

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