

# SUCCESSFUL IMPLEMENTATION OF FLEXIBLE WORKING ARRANGEMENTS L'ORÉAL INDONESIA

As part of a commitment to inclusivity and diversity, Indonesia Business Coalition for Women Empowerment (IBCWE) member L'Oréal Indonesia implemented flexible working arrangements to support better work-life balance for employees. By listening to the needs of their workforce, L'Oréal Indonesia has created a flexible working arrangement policy that has not only increased employee engagement, but also their productivity.

## 1 CHALLENGE

The L'Oréal office is located in the centre of Jakarta, a city notorious for its traffic and poor public transport infrastructure. In 2016, the results of the annual employee survey showed that employees wanted a better work-life balance but sometimes struggled to achieve this, especially when they have a lengthy commute through one of the busiest areas of the city to get to the office. These concerns were mainly raised by female employees, who make up almost half of the workforce at L'Oréal Indonesia.

## 2 OPPORTUNITY FOR CHANGE

One of the L'Oréal global corporate commitments is to diversity and inclusion, with a special focus on empowering women. Each L'Oréal country office is given discretion to implement these commitments in the way they see fit, so each country looks for ways to promote diversity and inclusion through their corporate practices.

Flexible working arrangements provided an opportunity for L'Oréal to respond to employee requests and support employees, including women, to have a better work-life balance. This made L'Oréal Indonesia the first country office to implement a flexible working arrangement policy among

the L'Oréal group and in 2017, in recognition of the pioneering initiative by L'Oréal Indonesia, the global management encouraged all subsidiaries in all countries to implement a flexible working policy.

## 3 ACTIONS TO PROMOTE FLEXIBLE WORKING ARRANGEMENTS AT L'ORÉAL INDONESIA

L'Oréal Indonesia implemented and developed their flexible working policy (known in the company as Flex Work) over several years, following three key steps:

### 1. A staged approach to implementing a flexible working policy.

The first iteration of flexible working arrangements was the introduction of flexible working hours in 2016.

**The flexible working hours component allows employees to arrange their working hours to their preference,** as long as they work a total of eight hours per day (not including a lunch break). The employees can start their work at any time, as long as they attend and are prepared for all relevant meetings.

In 2018, the Human Resources (HR) team at L'Oréal Indonesia decided to add a new component to the flexible working arrangement policy for employees who have been at the company for at least one year: remote working.

**Employees are provided with a quota of remote working days per month where they can work from home or anywhere outside the office.** This quota has been increased from an initial two days per month to eight days per month in 2021.

Finally, in 2020, L'Oréal Indonesia introduced the third element to complete the flexible working arrangements policy: **A budget allocated to all employees to use for a range of benefits of their choice, including (among others) education funds, holidays, sports/club memberships, pension fund, and family health insurance.**

## 2. Supporting HR processes and practices.

When Flex Work was first introduced, the HR team developed strategies to socialise this new policy. For existing employees, **the HR team socialised the policy through various formats including notifications in the MyHR app, sharing sessions and the company portal.** This also happens each time the policy is updated.

For new recruits, the HR team first informs about Flex Work during the HR interview and provides more detailed information once they officially join the company during the induction process.

## 3. Employee Consultation

The organisational culture promoted by **L'Oreal global emphasises employee wellbeing and L'Oreal Indonesia uses employee consultation to understand employee needs, as well as to receive their feedback on company policies.** Employee responses to Flex Work are obtained through two annual surveys.

PULSE is an inhouse survey to gather employee perceptions and input regarding current policies and practices within the company, completed by approximately 500 employees annually.

## 4 FLEXIBLE WORKING DURING THE COVID-19 PANDEMIC

In early 2020 the Government of Indonesia issued a regulation requiring that companies in non-essential sectors (including L'Oréal Indonesia) must work from home. To ensure that employees were able to work effectively from home full time, the L'Oréal Indonesia provided all employees with a laptop, internet data, and modem, as well as established an integrated collaborative network system

which includes Microsoft Teams and OneDrive, enabling employees to communicate, collaborate and share files remotely.

Employees were also able to purchase a working desk, an ergonomic chair, monitor, keyboard or any other facilities that are needed for home working and be reimbursed by the company. Further, employees (men and women) who have children aged below one year old as well as employees aged over 50 years old may access a full year of remote working.

## 5 OUTCOMES

L'Oréal Indonesia considers flexible working arrangements to be highly successful, stating that "According to our employee survey, Flex Work arrangement is one of the most important and most satisfying benefits for our employees". The company has identified three key outcomes of flexible working:

### 01. Improved Work-Life Balance

In general, the employees feel that Flex Work has achieved its key aim; helping to improve work-life balance. This has been especially beneficial for both male and female employees that have or wish to start a family.

“I used to be an office person,” recalled a female manager, laughing.

“I loved coming to people’s desks and getting what I wanted from them. But that was before I got married and I lived five minutes away from the office. Now, I have a family and it takes an hour for me to go to the office, I am happy we have Flex Work”.

In addition, the company hopes that these policies will help L'Oréal Indonesia to attract and retain future talent, particularly younger workers for whom flexible working is an important benefit.

### 02. Enhanced Adaptability

Another benefit has been the ability to adapt in response to the pandemic. Although full-time remote work was not something the company had envisaged, the fact that both employer and

<sup>1</sup> Lexi McMenamin, *BBC.com*, <https://www.bbc.com/worklife/article/20210729-why-younger-workers-want-hybrid-work-most>, (accessed 12 October 2021).

employees had two years' experience of remote and flexible working made the transition to full-time working from home relatively smooth and employees adapted much quicker than the HR team had expected.

### 03. Improved Productivity

The final additional beneficial outcome of flexible working is improved productivity. During the pandemic, middle managers reported improved productivity and time efficiency of their teams while remote working, and the company sees that they can still maintain good productivity levels while improving the satisfaction of their employees.

Employees and managers also agree; one manager said that avoiding commutes and remote working means that her team can start work at 7 or 8 am, as they do not have to travel and risk getting stuck in traffic. Others shared that the time they used to spend on the road can be used to complete more tasks. Furthermore, Flex Work has helped to build trust between team members.

“We learn that having a team member sitting in front of you with their laptop does not mean that they are working,” stated a male manager, who nowadays believes that productivity does not come from physical presence.

## 6 MOVING FORWARD

Although the flexible working arrangements policy is viewed positively by the majority of employees, there are some downsides, particularly related to full-time remote work. This includes some employees experiencing increased average working hours since working from home and **the HR team also notes that creative meetings, brainstorming, onboarding of newcomers, and some training programs are less effective when conducted online.**

Therefore, from August 2021, the company will implement a hybrid system, with teams coming into the office on designated days.

In the future, L'Oréal Indonesia could share their experience of successful working

arrangements policy both internally and externally, to:

- Highlight the benefits that the policy has on workplace gender equality, not just for women employees, but men too.
- Encourage other companies interested in adopting similar systems.

**Monitoring of policies related to flexible working, including whether there is a broader trend of increased working hours and the outcomes of remote working arrangements for over 50s and new parents, and other gendered impacts would also help L'Oréal Indonesia to identify ways to further improve the support the company provides to its employees.**