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Quarterly review
N°2 — 2021

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BALANCING THE RISKS AND REWARDS OF NEW WAYS OF WORKING

L'ORÉAL

Rémi Lugagne Delpon is senior vice president for human relations at L'Oréal Asia Pacific, where he is responsible for building and supporting teams that are focused on serving customer needs and building the brand portfolio in Asia Pacific. During his career at L'Oréal, Rémi has spent 18 years in business-facing positions and 15 years in Human Relations, working across Asia (Singapore, Japan, Hong Kong) and in Germany and France.

The Capgemini Research Institute spoke with Rémi to understand L'Oréal's approach to navigating a hybrid working model and building skills for the future.

BUILDING A HYBRID WORKING MODEL

What is L'Oréal's current working model globally? And is it a long-term policy?

— From the very beginning of the pandemic, we were convinced that the future would be a hybrid model. In spite of the many prophecies on the end of the office, we kept on advocating a gradual return to the office as soon we could secure the health and safety of our employees. We fundamentally believe that the hybrid model is a sustainable solution for the long term and combines the best of both worlds.

For more than five years, we have been initiating and testing several remote work experiences, mostly in Western Europe. Thanks to these experiments, and drawing on the lessons learned from the pandemic experience, we have evolved our global policy to allow employees to work from home up to two days a week. This global frame is being implemented country by country, i.e. all countries must implement a remote work policy – that is mandatory and non-negotiable – but the execution is left to the local leaders. Some countries have already implemented it fully, and others such as China will move to one day a week first and may extend further later.

What are some of the learnings in shifting to a hybrid working model?

— The first learning is that, thanks to our previous experiences, we managed business continuity seamlessly in our administrative sites and in many functions throughout the pandemic. I remember managing the Japan tsunami and Fukushima crisis exactly 10 years ago. Back then, preserving both employee safety and business continuity was a nightmare. I can really measure how much we have evolved in 10 years.



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Senior Vice President
Human Relations, L'Oréal
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Another learning is that it is difficult to bring people back to the office until you have a critical mass of employees present. People will not see value in taking the commuting time to come to the office to end up in Teams meetings on their computer. Once you have that critical mass, you can organize teams in many ways. Every manager has to reflect on their own rules of engagement within the team and why and when you want the team to be physically present together. In general, informational meetings tend to be more top down, and do not require an in-person presence. We have reimagined interactive meetings formats of town halls with Q&A which work very well remotely. On the other side, brainstorming or complex problem solving meetings are definitely more meaningful and productive on site.

REMOTE WORKING PRODUCTIVITY AND SOURCING TALENT

What is the impact of remote work on productivity?

— It is very difficult to measure today as we still lack reliable data, and the answer lies also in the definition of productivity. The first reaction is that we are all more productive in our day-to-day transactional tasks. But as time

goes by, we witness a negative impact on productivity due to people being exhausted of being at home and attending back-to-back team meetings. The reports of our Employee Assistance Programs show a significant increase in mental health issues. We also observe that informal interactions of

the office are essential for creativity, innovation, and the overall agility of teams. For these reasons, we believe that being remote for a long time can be detrimental to teamwork and productivity.

Were there certain employee populations that adapted more easily to remote working?

— We also still lack data here. Generation wise, senior employees seem to appreciate remote working more than the young parents or junior employees. The more senior in your role, the more you've built established relationships



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and routines, and you can rely on your network. When you are more junior, you look for role models and for networking opportunities that being in-office provides. Every year, we welcome about 25% of newcomers to our office population. Integrating new joiners in a remote environment is extremely

challenging and you cannot build the same feeling of belonging.

It also has been very difficult for parents. In the case of Hong Kong, housing is expensive and space is limited, with multiple generations sometimes living under one roof. When you then add children at home during school closures, working

conditions can be extremely challenging. Parents with elementary-aged children who are not yet autonomous in their school work found it most challenging. Calls into our employee assistance programs also increased among this population of parents, with employees seeking counsel for burnout or family tensions.

