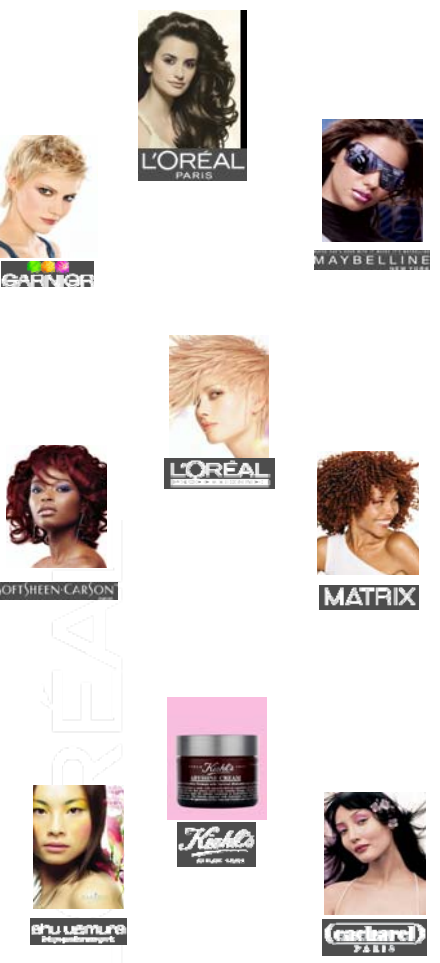




TALENT DEVELOPMENT: SMART INVESTMENTS



L'Oréal in FIGURES



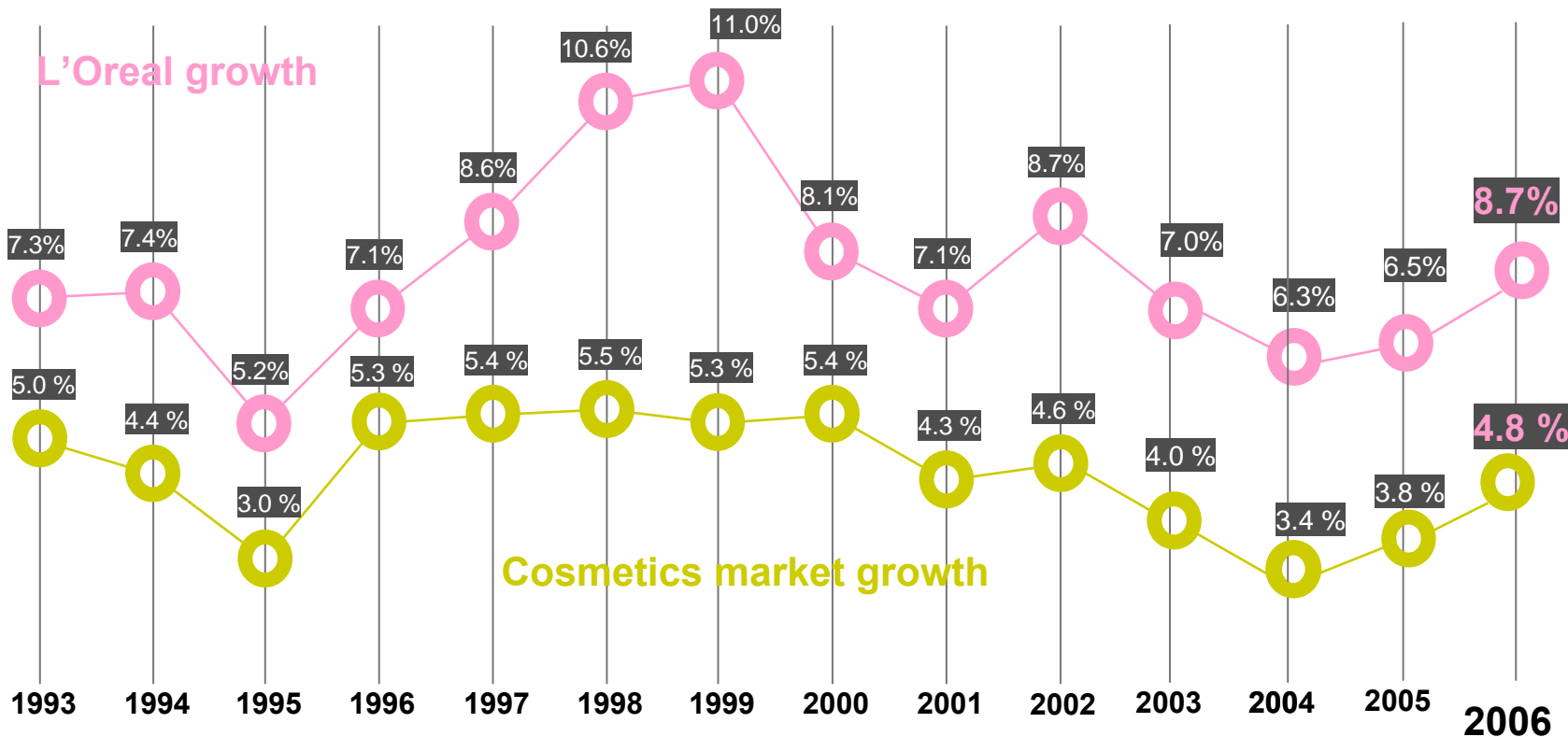
- 100 years in beauty
- 19 international brands
- 15.8 bln Euro consolidated sales
- 533 bln Euro investments in R&D
- 61,000 employees
- 16% global market share
- 4.3 bln product units is produced annually
- 137 product units is being sold every second





