Talent Acquisition Quarterly

First Quarter 2019

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Gartner®

Talent Acquisition Quarterly

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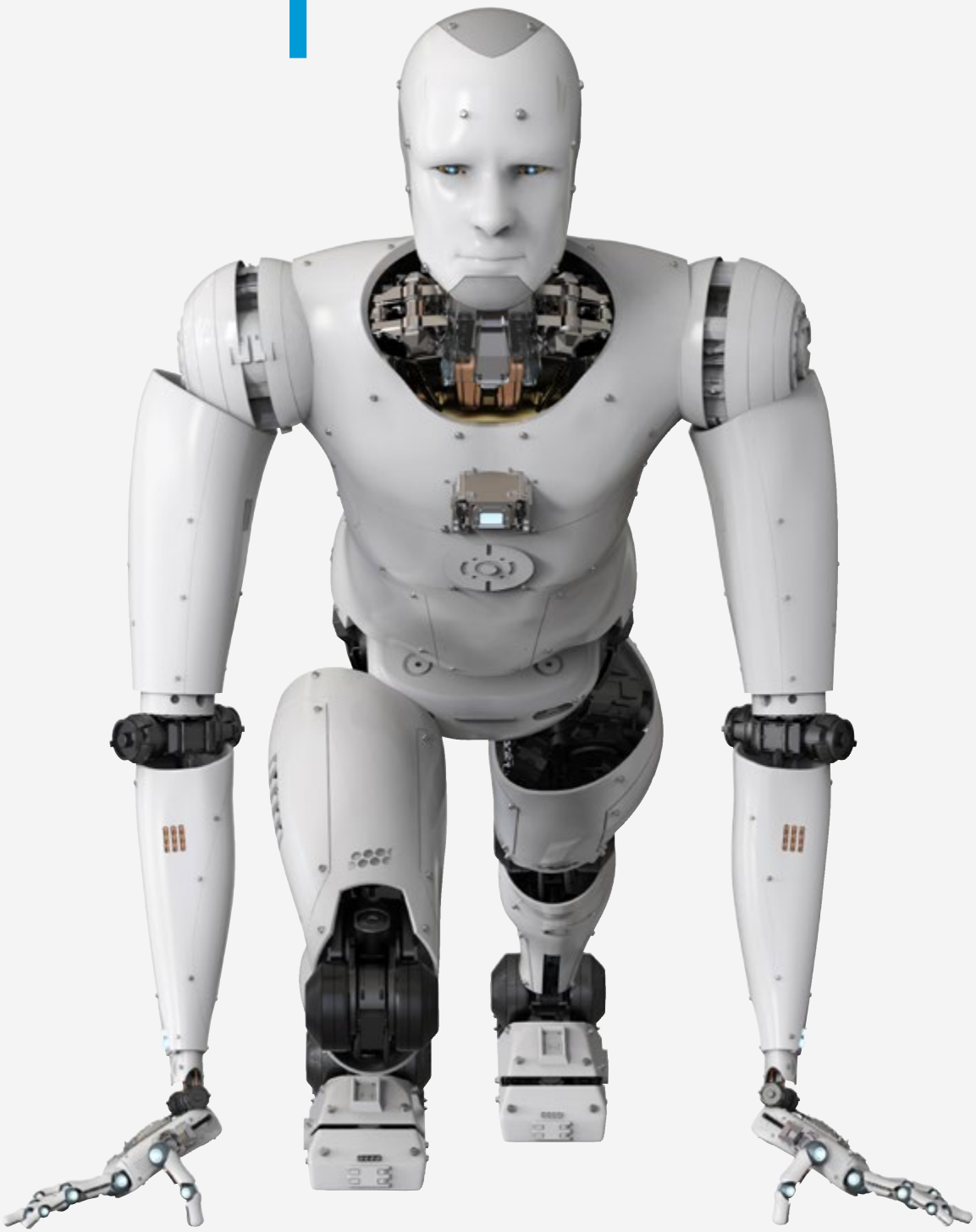
AI and the Workforce of the Future



Defining AI

As a working definition, it's helpful to think of artificial intelligence (AI) as "a branch of computer science dealing with the simulation of intelligent behavior in computers."[1] AI can apply decision rules, search data and identify patterns, and in doing so, automate some tasks and facilitate the performance of other tasks normally performed by human beings.

But AI has its limitations. It cannot strategize, empathize or improvise, and it lacks creativity and aesthetic judgment. Successful AI depends on a large volume of data from which to draw information about the best response to a situation. Without sufficient data — or if the situation encountered does not match past data — AI falters. The more complex a situation, the more likely the situation will not match the AI's existing data, leading to AI failures.

AI Surprises

When anxiety over AI initially set in, people were most concerned it would replace low-income jobs, with many believing high-income jobs would not be affected. However, AI has unexpectedly succeeded in displacing and changing some high-income roles while failing to replace some lower-income roles.

Displaced Role Example: Stock Traders

AI can outperform humans in many of the skills needed for stock trading. In 2000, Goldman Sachs' U.S. cash equities trading desk in New York employed 600 traders. Today, that operation has two equity traders; machines do the rest of the work.[2]

Unchanged Role Example: Hotel Clerks

Hotel clerks not only check guests into rooms but also read facial expressions and body language to identify needs — something AI cannot do. Hotels near Toronto Airport tried replacing hotel clerks with computer terminals but had to revert to human clerks. People are not buying the task of checking in; they're buying the guest services. Guests wanted empathy after a day of travel and were displeased with the change from faces to computer screens.

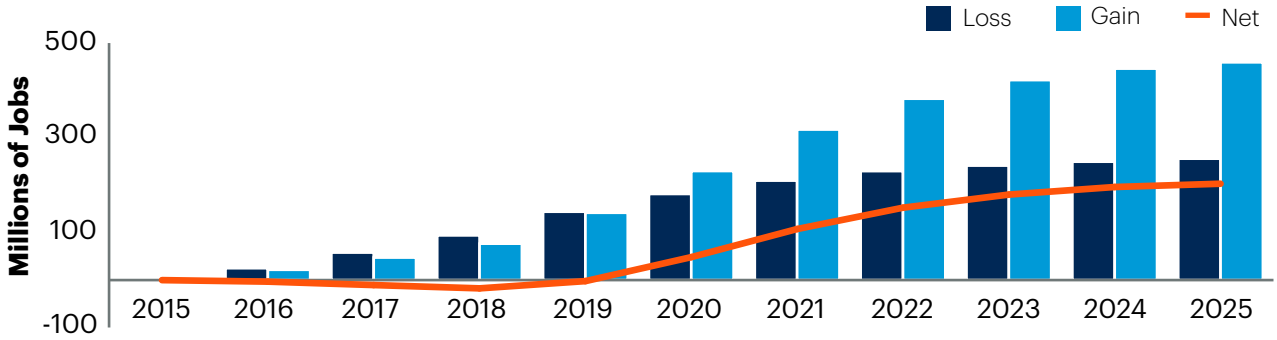
Future Net Job Creator

Clearly, AI will have an impact on a variety of roles and — because AI can perform certain tasks faster, less expensively and more accurately than humans — it also creates opportunities for scale, which impacts the volume of required roles. People who rely on AI outputs to do their work can now receive these outputs faster and in greater volume. In turn, employers hire more people for the positions that use AI outputs, not to mention other positions that rely on the performance of these positions.

By 2020, we predict AI will create more jobs than it replaces, creating 2.3 million jobs while eliminating 1.8 million jobs (see Figure 1). The rate of job creation will also accelerate over time; the more organizations implement AI, the more jobs it creates. These jobs fall into two categories:

- Jobs directly related to implementing and maintaining AI at a company
- Jobs created by the opportunities for scale AI provides

Figure 1: AI's Net Job Creation



n = 1,888,159 job postings

Source: Gartner TalentNeuron analysis

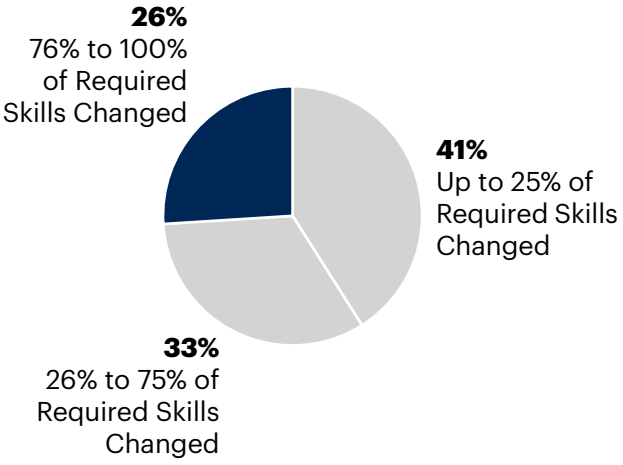
Changes in Required Skills and Demand

As a result of both AI and digital transformation as a whole, jobs are evolving rapidly and substantially. Nearly 60% of job postings have had at least one-quarter of their required skills change in the past few years (see Figure 2).[3]

Our research focuses on how demand for skills will change due to the implementation of AI in the workplace. The findings are not dependent on role design or task components remaining static, which means our model can be applied to new skills as they emerge, even as roles and tasks change. This model breaks all skills down into the following four categories. Our research explains how demand for each of these skill categories has changed over time and how we expect them to change going forward (see Figure 3).

