-to-face with AI and machine learning. We quickly realised that on our own, we would not be able to appreciate the technical difficulties of an AI solution, assess its relevance and justify its choice. Therefore, we decided to seek help, and one of the first decisions I made when I took on my new position, was to contact a company which was well-known for its AI skills in order to help us build our performance assessment matrix. They now help us to manage these tools using rational and objective methods which will enable us to measure their results in a standardised and coordinated way in the different countries where these tools have been put in place.

A great deal of work has gone into determining which aspects work well and those which do not. We have also learned that AI tools are a new field for us, very different from the 'plug and play' format where one merely has to push a button for everything to work. We constantly have to be on our guard, monitoring, measuring, updating our partners on changes to be made, testing and carrying out counter-tests, and so on. All of this requires a great deal of work.

L'Oréal has very assertive ethical principles and, based on external and objective criteria, we are regarded as one of the most ethical companies in the world. L'Oréal's four ethical principles are courage, integrity, respect and transparency. When L'Oréal launches research into technological solutions, and especially when these solutions affect individuals, we have a duty to be very vigilant. I am in charge of international recruitment, but can I confirm that our solutions respect L'Oréal's criteria for respect and transparency? I cannot truthfully be the judge of this, which is why we have decided to make ethical audits of AI solutions dedicated to recruitment, and have sought help in carrying this out. Today, these audits are in their early stages and we are embarking on this new and equally necessary venture with a great deal of humility.



Introducing AI to L'Oréal

A speaker: How have your recruiters reacted to these AI solutions?

Eva Azoulay: Once we had devised our strategy which included AI, and after a few initial blunders, we were very quick to clarify our intentions. We wanted to be very clear about how these tools would fit into our organisation by insisting on the fact that they were not intended to replace recruiters, but to help them to do their jobs

in the best possible conditions. It should have not been necessary for us to say this, but in the light of all sorts of ideas which people make up about AI, we needed to state this clearly. Once they had heard this, our recruiters were reassured, and they were more confident about the system when we told them that the work would not be done at the touch of a button and that it would take a great deal of time to configure the machine, devise the processes and adapt the system. The fact that we did not mislead them about what they could expect, gave them confidence about taking part in the new system.

Speaker: Did they worry that you might use this change to make job cuts?

E. A.: L'Oréal has a reputation for being a 'human' company and our employees rarely think we are going to fire them. Our concern was not reorganisation or down-sizing, but empowering teams to use technology. The number of recruiters, which incidentally was relatively small, was not our aim. The volume of recruitments, on the other hand, was such that it was easy to convince those involved that we needed help to solve the problem.

Speaker: Is the international mobility of its employees one of L'Oréal's objectives, and if so, how can AI technology help you with this?

E. A.: This is not the purpose of our AI solutions today; we have other tools for this, such as the Disrupt HR incubator and the internal mobility platform which we devised. These are not very innovative solutions, but sometimes one has to start from scratch! L'Oréal is well-known for its large number of internal mobility opportunities, made possible because of the company's huge size and breadth. However, some people criticise us for only giving career progression possibilities to a 'happy few'. The aim of our platform is to encourage people to be mobile at all levels within the company, using procedures which are much more transparent, but currently AI does not yet play a part in this because we are not yet ready.

Speaker: Can these methods enable you to lower the high level of staff turnover?

E. A.: I think it is very important for us to regard this turnover as a fact and not as a cause for concern. This is what I say to my recruiters when I tell them that they have to face up to this reality. It is understandable that they are not very enthusiastic about having to find a new candidate to replace a person they recruited two years earlier, and they may well feel a little discouraged. Of course, we must try to make our employees want to stay with us, but we also have to face reality.

Having tools which assess whether a candidate is suited to the corporate culture sends candidates a strong message that it is important for L'Oréal that they fit in with the Group's values. We are a company which is divisive, whether we like it or not, and we do not pretend that everyone likes us. So, therefore, we have to ask candidates whether they think that they can be happy at L'Oréal in the light of their own personal and professional values. The fact that we ask them this question shows the importance we place on our employee's well-being in our company.

Assessing this cultural match between the potential employee and the company increases staff loyalty. Like other companies, we encourage co-option. We have carried out a large number of studies about this which all tend to show that an employee is often co-opted because his culture matches that of the company and that he will be more loyal and stay longer in the company.

Speaker: Finally, have the results of studies you have carried out about introducing these tools put your methods into perspective and formalised this implementation?

E. A.: Yes, absolutely. I often say that we consider AI to be a voyage, not a destination. We learn a great deal because of our questioning and the mistakes we have made through trial and error. It is the compensation for the time and effort we put into it. If we were to spend very little time on it and not worry about asking the right questions, the experience could easily go amiss.

Academic background or atypical profiles

Speaker: What proportion of candidates are unsuccessful as a result of these AI tools?