L'Oréal IN FIGURES

Turnover growth above the market



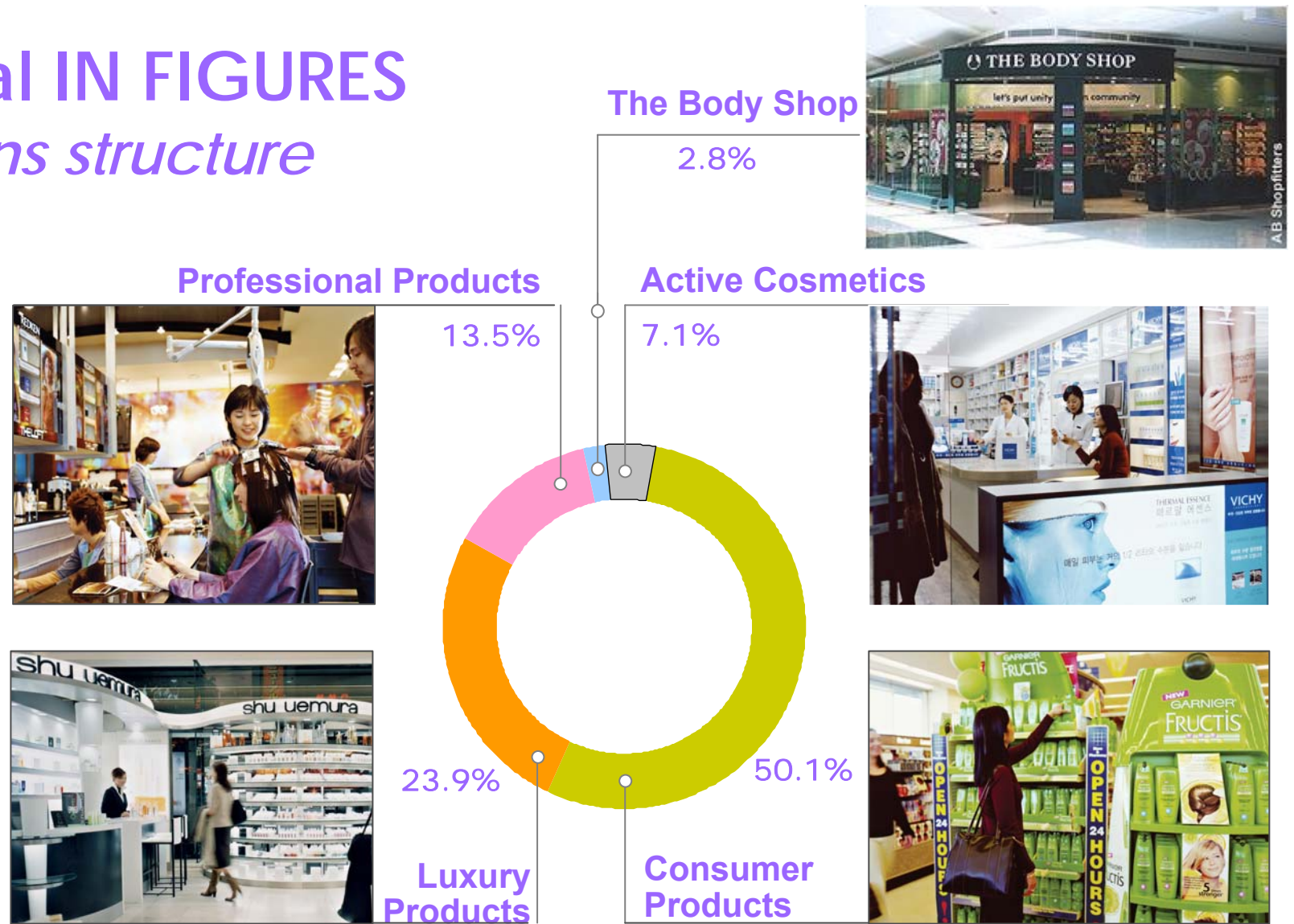
L'ORÉAL



L'Oréal IN FIGURES

Divisions structure

L'ORÉAL





KEY BUSINESS REQUIREMENTS

- **Innovation / creativity / curiosity**
- **Proximity to the field & consumers**
- **Flexibility / reactivity / speed**
- **Entrepreneurial spirit & attitude**
- **Embrace diversity, in all its forms**
- **Build and capitalise on expertise**
- **Live with subjectivity, a lack of certainty**



CORE VALUES

- **innovation leading beauty**
- **striving for excellence**
- **passion for adventure**
- **valuing individual talent**
- **flexibility**
- **..... a clear L'Oréal spirit**



LEADERSHIP MODEL

- **Entrepreneurship without exclusive power**
- **Legitimacy by doing and achieving, not by hierarchy**
- **Premium on ambition, determination & resilience**
- **System has only loose controls, few constraints**
- **Measured risk-taking**



HR POLICY:

- Develop our own leaders from the inside
- Recruit high potential candidates with diverse profiles, sensitive to the Beauty business
- Integrate them successfully into the L'Oréal culture
- Appraise performance and potential both on business results and management skills
- Build challenging career tracks through mobility and empowerment and through a personalised, individual approach
- Provide a learning environment and develop leadership