Figure 2: Changes to Required Skills in Job Postings

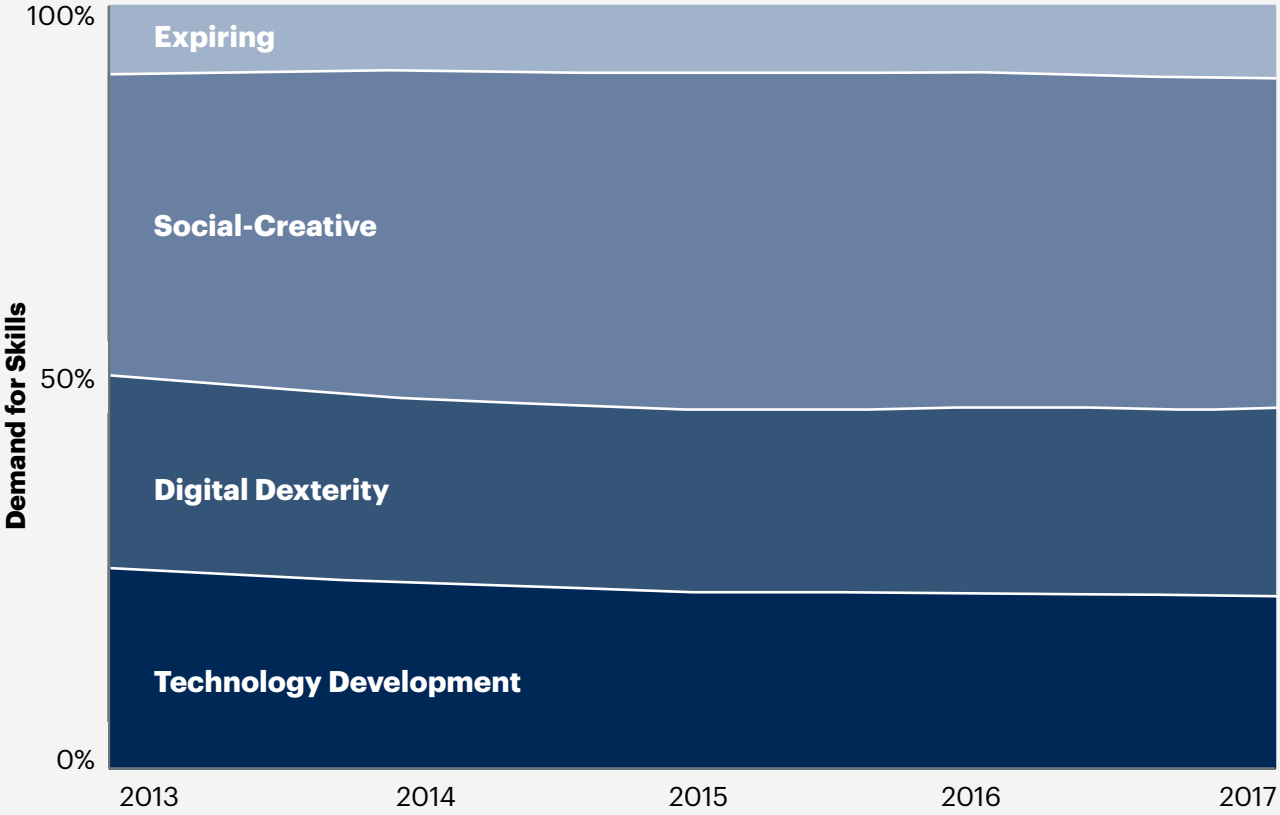
Percentage of Job Postings



n = 36,185,653 job postings (2013); 41,087,823 job postings (2017)

Source: Gartner TalentNeuron analysis

Figure 3: Demand Over Time, by Skill Type



n = 36,185,653 job postings (2013); 46,019,730 job postings (2014); 44,978,811 job postings (2015); 46,111,150 job postings (2016); 41,087,823 job postings (2017)

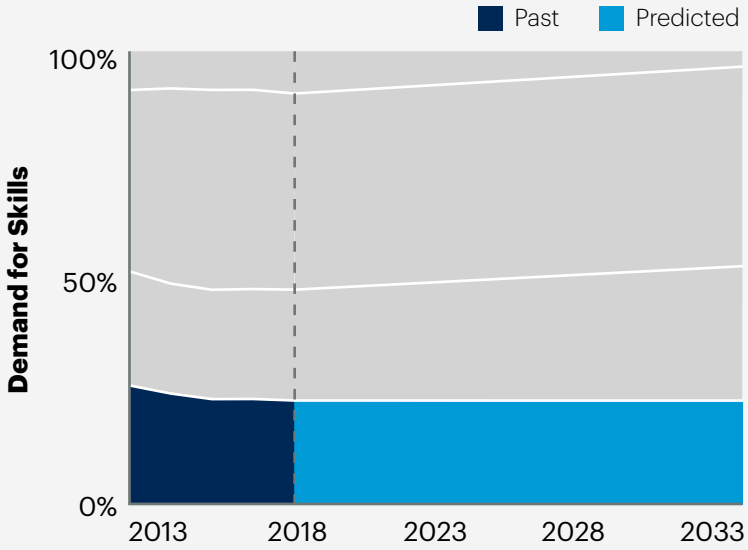
Source: Gartner TalentNeuron analysis

Technology Development Skills

Skills in this category involve building, implementing and maintaining technology. Examples include Java, SQL, Python and agile software development.

Demand for technology development skills has fallen slightly, from 26% in 2013 to 23% in 2017. However, this is not because companies are moving away from technology; in fact, nearly every company is — or hopes to be — a technology company. Instead, this decline is due to AI replacing some technology development skills, which has driven down aggregate demand for these skills. In future, demand for technology development skills will stay flat (see Figure 4).

Figure 4: Predicted Demand Over Time for Technology Development Skills



n = 36,185,653 job postings (2013); 46,019,730 job postings (2014); 44,978,811 job postings (2015); 46,111,150 job postings (2016); 41,087,823 job postings (2017)

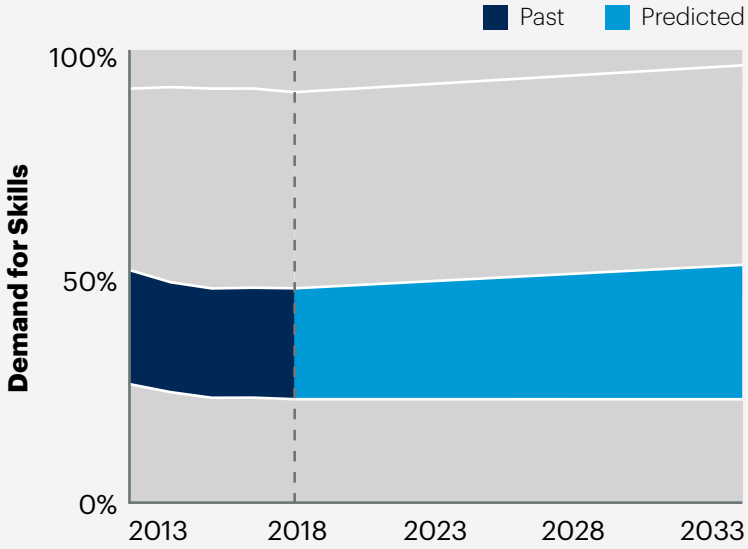
Source: Gartner TalentNeuron analysis

Digital Dexterity Skills

Skills in this category involve using technology. Examples include word processing, inventory management, computer and internet research and staff scheduling.

Demand for digital dexterity skills has stayed relatively flat, moving from 25% in 2013 to 24% in 2017. In the future, as organizations implement more technology, demand for people who can use that technology and its outputs will increase (see Figure 5). However, we do not expect this demand to grow as fast as the social-creative skill demand because AI will replace some digital dexterity skills.

