

Exploration of some of the 7 concepts identified as constituting a “circular” HRM

Business Case: L’Oréal (Libramont factory, Belgium)

L’Oréal is a French industrial group of cosmetic products. L’Oréal Belgilux was the very first subsidiary of the group, created in 1927. Established in the heart of the Belgian Ardennes in 1975, the L’Oréal Libramont factory manufactures hair colouring and hair care products for the whole of Europe. It employs around 400 people. In 2009, this plant became the group’s first carbon-neutral plant thanks to the introduction of bio methane production on its site. A new milestone was reached in 2019, when L’Oréal Libramont became a ‘waterloop plant’ thanks to the reuse of its wastewater.

Interview : Pascale Staelens, Human Resources Director, L’Oréal Libramont

Date of interview: 23 September 2020

Context:

Established in Libramont for more than 40 years, the Belgian plant of the L’Oréal group has become a reference site for the cosmetics giant, which has made strong commitments in terms of sustainable development. The factory is a ‘100% green energy’ plant, and also aims to be a laboratory for social innovation, in particular by implementing the concept of managerial ecology and collaborative dynamics.

The L’Oréal group as a whole seeks to promote eco-design throughout its value chain, resource efficiency and local waste management as much as possible. Wherever it operates, the group seeks to be part of circular economy networks by creating industrial synergies with other local players.

The study of the Libramont plant therefore seemed to be an interesting case study in terms of the applicability of circular economy principles to human resources management. For Pascale Staelens, HR Director of the site, the company’s commitment to sustainable development is also reflected in its internal support activities. “You have to be consistent with your choices, she explains. For example, when we have to choose a new service provider for the company restaurant, we pay attention to the fact that it sources local products and that waste is reused or recycled. Circularity is a concept that has to be lived at all levels, and we can still do better in this area because there is always room for improvement. Such a business project is by its very nature driven by individuals, and it is normal, it seems to me, that people are also managed in accordance with the principles of sustainability. This means developing a long-term view of human resources management. Even if we do not necessarily name things in this way (e.g. Circular HRM), this application is visible through a number of practices.”

Concept 1

The design of 'work practices' and 'work spaces', emphasising maximum positive impact on a worker during his/her employed experience

Even before remote work became an obligation for some of the staff as a result of the health crisis, it was already organised within L'Oréal Libramont. A charter had been put in place to provide a framework for it. All the required collaborative tools were in place. "Of course, remote-working is not possible for operators working on production lines, she observes. Another look had to be taken at remote-working since the start of the health crisis. It was not particularly popular since our offices were renovated recently and are very welcoming, with a view to stimulate fulfilment and creativity. Our employees are therefore more interested in coming to the site to work."

A great deal of attention is paid to wellbeing and quality of life at work, with initiatives around healthy nutrition and physical activity for example. New initiatives have been taken in the field of stress awareness and prevention of psychosocial risks. "Mentalities are slowly changing, but there is still work to be done to convince people of the need to work both mind and body. Even when it comes to healthy eating, habits are strongly rooted in a rural environment such as this one. Eating a balanced diet and getting regular physical activity are not spontaneous for everyone. It is a reflex to be developed and maintained. This concern is part of our reflection on the new concept of the company restaurant."

The issue of 'sustainability' also plays a role here. "Careers are getting longer and we've been working on this for a long time: it's already been more than ten years since we launched a project to motivate staff up to the age of 65. There is a great deal of loyalty among our staff. We have virtually no turnover. Above-average part-time work is accepted. We have invested heavily in ergonomics, in production and also in the offices. We are working on simplifying work to make it easier for operators to concentrate on the lines. The biggest challenge is to teach people, both managers and employees, to keep themselves in good physical and mental health."

Concept 2

Processes of understanding and responding to the needs of workers to optimise redeployment within the same company

If it is necessary to reorganise the company or certain departments, priority is always given to **internal repositioning**. "There are only dismissals for very serious reasons, says Pascale Staelens. As we speak, we are in the middle of a project to centralise the accounting services. We are therefore looking for a reassignment for team members. This involves training and time. In the short term, it costs more than separating people. But in the long term, the return on investment is positive. How do we do it? We make sure that we take the most humane approach possible

by sitting around the table. The person concerned is given the opportunity to express his or her views on his or her future career, and we reassure them that we are looking for a solution for everyone. An orientation interview helps to clarify wishes and expectations. Then, together with the management team, we identify options, with the involvement of other internal mobility. In a way, we open a musical chair. Training plans are then put in place. The advantage of such an approach is that there is always a back-up for a function if necessary, because the skills remain within the organisation, and people develop their skills, bring new perspectives and open up new ways of doing things. It is a lively and very enriching management for both the people and the company."