- Reward individual contribution over a longer-term perspective
- Ensure that every employee feels part of the company's success



2001 г - L'Oréal creates «TALENT DEVELOPMENT» system, which was successfully implemented in 2002-2003

Talent Development is based on 3 principles:

- ❖ *Dialogue*
- ❖ *Equity*
- ❖ *Transparency:*



Targets of TALENT DEVELOPMENT

- Support the Group strategy by **developing future managers of L'Oréal**
- To create a **one unique system** for all managers of L'Oréal
- To answer **the employees' expectations** - clarity, transparency, recognition and dialog
- **To support managers** – to define the key functions, key objectives and performance indicators
- To strengthen **L'Oréal corporate culture**



TWO REVIEWS A YEAR

Year-End Review (YER)

Focused on Performance management



- Appraise annual performance
- Appraise competences
- Set goals for the year to come
- Build synthetic development plan

Appraisee / Manager / Manager n+2

Development Review (DR)

Focused on Skills Development
(Management and Professional/ Technical)



- Set mid-year performance trend
- Identify development priorities
- Build complete Development Plan
- Adjust the relationship if necessary

Appraisee / Manager



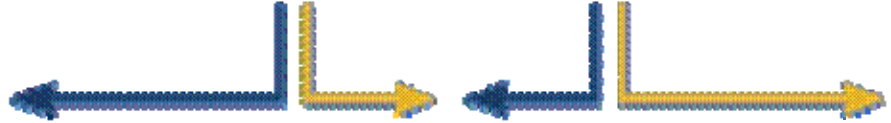
YEAR END REVIEW DEVELOPMENT REVIEW

BALANCE
Appraisal/Development

BALANCE
Past | Future

YER

DR





DEVELOPMENT REVIEW

Strong sides and areas for development:

- *Key tasks and achievements*
- *Competencies necessary to do the tasks*
- *Expectations / new competencies*
- *Current development activities*

Development Plan

- *Priorities in development*
- *On-the-job learning, projects, etc.*
- *Trainings*
- *Manager's support*



YEAR END REVIEW





L'ORÉAL COMPETENCIES

- Ability of employee to use effectively the knowledge, skills, know-how and personal characteristics.
- **Behavior of employee in concrete situations**
- Can be professional and management
 - *Management competencies = BEHAVIOUR*
 - *Professional competencies = KNOWLEDGE and SKILLS*
- Evaluation = observation in SITUATIONS



L'Oréal Management Competences

LEADS WITH HUMAN SENSITIVITY

- Acts with respect
- Develops people (team managers)
- Develops teams (team managers)

INTERACTS EFFECTIVELY

- Communicates effectively
- Mobilizes networks

DISPLAYS SENSITIVITY TO OUR "JOB"

- Builds sensitivity to quality and beauty
- Going further... understands beauty

MANAGES COMPLEXITY

- Reasons from multiple perspectives
- Makes decisions



DEMONSTRATES ENTREPRENEURSHIP

- Develops a vision
- Takes initiative
- Focuses on customers
- Improves business performance

ACHIEVES RESULTS WITH INTEGRITY

- Conveys energy
- Concentrates on results
- Integrates L'Oréal ethical values and guiding principles

L'ORÉAL Ethics

INNOVATES

- Shows curiosity
- Imagines creative solutions
- Stimulates team creativity (team managers)



The 4 MANAGER DIMENSIONS

Be a “coach”

- Incite people to want to develop themselves
- Concretely help team members to improve on the job
- Inspire everyone to give their best

Develop their leadership

- Inspire by setting the example
- Give meaning to action
- Foster initiatives

Network efficiently

- Help the team grow their networks
- Run projects
- Open up to the outside to foster creativity

Master management basics

- Organize business follow-ups
- Assign tasks and goals
- Develop team spirit



What Leading Coach Managers have in common?

- They see in **each team member** the **talents** that make them **unique**
- They see in **each person** what they are **today** and what they are able to **become tomorrow**
- They expect their team members to **continue to develop their strengths**
- They help their team members to **progress** on a limited number of specific **weaknesses**
- To them, **quality** in doing something is as important as quantity
- They encourage by **acknowledging** each observed improvement



DEVELOPMENT ACTIVITIES



Manager's role as a coacher
Sharing expertise
Mentoring
Project management
Cross-functional projects
Observation
Best practices

Professional trainings
Leadership trainings
Language courses
Seminars
Conferences
Meetings
E-learning



Development activity should correspond to development need

KNOWLEDGE, SKILLS

Trainings
Seminars

Information:
Internet/
Intranet, books,
booklets,
brochures, etc.

KNOW-HOW

Technical
training

On-the-job
training

Coaching

BEHAVIOR

Feedback

Training on
Management
competencies

Coaching

Projects

EXPERIENCE

New projects

New teams

International
experience



Example : MENTORING

- Is part of induction program FIT for new employees
- Role of mentor: help new employee to integrate in to L'Oreal culture by advising and sharing.
- Each new manager has an internal “mentor”
- Competencies required: listening, giving feedback, analyzing the situation, acting with respect, indirect management, etc.
- Mentors are selected from middle and senior managers with sufficient level of seniority in the Group
- Special training + round tables



Example: SUPPORT from MANAGER

- *Support from manager is an unlimited resource.*
- *Competencies required :*
 - ❖ Setting goals: be specific about needed improvement
 - ❖ Giving feedback: share on development actions and identify improvement
 - ❖ Sharing responsibility



RESULTS

- Individualized – “tailor-made” development plans
- Linked to the business and career needs for NOW and FUTURE
- Detailed budget supported by needs analysis
- Balance between “local/international” and “own/with partnership” activities
- Planning and follow up of activities
- Involvement of line managers and senior managers
- Shared responsibility of employee/manager/HR
- CAREER COMMITTEES for succession planning and individual’s career planning



THANK YOU!

QUESTIONS