Figure 5: Predicted Demand Over Time for Digital Dexterity Skills



n = 36,185,653 job postings (2013); 46,019,730 job postings (2014); 44,978,811 job postings (2015); 46,111,150 job postings (2016); 41,087,823 job postings (2017)

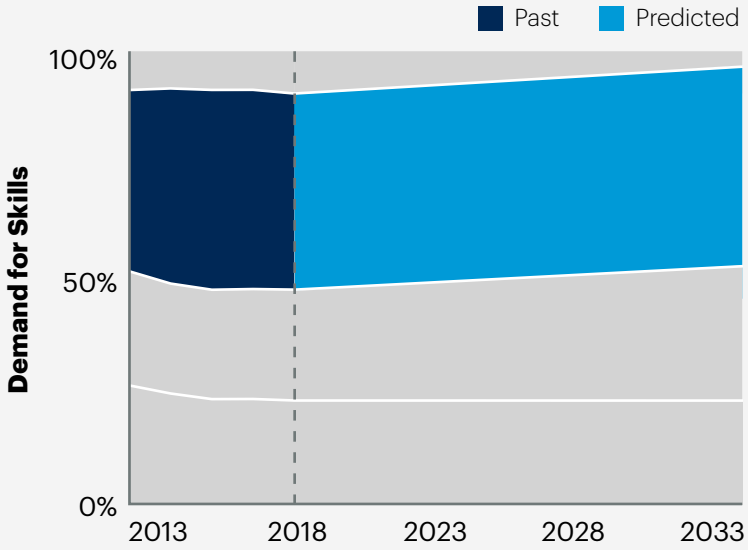
Source: Gartner TalentNeuron analysis

Social-Creative Skills

Skills in this category are difficult for AI to perform because they require aesthetic judgment, creativity and social interaction. Examples include coaching and customer service.

Demand for social-creative skills has increased, offsetting the decrease in demand for technology development skills. Social-creative skills made up 39% of all skill requirements in 2013 compared with 43% of all skill requirements in 2017. Because AI increases demand for the skills it cannot replace, we expect to see that trend continue, with roles shifting to require more social-creative skills (see Figure 6).

Figure 6: Predicted Demand Over Time for Social-Creative Skills



n = 36,185,653 job postings (2013); 46,019,730 job postings (2014); 44,978,811 job postings (2015); 46,111,150 job postings (2016); 41,087,823 job postings (2017)

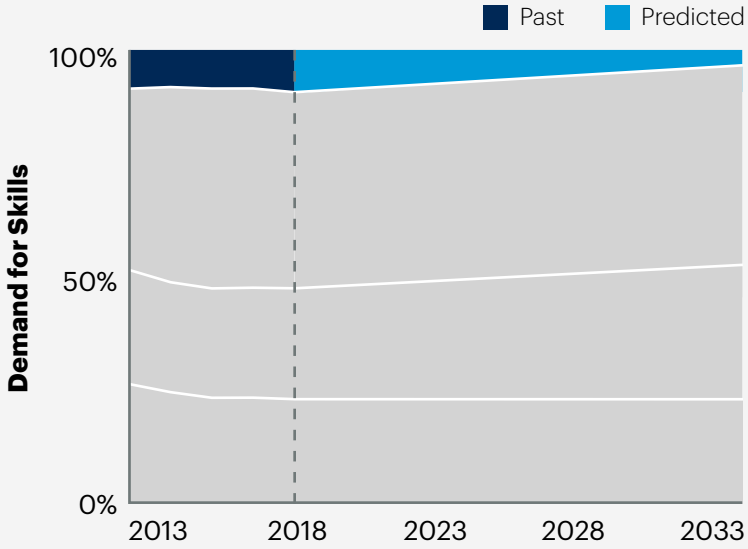
Source: Gartner TalentNeuron analysis

Expiring Skills

This category includes every skill that does not fall into the other three categories. Technology can perform these skills faster and cheaper than humans. Examples include cold calling, forecasting and cost estimation.

Demand for expiring skills has stayed relatively flat, moving from 10% in 2013 to 15% in 2017. In many cases, the AI that will replace these skills is not yet implemented, but companies will increasingly implement it in the future (see Figure 7).

Figure 7: Predicted Demand Over Time for Expiring Skills



n = 36,185,653 job postings (2013); 46,019,730 job postings (2014); 44,978,811 job postings (2015); 46,111,150 job postings (2016); 41,087,823 job postings (2017)

Source: Gartner TalentNeuron analysis

Conclusion: Big Shifts for HR and Recruiting Leaders

HR and recruiting leaders must discuss AI strategy and what it means for the current workforce and potential employees. For recruiting leaders this especially means:

- **Testing future needs** — Using scenario and workforce planning to identify the skills most needed in the future.
- **Determining build and buy strategies** — For example, should the new workforce build digital dexterity and social-creative skills in the existing workforce and develop plans for reskilling workers who may be displaced by AI? L&D and recruiting leaders must work in tandem to decide which skills to grow and which to acquire, if they can't be developed in the existing workforce.
- **Collaborating with other talent stakeholders** — Recruiting leaders must also work with HR business partners and compensation directors to understand how to adapt to appeal to the different skill profiles that will make up the future workforce.

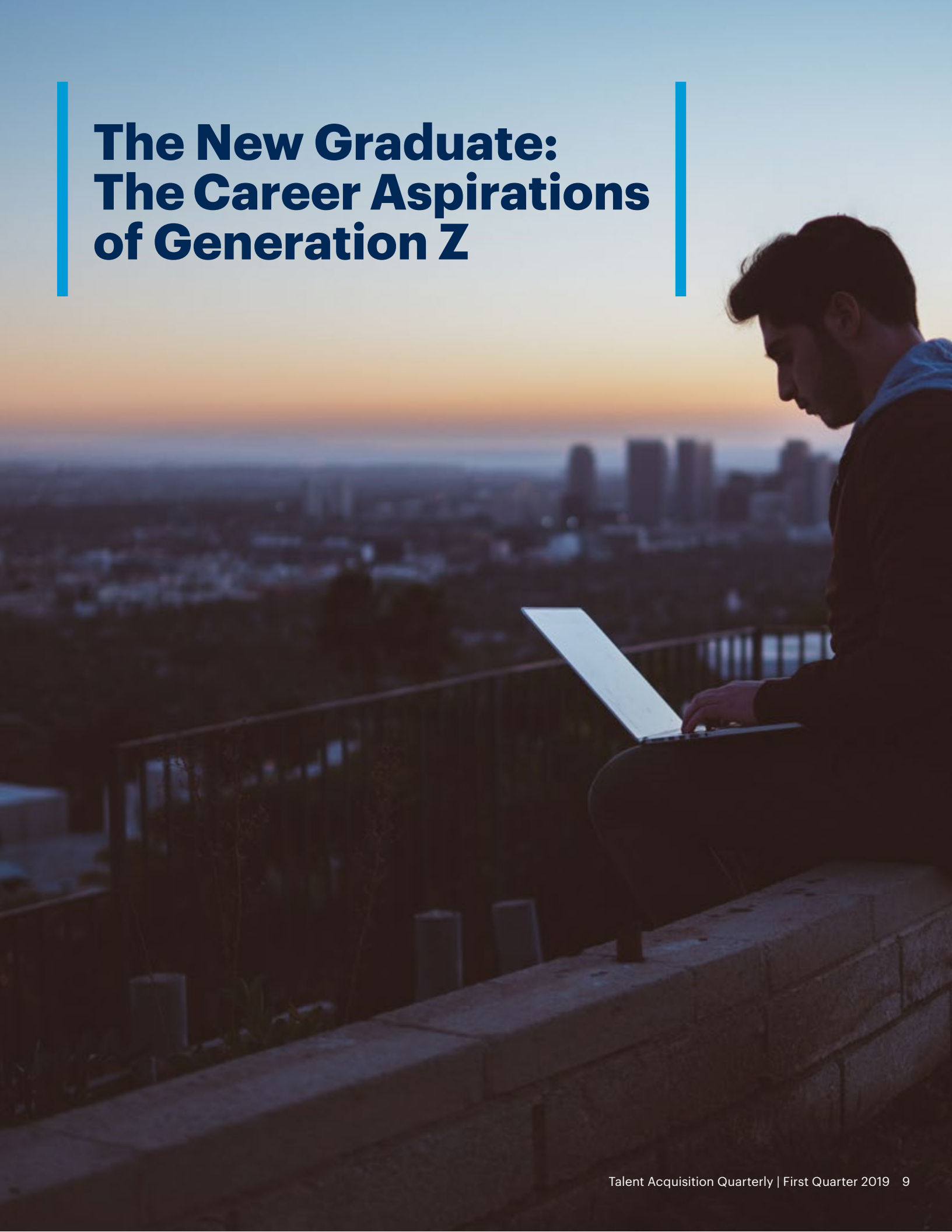
HR and recruiting leaders must enable companies to successfully manage AI's impact on the future workforce. By aligning workforce planning with digital and business-strategic planning, reskilling the workforce, gathering external intelligence and incorporating AI strategy into its employer branding, HR can future-proof its talent strategy.