It is important to note that this principle of mobility and internal development also applies to production functions in the factory. Example: "Profiles for electromechanical engineers are very difficult to find, due to the lack of students in these fields, but also particularly in the relatively sparsely populated province where we are based. One solution that has been put in place has been to launch an internal call to see if operators might be interested in a retraining programme. Two young people have shown themselves to be candidates and are going to take part in this journey, which is quite long. Eventually, we will have two new electromechanical engineers, but who also know how to act as operators if necessary."

Internal mobility within the L'Oréal group is very important. "Mobility is part of the contract, she stresses. Every quarter, I have a meeting with the international HR staff to whom this plant and others on the continent are attached. We share open positions and candidates ready to move. For example, we have just recruited a production manager from Karlsruhe, Germany. Another colleague has arrived from the L'Oréal factory in Burgos, Spain. This mobility is more in management functions, but also in production profiles, even if these are generally less mobile."

Concept 3

Supporting the reintegration of a worker so he/she, following a period of leave (short/long term) can continue to be employed in his/her original function or in a new role within the same company

Since 2016, Belgium has a legal framework governing the reintegration of workers after a period of long-term illness. "Generally, we don't do this directly on a full-time basis, but gradually in close cooperation with the occupational physician. Schedules and tasks are adapted as far as possible. We also encourage managers to keep/establish contact with the absent person in the belief that this reduces any barriers to return. Even though not all managers may be comfortable with this approach, it should be accompanied."

Concept 4

The mentorship of a worker who is considering leaving the company (e.g. due to retirement, or the completion of a project) to apply their skill-set in a different role within the company (e.g. proactive use of skill set prior to retirement, or re-orient skill set to a new project)

For each new recruit, an **integration path** is predefined at group level, with the involvement of a mentor. As the plant is highly innovative, a six-week training course is required to learn how to manage the production lines and master information, safety, hygiene, quality, etc. This is accompanied by tutors who stay on the track until the person can be autonomous. "We are also setting up training for the tutors, in order to supervise and help them in this role. Of course, when we talk about mentors, we spontaneously think of older workers who like to transfer their knowledge, but we also have young people who enjoy coaching newcomers."

Concept 5

Categorising the skill set of workers with a view to planning and implementation of worker-centred strategies that optimise the categorised skills sets within a company ecosystem

L'Oréal is an employer of choice in the province of Belgian Luxembourg, but recruitment is always seen from a 'group' perspective. "Engineers and technical profiles are particularly difficult to find and attract. We therefore tend to recruit and train young people who have just finished their education. The idea is to create a talent pool. Then they can be mobile and go to work at another site in the group, even if they have to come back after a while to take up a managerial position. This is how a 'L'Oréal' identity is built. Internships are also offered to students from schools located near the factory and as far away as Liège or Namur. Our approach is targeted and structured in such a way that they have the potential to get a job at the end of the process."

Although a productive environment, the L'Oréal site in Libramont can boast impressive results in terms of diversity. "We employ between 40 and 45% female profiles. Of our five engineers, four are women. The management committee has three women among its ten members. In production, the production lines allow for this with a lot of automation and ergonomics, which means that we have almost 50% women at the helm of the lines. The remaining challenge? Recruiting female profiles for the team of electromechanical engineers, because we don't find any in schools. Collaboration has also been developed with sheltered workshops to integrate disabled workers."

Concept 6

The prioritisation of human centred optimisation over contractual obligation

The L'Oréal site in Libramont is relying heavily on the **'co- concept, for co-development and co-construction**. For example, when the factory integrated six new colouring ranges in 2013, the bet was made to use the participative method. "This transformation implied making a lot of changes in the factory. Aerosols are a single-container product, where colouring involves several components, i.e. a very different organisation of the lines. Without the creativity of the teams, we would not have been able to meet the challenge by continuing to serve the customer optimally. We set up autonomous groups bringing together the relevant skills. The key is listening. It is essential that everyone, from the engineer to the operator, via the facilitator, can express themselves and feel that their words are taken into account. It is by bringing all the ideas together that the best solutions are found. In certain areas such as waste reduction, we have dedicated a person to collect ideas and translate them into reality." Another more recent example is with the project to change service providers for the company restaurant. Two young colleagues have been put in charge of the project. They started with brainstorming and co-construction sessions with colleagues from the factory to imagine something new where wellbeing and benevolence will be at the very heart of the project's deployment."

Concept 7

Supporting the transition of a worker into the external job market where a worker is no longer meeting the requirements of their current contractual obligations

"We have profiles in the staffs who have not studied, but who are very talented. At some point, they may feel limited in an operator role and may want to reconvert to another job that does not exist within L'Oréal. We also accompany them towards their new life through a personalised journey..."