Madison Duke

**Sylviane Balustre-D’Erneville at L’Oréal S.A.**

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1. **Introduction and Summary**

Sylviane Balustre-D’Erneville, Europe diversity director for L’Oréal, was putting effort into building support for the global diversity strategy the company was working on. L’Oréal, a global cosmetic and beauty company, wanted to focus more on nationality, ethnic origin, socio-economic background, gender, disability, and age within the company. Two of the corporate goals of the company were to eliminate discrimination and increase overall diversity. In 2004, L’Oréal France signed a Charter of Diversity, which included six principles to improve diversity in the workplace. Some of which were to raise awareness of non-discrimination among top management and staff to educate while training, and make employees aware of the commitment to non-discrimination. Jean- Claude Le Grand, L’Oréal’s global diversity director, was put in charge of a diversity team to implement the diversity strategy globally. George- Axelle Broussillon, L’Oréal’s corporate manager, worked with Balustre- D’Erneville to implement the strategy. Some regions in country units showed more need for the global diversity strategy than others.

L’Oréal, headquartered in France, was also located in over 130 countries selling a range of makeup, perfume, and hair and skin care products. In North America, sales grew 12 per cent per year in the past five years, but in emerging markets the sales growth was 37 per cent per year. By 2006, 22 per cent of L’Oréal’s overall sales were from emerging markets. L’Oréal’s country units were operated independently (profit/ loss responsibility at country level), but the results from each country were put together at the group level. SoftSheen- Carson, a manufacturer of products for African Americans, helped L’Oréal start to appeal to more multicultural consumers. Lindsay Owen-Jones, L’Oréal’s chairman, stated the need for diversity based on different cultural origins (by having unique portfolio brands). L’Oréal promoted products to multicultural consumers by having diverse spokespeople, advertising in ethnic magazines, and focusing marketing to specific ethnic groups. Jean- Paul Agon, L’Oréal’s CEO, talked about how diversity not only helped the work place in terms of creativity, but also how diversity helps the company deal with change, and the diversity of beauty (brand portfolios).

L’Oréal created and Ethics Charter in 2004, which touched on issues of diversity. Between 2004 and 2010, milestones were passed in the company regarding diversity, such as diversity training, career fairs, and executives appointed to diversity positions. L’Oréal saw diversity as an investment, so the company took an active approach to the idea. In 2004, 35 large French corporations and L’Oréal France signed the Diversity Charter. Le Grand explained the idea behind L’Oréal’s people policy, saying how diversity leads to creativity and better understanding of the consumer. A team was created to continue to rollout of the diversity strategy.

1. **Statement of the Problem**
	1. Baulstre- D’Erneville is trying to effectively implement the diversity strategy globally by delivering diversity training to 8,000 managers in 32 countries before the end of 2010.
		1. Symptoms:
			1. Workers could not take the diversity training seriously, and think it is a waste of time.
			2. Poor diversity training can lead to discrimination in the workplace.
			3. Different diversity training can cause different views on discrimination.
			4. Managers not attending/implementing the diversity training can lead to poor strategies in the workplace.
		2. Root Causes
			1. Geographical differences affected how global units viewed the idea of implementing the strategy.
			2. Managers from regions who didn’t focus on diversity paid little attention to diversity even after attending the seminar.
			3. The seminar was only one and a half days long, which is a short amount of time to cover the topic of diversity to some people.
		3. The decision facing Baulstre- D’Erneville is to keep the diversity training seminar the same or change it based on the feedback received from the first half of attendees.
2. **Decision Criteria and Alternative Solutions**
	1. A solution is effective if Baulstre- D’Erneville can implement L’Oréal’s diversity strategy efficiently and effectively, based on local management buying into the global idea.
	2. **Alternative Solutions**
		1. Baulstre- D’Erneville can change the diversity training program based on the feedback she received, and then receive feedback on the new program.
		2. Baulstre- D’Erneville can leave the diversity training program the same and complete the project on time.
		3. Baulstre- D’Erneville can keep the diversity training the same but ask each group of managers that come in what would be better about the training, and change the program for the next year based on the results.
3. **Recommended Solution**

Baulstre- D’Erneville can keep the diversity strategy the same for the time being because most of the feedback from the program was positive. Because some of the feedback was negative, such as believing the program was a waste of time, she can target the regions that don’t think diversity is a big idea in the workplace and focus more efforts on the managers there. Also, to improve the program for the future, she could have the managers take a survey over what they would change about the program, not just how they felt about the program. Because she has a few years before 2010, she has plenty of time to change the program to fit the environments and the needs of the managers. A potential area of concern for keeping the program the same would be reduced value to some managers based on the length of the training/ cultural background. Because the managers are from all over the world, it would be hard to create a training program perfect for each one, that’s why the idea of diversity and acceptance should be emphasized in the company.