[1] "Definition of Artificial Intelligence," Merriam-Webster.

[2] "Goldman Sacked: How Artificial Intelligence Will Transform Wall Street," Newsweek.

[3] A skill is classified as "required" if at least 15% of job postings for that occupation ask for that skill.

The New Graduate: The Career Aspirations of Generation Z



The Digitally Native Employee

Generation Z candidates (those born from the mid-1990s to the early 2000s), like their millennial predecessors, have grown up in an age when knowledge work, rather than industrial work, is dominant. Their main capital as job seekers is their knowledge and skill set, carefully shaped and grown over the course of their studies.

While factory workers in the industrial age only worked conveyor belts for a limited period so they could benefit from natural daylight (launching the nine-to-five workday), knowledge workers can do their work anytime, anywhere. However, since millennials entered the workforce, the tools used to get this work done have proliferated and become more sophisticated.

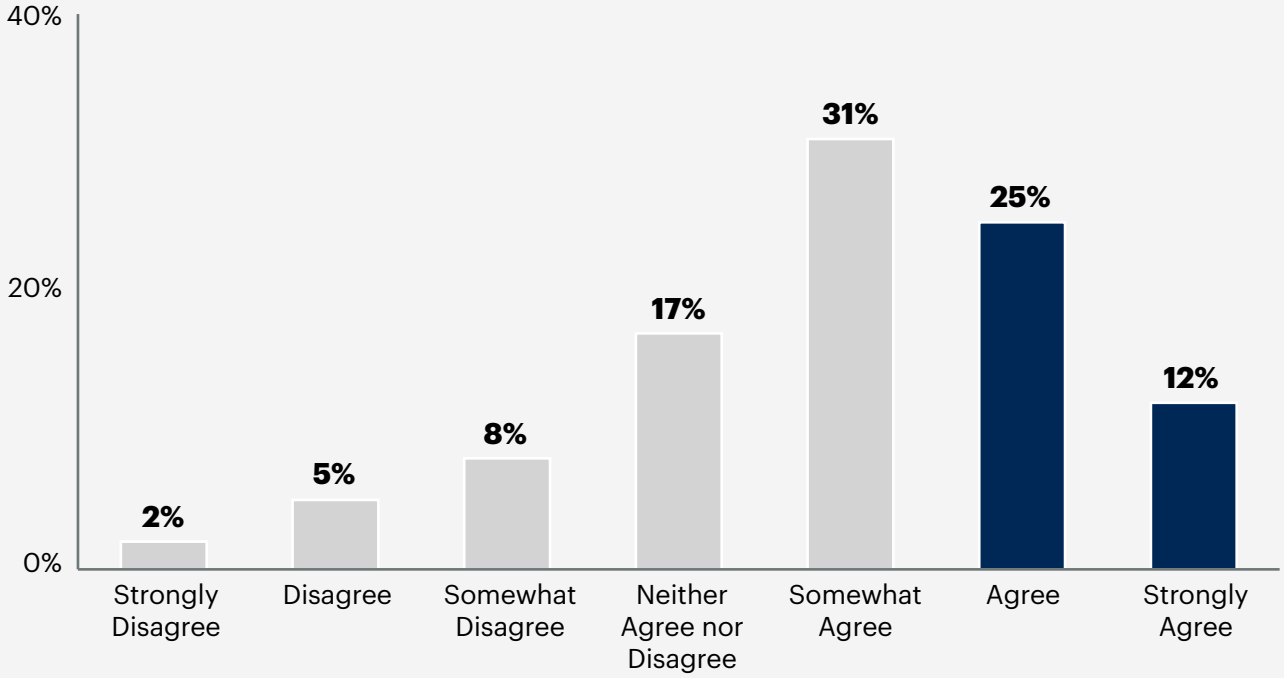
The quality of technology now available means Gen Z candidates do not relate to concepts of rigid work hours or "presenteeism." These graduates expect employers to guarantee the flexibility they have taken advantage of throughout their studies, which they believe will also shape their professional lives.

This cohort certainly has a good idea of what they want from work; 37% of Gen Z candidates agree or strongly agree they know what they need from an offer to consider accepting it (see Figure 1).

Location is not as important to this generation as it was to its predecessors. Gen Z has carried out its studies in cafes or on beaches, over the Wi-Fi connection of a local Starbucks, or on mobile phones in the gym. To do research, read studies and write papers, all this generation ever needed was a viable 3G signal.

Figure 1: "When I Applied for the Position, I Already Knew What I Needed to See From an Offer to Consider Accepting It"

Percentage of Generation Z Respondents



n = 753

Source: Gartner 2018 Candidate Recruiting Efficiency Survey

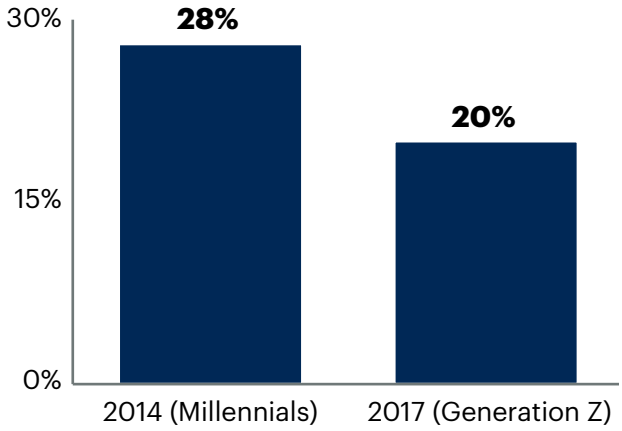
In 2014, 28% of millennials aged 21 to 24 listed location as a top attraction driver, versus just 20% of Gen Z candidates aged 21 to 24 in 2017 (see Figure 2). Knowledge work in the digital age is not only defined by its offerings, but also by its flexibility; graduates today do not expect to be rooted in one place because of their work.

The flexibility knowledge work affords today's workers means Gen Z is being raised in an environment where there is little delineation between work and play. They believe work should accommodate play, and play should be incorporated in work.

Compensation is no longer a guaranteed method of keeping the young workforce in seat: While in 2013, 41% of millennials aged 21 to 24 listed compensation as a driver of attrition, only 36% of Gen Z candidates did so in 2017. The consensus among graduate recruiting leaders is that the next generation cares increasingly about work-life integration, not just work-life balance. A better paycheck does not necessarily allow the pursuit of a secondary career interest — as budding entrepreneurs seek to develop apps on the side while juggling their corporate jobs. As Gen Z candidates search for careers to accommodate their lifestyle, compensation is no longer a definitive reason to leave a job that may allow for work-life integration.

> "Today, it's less about work-life balance and more about work-life integration."
>
> - Head of Recruiting, Insurance Company

Figure 2: Location as a Top EVP Attribute
Listed by Respondents Aged 21 to 24



n = 4,206 (2014); 4,508 (2017)
Source: Gartner Global Labor Market Survey

The Decline of the Planned Career

As the first truly digitally native graduate, the Generation Z candidate has grown up surrounded by technology that makes life easier, or at least faster. Deliveroo will get them their food when they want it from the lunch place they like. WhatsApp will tell them when their friends have read their texts. Uber will get them to their destination. This generation is used to an accelerated way of life, where response is instantaneous.

These factors bleed into Gen Z's career expectations; they expect rapid progression and reward for their efforts — to be recognized on merit and potential, rather than tenure. Generation Z's predecessors list formalizing a career path at their current organization as a top "memorable" career experience. However, Generation Z are more likely to remember the time they were passed over for a promotion (see Table 1).

Gen Z's predecessors were strongly driven by future career paths at their organizations (34% of millennials aged 21 to 24 listed this attribute as a top attraction driver). Yet Gen Z do not rate the career path as highly. In 2017, only 27% of Gen Z candidates listed this attribute as a top attraction driver (see Figure 3).