E. A.: We receive one million applications every year and we recruit just 14,000 people. When we use these solutions, many applications are discarded after the chatbot process because simple, factual criteria do not correspond to the job's needs. With regards to cultural compatibility, the algorithm creates a score, but, regardless of the score, the candidates are not automatically eliminated. This score is a non-binding source of information about their skills, based on the five criteria we determined. The recruiter will study this with other data in order to make a decision. Currently, I do not allow the recruiters to let the machine choose the candidates, because we are not ready for this. Nonetheless, because of Seedlink, we are able to recruit people for business jobs, for example, who, on paper, did not have the usual, required academic background for business, and had previously worked in financial, digital or marketing sectors. This flexibility would certainly not have been possible if we had just studied their CVs.

Speaker: What do you think about the way CVs are currently used?

E. A.: With websites like LinkedIn, CVs have become very standardised. Everyone can now write a good CV. The CV has largely lost its discriminatory capacity. Additionally, it is very complicated today to understand the value of a degree. Higher education institutions and universities are faced with competition from abroad, and are increasingly becoming brands selling products with labels like 'Grande école', 'Masters', 'MBA', 'Executive MBA', and so on. It is also increasingly difficult to appreciate the specificity of these degrees. Some higher education institutions, once at the bottom of the rankings, have gone to great lengths to differentiate themselves from rivals by offering original and attractive courses. If one decides to use AI, one must be very clear about how these tools can help us to advance beyond the standardised CV and academic training, especially because we are now faced with a generation which is freer in its choices and career paths.

Speaker: How do you handle unsolicited job applications from people who want to work at L'Oréal but are not applying for a specific, advertised job?

E. A.: This is not an easy problem to handle. The GDPR¹ imposes very strict conditions regarding personal data processing which makes our work less efficient. Since this law came into effect, we decided that all applications sent by email or to our employees by people whom they do not know are no longer acceptable. This means that we have to explain to every potential candidate that he has to use our Careers website if he wants his application to be considered. In order to avoid missing out on potentially interesting candidates, we make sure that the job profiles we write are sufficiently generic to attract unsolicited applications. This is how we have got around the problem.

Speaker: Do you use head-hunters to recruit top management at L'Oréal?

E. A.: We have prominent recruitment consultant partners for our executive positions because we do not claim that we are better at our job than other people. Recruitment is a profession in its own right, and we are not always able to 'source' a certain number of profiles for senior positions by ourselves, as well as the fact that some executives do not want to be contacted directly by companies. Our strategy is to keep a few head-hunters who we know well and trust and with whom we have a close relationship as our partners. We also have our own HR directors whose primary concern is the career path of top management at L'Oréal.

^{1.} The GDPR is a regulation in EU law on data protection which came into force on May 25 2018.

Any questions?

Speaker: Does the additional Seedlink questionnaire not add an additional layer to the recruitment process and risk discouraging candidates?

E. A.: The recruiters were worried about this initially, and this concern is one of the reasons why we only use this solution for certain types of recruitment. We carried out lots of tests. In France, for example, we started off asking three questions, which made the process less cumbersome and gave us a larger rate of replies, but the scores were less accurate. As a result, we resorted to using five questions. We test, we learn, and we retest all the time, and we do so in all the countries where we have put these solutions in place.

Speaker: The information gleaned from answers to four or five questions does not seem like enough in order to assess a candidate. Who writes the questions and how are they devised?

E. A.: These questions are chosen with our recruitment partner based on a proven algorithm from the Seedlink solution which is able to establish a reliable score from the answers given. To help us, our partner has his own stock of possible questions from which we can choose.

Speaker: Is the fact that these questions have been calibrated on answers from employees who are perfectly integrated into L'Oréal's culture not a barrier to diversity?

E. A.: It is true that this internal benchmark could merely produce clones. However, it is just a calibration with limited weight, and it allows L'Oréal to understand how successful people are placed in the company with regard to these five criteria. It also allows us to see patterns which link certain job profiles to certain positions.

In fact, for a given job, our sample is created so that it is specifically diversified in terms of nationality, length of job experience, international experience, gender, and so on. Diversity is not lacking at L'Oréal! We just have to make our recruiters aware of the importance of creating their benchmark properly.

Finally, as far as machine learning is concerned, we have to revise these benchmarks regularly. The more input one has, the more one extends one's database, which is essential if the system is to improve.

Speaker: Do you envisage implementing other AI tools?

E. A.: In the company's headquarters, I have a team which studies all the solutions which exist on the market and evaluates their usefulness. Today my talk has focussed on two solutions, but we are working on other tools. We have scrutinised dozens of others. The same is true for about one hundred HR Tech start-ups which propose recruitment solutions. We consider these offers carefully on an individual basis, but, given the low level of sophistication of most of these solutions, L'Oréal tends to remain very cautious, and avoids implementing new methods.

■ Presentation of the speaker ■

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