What are the benefits of long-term remote work? What are the risks?

— There are a lot of benefits ranging from a better work-life balance, flexibility in business continuity plans, or meeting our sustainability commitments. In some countries where commuting times are very long, this time saved can be put to much better use. In certain countries such as the Philippines, Thailand, or Indonesia, our employees can gain three to four hours a day. Once employees master the benefits of hybrid, they will fully utilize the flexibility and optimize their efficiency personally and professionally.

On the risks, besides what has already been discussed above, the biggest risk is a loss of team spirit and of sense of purpose. Studies suggest that remote work reinforces the bonding with our first circle of colleagues, but we totally lose touch with the second or third circles. What employees are also realizing is coming to the office enables you to recharge your batteries through meeting new people, positive energy, and a collaborative working environment.



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Do you see geographic boundaries dissolving when it comes to place of work? How might that impact the supply of talent at L'Oréal?

— In theory, from a technical standpoint, we could work from all over the world on any job. But the reality is not that simple. I would not say that geographic boundaries are dissolving right now, on the contrary they are actually increasing with the number of countries being closed. We face huge



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difficulties because employees are reluctant to travel or move in this highly unstable and uncertain environment. There are also numerous legal or tax constraints which limit the possibilities to work from a different country. We cannot have employees, for example, take on a global role if they are not based in one of our regional headquarters.

On the other side, remote working allows us to set up multi-functional, multi-national virtual project teams in record time. These are great opportunities for employees to be exposed to and helps to expand their networks.

BUILDING GENDER DIVERSITY AND THE SKILLS REQUIRED FOR A POST-PANDEMIC FUTURE

Could you please tell us about how L'Oréal is tackling gender balance?

— Gender diversity is an issue that we have been working on for more than 20 years. Today, we are seen as one of the most gender-equal employers; we have been recognized by Bloomberg's Gender Equality Index (GEI) four consecutive years and in the US, we were granted the award for gender equality by the Cosmetic Executive Women (CEW). In APAC, we changed 71 of 300 key senior positions in 2020 and appointed women to 59% of those roles, up from 53% in 2019. This has been done through recruiting and promoting exactly on the same criteria. We believe in meritocracy and a career management that is strictly non discriminating at every stage of the

career. This includes a full understanding that maternity leave should not hinder career progression, all the more when we implement paternity leave which brings more equality. We are fortunate to be an industry that appeals to women, and therefore face a reverse challenge in some countries where recruiting is now skewed 80% women. We must then remember that gender diversity must go both ways.

What are the skills that are most in demand today at L'Oréal? And what are the areas where you see the need for upskilling?

— First, adaptability, curiosity, and agility are very important skill sets in every domain. We like people having an innovation mindset, who have the courage to propose and implement disruptive ideas. Last but definitely not least, being team players and truly collaborative is of utmost importance, even more so in a VUCA (volatility, uncertainty, complexity, and ambiguity) world and because you cannot manage complexity alone.

We value personalities capable of combining the left and right brains. Concretely, this means being forward thinking, embracing the big picture but also being able to dig into data, or being close to the field for a reality check. This capacity to strategize and validate scenarios versus reality is critical.

We also see some areas where we need to do massive upskilling. Data, ecommerce, sustainability, and new ways of working are probably the most critical today. These areas are becoming central to our business and we need to upskill our people if we want to remain competitive.

How has automation affected job roles at L'Oréal so far?

— We have seen a very big impact in factories or delivery centers. We do not see a big impact on our administrative sites, even as AI is starting to be used. Witnessing what happened in our factories is fascinating; the old chains are gone and operators manage a mini chain on their own, as if it were their own little plant. Their jobs have been considerably enriched, ranging from stock management and quality control to machine maintenance. This evolution is for me the epitome of the concept of “augmented work,” with a high gain in autonomy and purpose, and employee motivation.



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