> "Students get their first promotion and then their second and third promotions seem far away, so they jump to a new company ... after around two years, they have to go somewhere else to get to the next step."
>
> - Head of Recruiting, Insurance Company

Table 1: Top Five Memorable Career Experiences by Generation

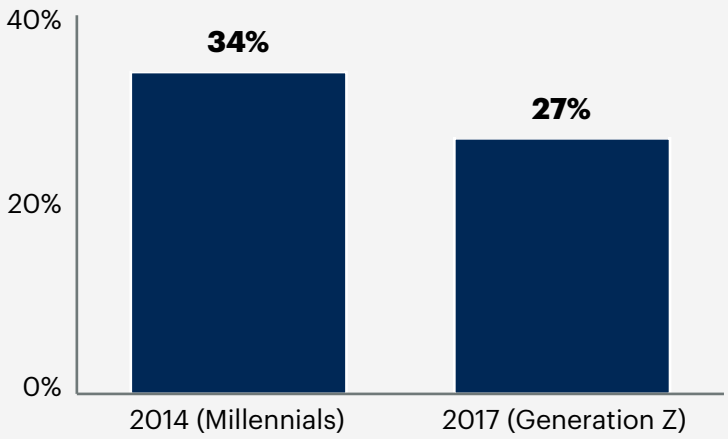
	Millennials	Generation Z
1	Arriving late due to an unexpected change in your normal transportation	Negotiating changes in compensation for a direct report
2	**Planning your career path at your current organization**	Being embroiled in a conflict at work
3	Leaving work early due to an unexpected change in someone else's schedule	Dismissing a staff member
4	Soft-skill training sponsored by employer	**Being passed over for a promotion**
5	Being in a formal or informal accelerated development program for high performers	Managing an underperformer

n = 5,873 employees

Source: Gartner 2018 Digital Employee Experience Survey

Figure 3: Career Paths as a Top Attraction Driver

Listed by Respondents Aged 21 to 24



n = 4,206 (2014); 4,508 (2017)

Source: Gartner Global Labor Market Survey

It no longer matters as much whether a company has a dazzling lineup of future jobs available, because the Gen Z candidate is utterly comfortable career hopping to get ahead. Planning a formal career path at one company is not what motivates this generation: They are less driven by the promise of stability than their predecessors, who grew up during the financial crisis (see Figure 4).

This also shows in attrition data. Almost half (46%) of millennials aged 21 to 24 in 2014 agreed a lack of future career paths was a driver of attrition.[1] But in 2017, only 38% of Gen Z saw a future career path as a top reason to leave their company. This is not a generation that easily commits: indeed, only 43% of Generation Z graduates see themselves as having a long career in their organization. And only 30% of Gen Z graduates have a clear plan in place for the next five years of their career (see Figure 5).

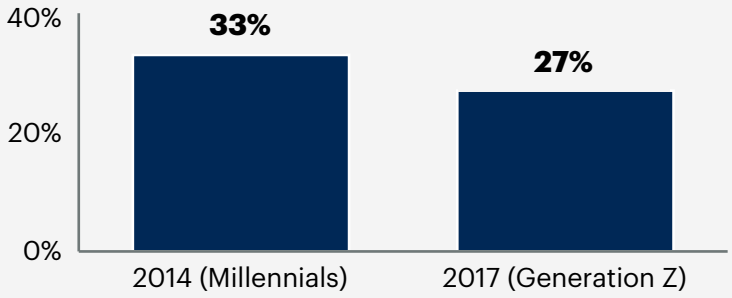
The Age of Development

Through its parents and professors, Gen Z has seen the rapid changes the workplace goes through with each technology innovation. And it's not just the workplace that undergoes these transformations: More importantly for today's graduate, it's the business models, products and services of those workplaces, too. Today's iPhone will be replaced by tomorrow's Android. Alexa will have to compete with the Siris of the future. Standing desks give way to treadmill desks. The Gen Z candidate understands innovation and change are the new orders of the day — and becoming an irrelevant or outdated resource is a key risk to mitigate as they take their first steps in their careers.

As such, the steady rise in the importance of development opportunities — such as enrollment in training programs, continuing education or participation in boot camps and workshops — seems inevitable. In 2017, 23% of Gen Z candidates listed development opportunities as a top attraction driver, while five years earlier only 17% of millennials aged 21 to 24 did so (see Figure 6).

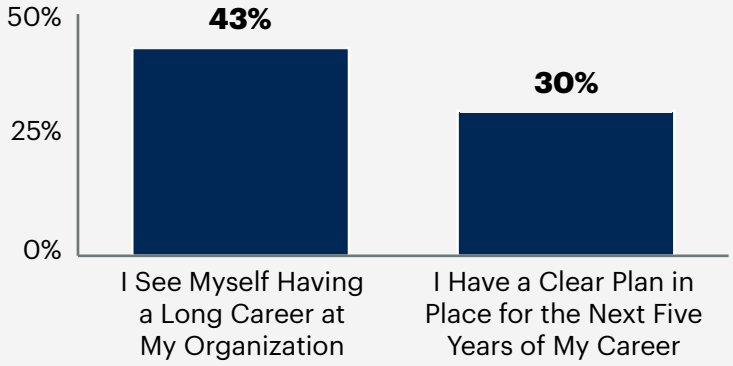
The development opportunities that will allow this generation to constantly grow and evolve its skill sets are crucial to career commitment.

Figure 4: Stability as a Top Attraction Driver
Listed by Respondents Aged 21 to 24



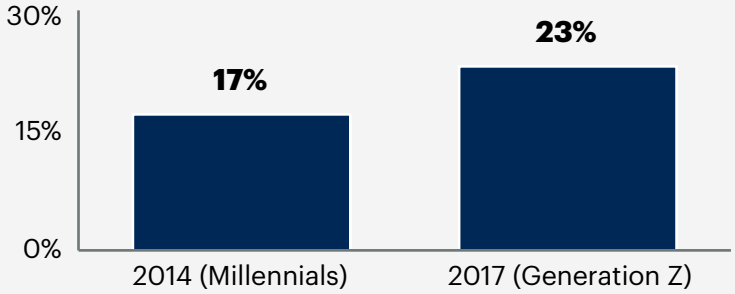
n = 4,206 (2014); 4,508 (2017)
Source: Gartner Global Labor Market Survey

Figure 5: Generation Z Future Career Paths
Respondents Who Agree



n = 753
Source: Gartner 2018 Recruiting Efficiency Survey for Candidates

Figure 6: Development Opportunities as a Top Attraction Driver
Listed by Respondents Aged 21 to 24



n = 4,206 (2014); 4,508 (2017)
Source: Gartner Global Labor Market Survey

These candidates understand they will be hired for their unique skill sets and knowledge as the first digitally native class to be taught these valuable new-to-world assets in university. But they also understand how rapidly those skill sets can become outdated.

More than anyone, it's an employee's manager who influences the type of development an employee gets on the job. The next generation knows this; 33% of the Gen Z workforce ranked manager quality as a top reason to leave their current job in 2017, versus only 22% of millennials aged 21 to 24 in 2013.

Conclusion

Today's graduates are a product of the environment they grew up in — fast-paced, marked by change and driven by convenience. Compensation no longer holds the dominance it once had to attract the future workforce, as the boundaries between work and play become blurred and the ability to accommodate lifestyle interests becomes a priority to the next generation.

Motivated by growth and opportunity, Gen Z will not commit to a formal career plan or be swayed by an organization's future career opportunities if it does not offer the fast progression expected in an age of acceleration and innovation. Managers become ever more important in this narrative, as today's graduates rely on them to connect to development opportunities that ensure up-to-date skill sets.

Recruiting Snapshot: Hiring AI Talent

The applications of artificial intelligence (AI) are growing exponentially in areas such as medicine, finance, urban planning, monitoring wildlife and the sciences. For example, a new AI program recently organized the whole periodic table and categorized the elements in just a few hours — something it took humans nearly a century to achieve.

AI is defined as the simulation of the human intelligence processes by machines, especially computer systems, and companies are increasingly looking for talent with an understanding of this terrain to develop AI programs.

Unsurprisingly, there has been a sharp rise in demand globally for AI talent, with hiring techniques and strategies evolving to find the most relevant talent in constrained labor markets.

Evolving AI Hiring

Executives will be grappling with how to deploy AI-oriented initiatives in the coming years and our Gartner 1Q18 CIO survey showed staffing these skills is the top challenge for 54% of CIOs looking to adopt AI.

Clearly, AI-related positions are hard to fill. In fact, with limited talent supply, the average job is posted for over 100 days, significantly more than even the in-demand software developer role, at less than 70 days.[1]

This is particularly acute in some geographies. Locations like the Bay Area, Seattle and New York City in the U.S. have seen relatively low attrition for AI-related roles but have seen a rise in demand. Demand pressure (which we calculate as job demand divided by talent supply) has risen in these labor markets by 30%.[2] The resulting intense competition makes it even more difficult for companies to acquire the necessary talent.

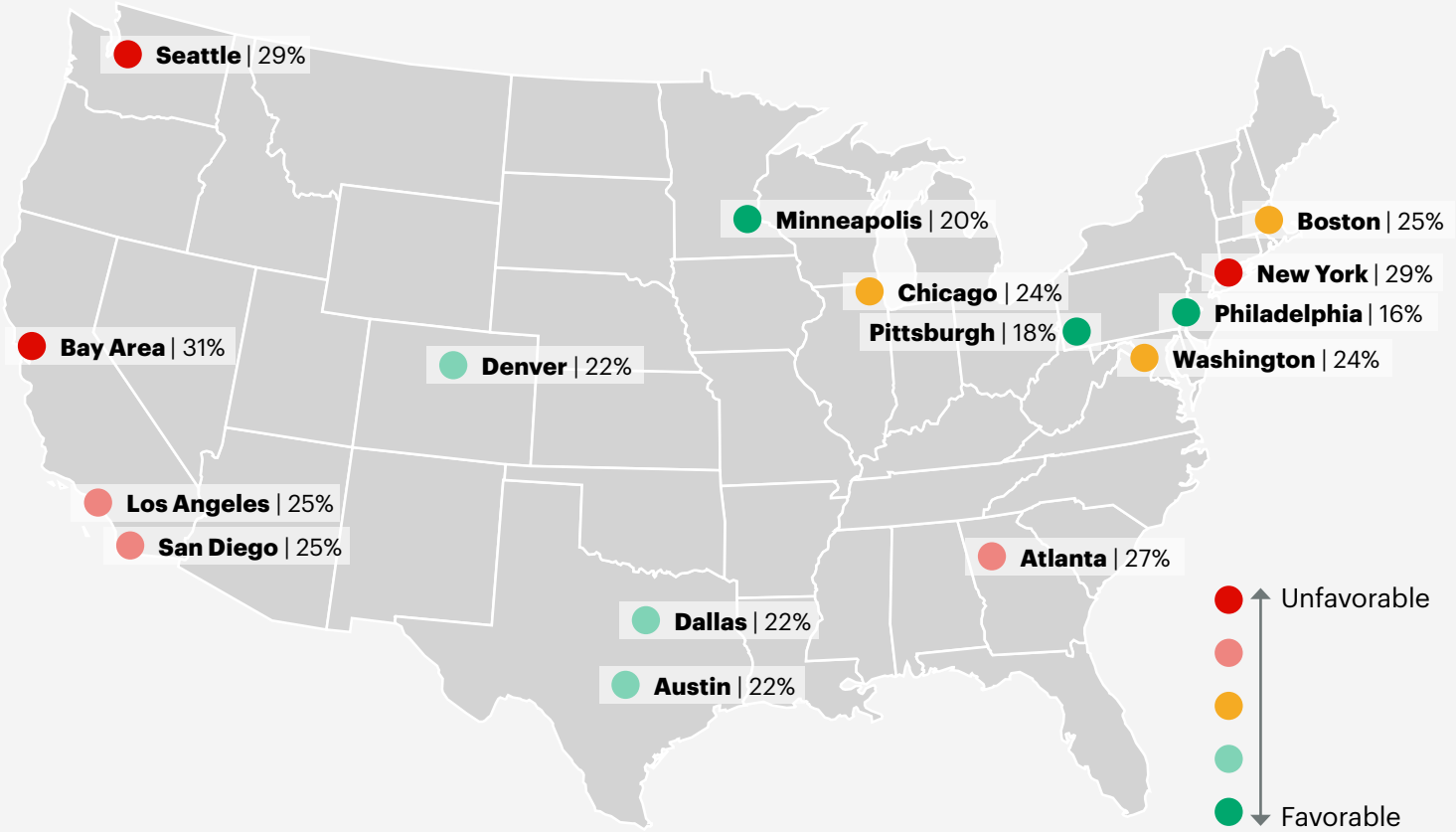
We analyzed more than 500 job descriptions for various companies to understand the skills being sourced. These include experience in areas of emerging skill need such as the Internet of Things and image processing. However, with such requirements, the talent supply becomes *even more limited* for companies.

An AI Talent Labor Market Comparison

With some locations reaching supply and demand saturation point for AI and machine learning engineers, organizations should consider alternative locations with moderate supply and demand.

For example, in the U.S., this includes Austin, Denver and Philadelphia. Looking at these alternative locations will help organizations capture the market early and ease pressure on salary costs (see Figure 1). These emerging hubs will reach maturity in the next three to five years, depending on growth of the ecosystem and AI adaptation, but recruiters now have an opportunity to capture a first-mover advantage.

Figure 1: Demand Pressure for AI Talent, by Location



Source: Gartner TalentNeuron analysis

Note: Demand is based on the total number of open jobs in 2Q18, and supply is also based on 2Q18 data.

Skills Facilitating AI Programs

Organizations can also bring science to bear on emerging skill evaluations to broaden their available talent pool. Based on our research in the last six months, companies tend to have overly complex skill requirements in job advertisements.

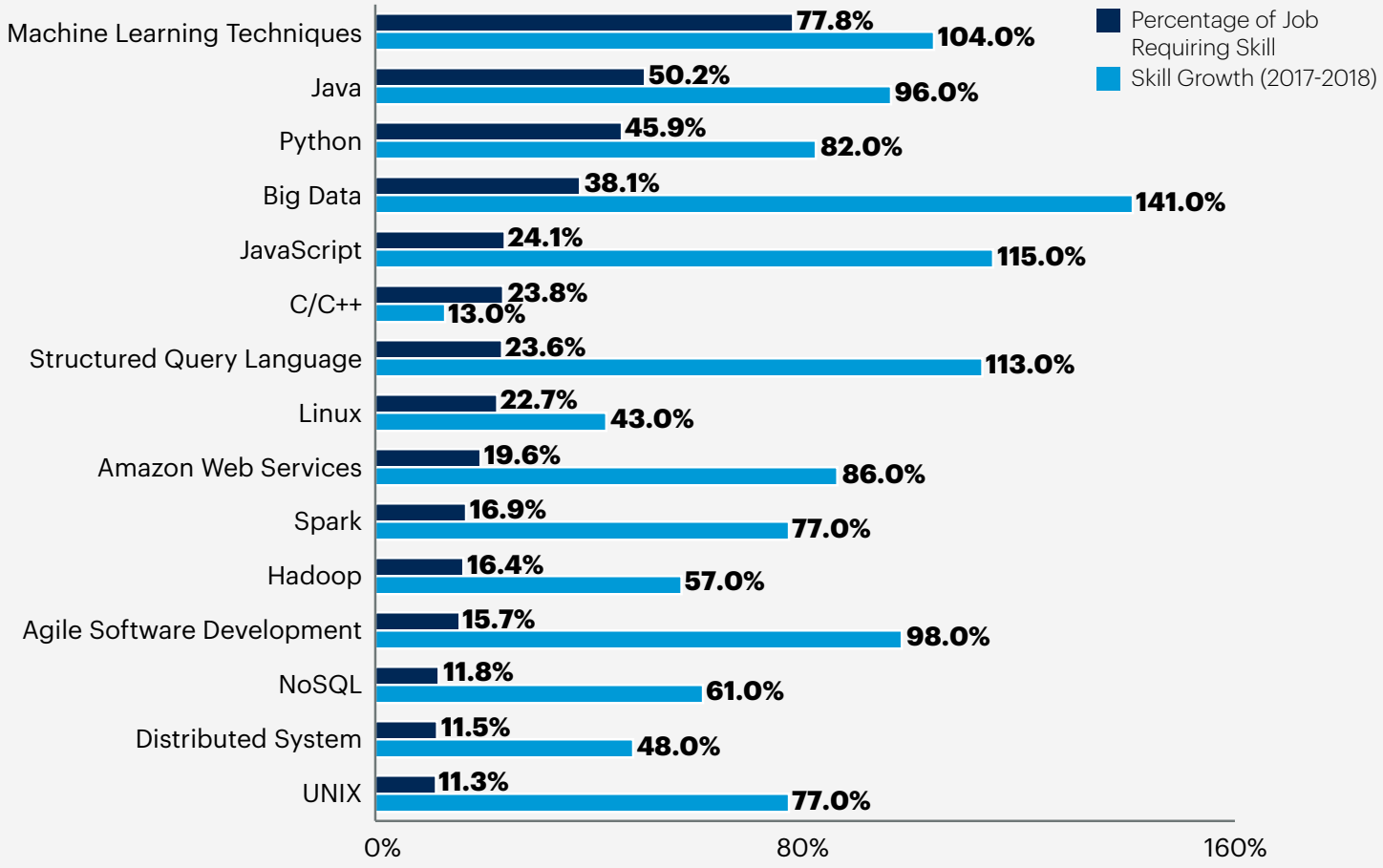
Seeking candidates with even 80% of these skills substantially increases time to hire and means companies compete against the largest talent competitors. Raising the bar on educational requirements also reduces the available talent in a market. Companies can widen their candidate pool by carefully evaluating skill requirements while considering trade-offs in terms of future importance and current competition for the role (see Figure 2).

It is important for companies to analyze emerging skills and not only focus on finding candidates with the perfect set of high-demand skills. For example, it may appear candidates need to be conversant with machine learning and big data; however, adjacent skills such as Java, SQL and agile development are increasingly important; demonstrating that alternative skills may suit the same purpose.

With such analysis, companies can re-evaluate their requirements and hire for development potential, creating L&D programs internally to fill skill gaps. This can help create a good pipeline for future internal talent mobility and reduce the need to attract talent that commands the highest compensation.

Figure 2: Skill Analysis for AI Roles

Comparison of Role Requirements and Skill Growth Rate in 2018



n = 550

Source: Gartner (January 2019)

Note: Based on job descriptions posted in the previous 12 months.

Hiring Strategies

Once the location, supply of talent and role requirements have been audited, organizations can use the following strategies to hire the relevant talent in tough labor markets.

1. **Alternate Talent Pool or Industry (Skills-Based Hiring)**
   Organizations may not be able to recruit AI or machine learning engineers, but they can hire for alternate talent with relevant skills, such as economists with basic programming knowledge. A strong internal training program will help them develop the talent, creating a unique talent pipeline for longer-term sustainability.
2. **University Collaboration**
   Many organizations are developing partnerships with universities, using scholarships, internships or fellowship programs to source AI engineers from graduate school. This helps them get the best candidates and build a brand early in the minds of top-tier talent.
3. **"Acquihiring"**
   Another way to get access to highly skilled AI talent is to acquire the startups they work for. Acquirers get access to cutting-edge products and the talent who developed them. Large technology companies like Google, Microsoft and Facebook have acquired specialist AI and machine learning startups in the past to grow their AI talent base. The strategy works just as well for mid-sized companies.
4. **Engaging the AI Community**
   Some startups and organizations have started to acquire talent via competitions or by creating AI, machine learning and data scientist communities. Kaggle (owned by Google) is one such platform offering a machine learning competition and a public cloud-based workbench for data science and AI.

To stay ahead in AI hiring, organizations must re-examine their assumptions and transform their approaches. The winners will be organizations that, like the candidates they seek, make the right connections to develop a new perspective on an old problem.

[1] Gartner 1Q18 CIO Survey

[2] Gartner TalentNeuron Analysis

Key Trends: 4 Trends Affecting Recruiting

1. Workforce Trend: Generation Z's working style and expectations differ from millennials'.

The Trend in Brief: A fifth of Gen Z candidates (those born in the mid 90s to early 2000s) list development opportunities as their top attraction driver when considering a new role or organization. In contrast, in 2012, only 17% of millennials at that age (21 to 24) did so.

What It Means for Organizations: As Gen Z, starts to join the workforce, organizations are turning their attention to what will attract this new crop of talent in the labor market and tailoring their value propositions accordingly.

What You Should Do Differently Now: Gen Z are not afraid to job hop! When designing graduate programs for Gen Z, place more emphasis on the experiences they can gain than the long-term potential benefits of joining a stable organization with well-planned career paths.

Act Now: Use our "The New Graduate: The Career Aspirations of Generation Z" research to understand the profile of the first digital native cohort in the labor market and tailor your talent programs to reflect their changing preferences.

2. Market Trend: Over half of organizations forecast IT head count growth.

The Trend in Brief: In 53% of organizations, IT internal head count is growing, and it remains flat in just over a third. Only 11% of organizations expect their IT functions to shrink.

What It Means for Organizations: Not only will head count grow, but new roles will emerge. These include IoT architects, machine learning developers and API specialists.

What You Should Do Differently Now: Begin to sift your employees for those who can fill new technology roles. As IT functions increase and diversify the skills they need, many of these roles are forecast to be hired through the internal labor market.

Act Now: Learn how to harness AI-enabled technologies and recruiters and match roles to employees' experience and interests by reading our "Building a Vibrant Internal Labor Market" research.

3. Design Trend: HR functions rarely benchmark their digital solutions with other corporate functions.

The Trend in Brief: To design high-quality, easy-to-use solutions, 58% of HR functions currently evaluate their digital solutions by comparing themselves to their HR functional peers.

What It Means for Organizations: Only just over a third of HR functions iterate on solutions before launching them, borrow ideas from outside of HR or consider the amount of time employees spend on HR solutions.

What You Should Do Differently Now: As organizations shift toward more digital strategies, HR has an opportunity to learn from other innovative corporate functions, including IT, finance and marketing, all of whom will be testing new solutions with employees and the external market.

Act Now: Read our "Creating Digital Value: Heads of Recruiting in 2023" research to understand which corporate stakeholders recruiting executives should partner with to create new digital solutions.

4. Cross-Functional: Employees are not confident they have the skills they need for the future.

The Trend in Brief: Only 20% of employees believe they have the current and future skills they need to succeed. And perhaps even more challenging for companies, over 40% of employees don't believe they have the skills they need to keep pace with changes in their current role.

What It Means for Organizations: Advancing technologies and digitalization are changing how organizations function and how work gets done, which is leading to a revaluation of the skills, competencies and mindset employees will require in future.

What You Should Do Differently Now: Invest in helping employees and candidates increase their skills preparedness (that is, mastery of the skills they need for their current roles). This investment can yield up to 45% better performance outcomes and increase employee engagement by up to 50%.

Act Now: Work with hiring managers on their "Hiring Needs Analysis and Forecasting Essentials," to help them tailor their expectations for the roles they hire for and gain a sense of the current skills their teams may need to develop.

Note: To access the tools and resources in this article or learn more about this content, contact your account manager or email Hrleaders@gartner.com.

Recruiting Innovators

The Talent Acquisition Transformation Journey: An Interview With Sanofi's Cristopher Kamischke

Q: Could you tell us what drove Sanofi's talent acquisition transformation journey to begin with?

Sanofi is committed to the many patients we support in their health journey. To succeed in our mission we constantly need to develop and attract skilled talents. The transformation took place within the context of a companywide movement to globalize support functions and our ambition to address an increasingly competitive talent market. In 2016, the creation of the people and leadership development group, which consists of talent acquisition, talent management, learning, leadership development and diversity, enabled us to create specialized teams of experts who can plan and deliver on our workforce needs. The talent acquisition function plays a critical role in organizing internal career moves and attracting new talents.

Cristopher Kamischke
Global Head of Talent Acquisition, Sanofi

Cristopher has over 20 years' international recruitment experience in leading HR and talent management roles within biotech, pharmaceutical multinationals and the executive search space.

Q: How would you describe the state of Sanofi's talent acquisition function prior to embarking on the transformation journey?

There were a number of challenges. Talent acquisition was fragmented, and each region and geography owned HR, which meant differing priorities and unequal resource distribution. This lack of coordination meant recruitment was very tactical, responding on the fly to vacancies, which led to a heavy reliance on agencies. On the back end, Sanofi had multiple application tracking systems and no consistent metrics across the hiring process globally, which as you can imagine, did not produce the type of candidate experience we wanted for our talent.

Q: That's a lot to be work on. How would you summarize the goals for the talent acquisition transformation?

We wanted to aim at simplification and efficiency. This meant moving to one common system, mission and set of operating principles (see Figure 1). By creating a consolidated global talent acquisition function, we could more easily scale resources, target recruiting expertise against critical talent priorities and amplify a unified employer brand.

Q: And how did you create the strategy to achieve that goal?

We started with governance and buy-in from the HR leadership team and our CHRO. Then we developed our "optimistic" in-house methodology ("QPPTIMiSTyC") to build a framework that could align our talent acquisition levers and KPIs (see Figure 2).

This framework allowed us to develop a three-year global roadmap, engaging each region in the construction of our global function whilst leaving flexibility for local priorities. It also created a collaborative team dynamic where each region could contribute. This transformation really included building the plane while we were flying! Starting from seven regions with different models and technologies, we decided to implement Workday Recruiting globally, which gave us the opportunity to align on one target model. The change was supported by a robust global change management plan and a specific transformation plan for each region, taking into account local priorities and maturity of the market.

Figure 1: Sanofi's Talent Acquisition Mission

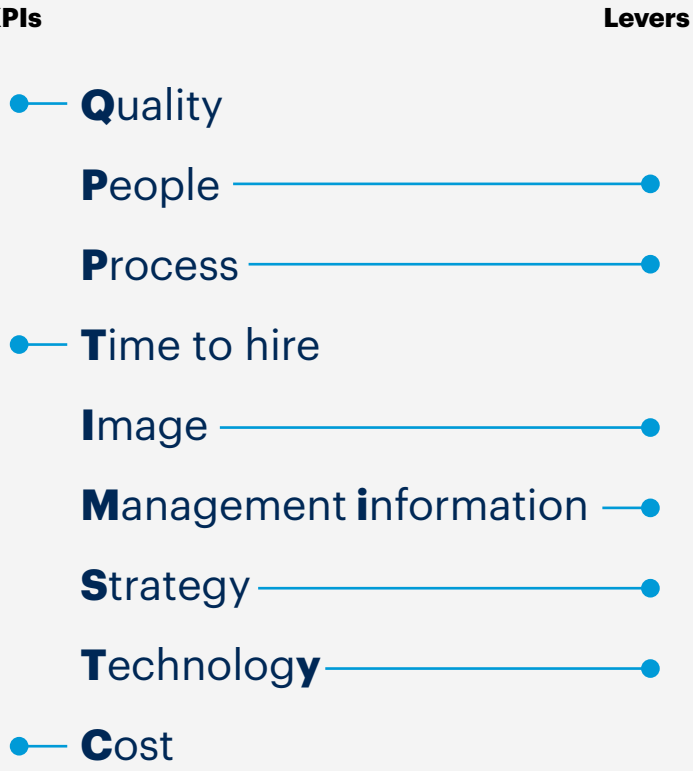
*"The mission of the Sanofi Talent Acquisition Center of Excellence is to **attract, identify, select and secure** diverse candidates of the highest quality for our organization.*

*Through an adaptive model and a consultative approach we deliver **efficient** processes and **solutions for every client.***

*We showcase Sanofi as an **employer of choice** and ensure a positive candidate experience by leveraging cutting edge technology and global media tools."*

Source: Sanofi

Figure 2: The QPPTIMiSTyC Strategic Framework



Source: Adapted from Sanofi

Q: What would you single out as the key challenge in applying the strategy?

The different opinions of what the responsibilities should be within the span of talent acquisition in comparison to the HR business partners in the countries. Each region was used to operating with a different level of recruiting support and depending on the region, talent acquisition could be sitting within the HR leadership team or be part of a shared service center, in-house or outsourced!

Q: And the key challenge for you personally as an executive leading this?

It was critical to engage the talent acquisition team. We went through the inevitable forming, storming, norming, performing phases. We had to break down legacy silos to reach a performing global TA community.

Q: Can you say more about how you tackled change management with the business?

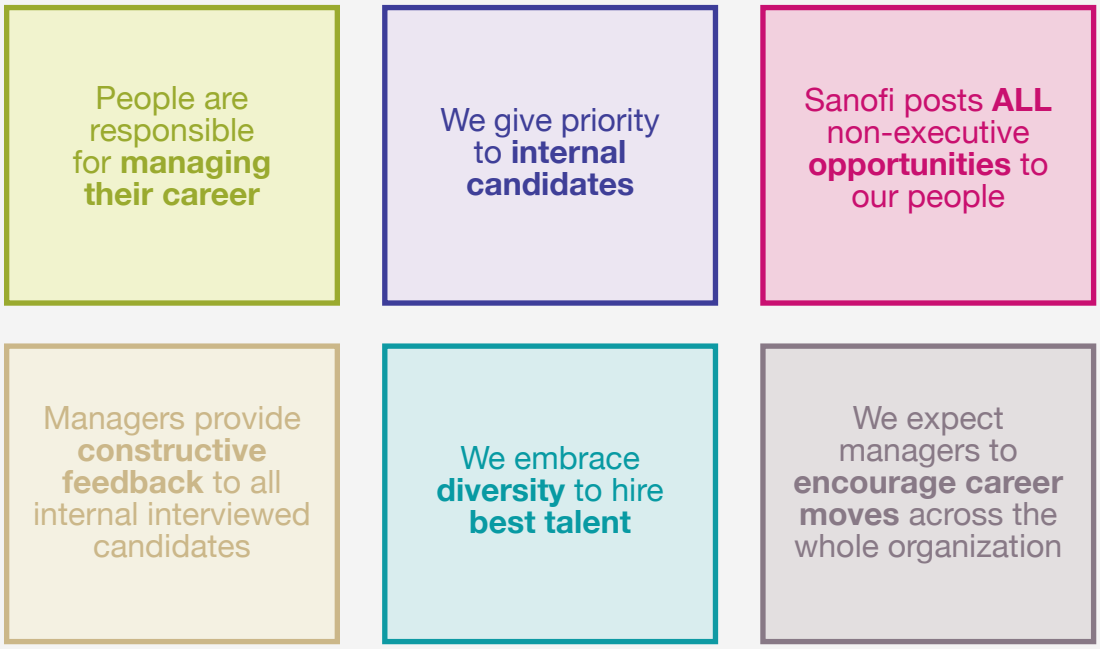
In our analysis, we identified early that the main challenge was the cultural change; moving to self-service, transparency of the posting at global level, and a new requisition approval process. We had to prepare the business, but also HR and our employees.

This included creating a one-stop shop manager portal containing tools, tutorials and interview guides. In addition to support, we also shared our new global TA principles and created a multichannel communication campaign targeted at a global, regional and country level through HR webcasts, videos in community centers, webinars and online training to socialize the changes (see Figure 3).

Q: What was the most important lesson you take from this transformation that you would share with other HR leaders?

Engagement with people is key. A transformation at this scale needs to make sense to your team: It is not just a new way of working, it is also an emotional journey. And without the support of the HR leadership team the difficult decisions do not happen. We have been fortunate to have constructive and supporting TA governance, who progressively gained trust in the value of this transformation. With the right level of engagement of your key stake holders you can move mountains!

Figure 3: Sanofi's Talent Acquisition Principles



Source: Sanofi

Q: What results have you seen from this transformation?

We have seen some significant improvements. We have an 86% hiring manager satisfaction rating with our TA partnership, which is well above the benchmark for international functions of the same size. Our new career site and stronger candidate focus increased our visibility and attractiveness. And this has been done with a 10% cost-per-hire reduction.

In addition, the TA team is engaged and solution-orientated. The engagement and commitment of my TA team during this transformation and the way they collaborate with passion to build and deliver qualitative recruitment solutions is making a real difference in the way we partner with HR and the business.

> "We have an 86% hiring manager satisfaction rating with our TA partnership, which is well above the benchmark for international functions of the same size."

We have also achieved a major milestone in our employer branding roadmap by obtaining the Global Top Employer certification for the first time. Sanofi has received this worldwide certification thanks to the regional and local certifications of four main regions (Europe, Middle East, Asia-Pacific, Latin America) and 22 countries across the world.

In order to be certified, we had to demonstrate that Sanofi is providing the best working environment and promoting HR practices that put people first.

This certification is a symbol of world-class quality that we will leverage in our talent attraction activities, and shows the strong engagement and mobilization of the team.

Q: And finally, what are your future objectives?

I have three objectives on my 2019 roadmap. First, to shift our mindset from candidates to consumers. We have created a talent brand team with marketing and digital competencies. We are now launching our newly created employee value proposition and employer brand to strengthen our employees' engagement and attract the right candidates. Secondly, we will continue to develop recruitment capabilities within Sanofi — not only in TA, but also in HR, the business and our employees. Recruitment requires a collective effort.

And thirdly, we will accelerate our adoption of new technologies and big data, particularly automation, artificial intelligence and competitive intelligence. In 2018, in China, we ran our first volume recruitment project supported by artificial intelligence. The positive results encourage us to expand this pilot to a larger scale. Our recruitment journey continues; our ambition is now to move from a transformation journey to an innovating pioneer.