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Multinational enterprises and social protection: A case study of the L'Oréal Share & Care Program

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Abstract

This paper was produced within the framework of a Public-Private-Partnership agreement between the Research Department and the cosmetics company L'Oréal to analyse the implementation and possible effects of the Share &Care social protection program.

While CSR engagement by enterprises seems to be the growing focus of analysis and research, privately provided social protection is a topic rarely explored. However, enterprises may play a role in extending social protection by providing benefits through voluntary social initiatives or corporate social responsibility (CSR), sometimes at higher levels than government provisions. Indeed, the number of multinational enterprises (MNEs) that are implementing or considering implementing such programs seems to be on the rise.

With the aim of contributing to this literature, the paper explores first how CSR initiatives can support the objective of extending social protection. Then, on the basis of privately held data provided by L'Oréal, it analyses whether the implementation of the program has led to any changes in the benefits provided by L'Oréal firms in different countries. Finally, it explores the links between two indicators related to firm performance (turnover and absenteeism) and the different elements of the program based on quantitative methodologies. The analysis is limited based on data availability; thus, the paper makes some suggestions about how the effects of the program could be better evaluated with access to more specific indicators.

Table of contents

Acknowledgements v

Abstract vi

Table of contents vii

List of figures & tables viii

1. Introduction 1

2. Private provision of social protection through CSR 3

2.1 CSR activity in the World 3

2.2 Providing social protection through CSR 6

3. The case of the L'Oréal Share & Care Program 10

3.1 Overview of the Program 10

3.2 L'Oréal Share & Care and other voluntary social protection programs 12

4. Data and the empirical analysis 15

4.1 Improvement in benefits: Data from follow-up tools 15

4.2 Human resources data 18

4.3 Econometric models and results 20

5. Conclusion 22

References 24

Appendices 28

Appendix A: Changes in benefits (Must Haves) in all 67 countries following L'Oréal Share &Care 28

Appendix B: Questions related to Must Have's 31

Appendix C: Improvement in 'Must Haves', by region and benefit, 2013-2015 34

Appendix D: Summary of impact evaluation methodologies 35

List of figures

Figure 1. ILO’s two-dimensional strategy to extend social security 7
Figure 2. Voluntary provision of social security by MNEs (Tier 3) 8
Figure 3. Improvement in ‘Must Haves’ implementation, by region and benefit, 2013-2015, percentage 18
Figure 4. Regression results: Employee turnover and Share&Care 20

List of tables

Table 1. Extension of social protection programs by selected companies 13
Table 2. Simplified table of Share & Care Program ‘Must Haves’ implementation tracker 16
Table 3. Descriptive statistics across all 67 countries and 4 years 19

1. Introduction

Social protection, which can be described as a set of policies and programs to protect individuals against life contingencies, is a basic human right (ILO, 2017). It is the responsibility of States to provide universal protection to the populations. However, despite progress being made worldwide, many people still do not have access to comprehensive social protection coverage. Estimates show that more than half of the world's population, around 4 billion people, are still not covered in any area of social protection; while about only 30 per cent of the global population receives a full range of benefits (ILO, 2017). The gap in coverage might be due to the fact that States lack financial resources, capacity, or the political will to implement universal social protection systems. In this context, some enterprises, especially multinational enterprises (MNEs), could and have played a role in extending social protection. First, by complying with the national law, and second, by providing themselves social protection benefits through voluntary social initiatives or corporate social responsibility (CSR), sometimes at higher levels than government provisions. Indeed, the number of MNEs that are implementing or considering implementing such programs seems to be on the rise.[1]

From an enterprise perspective, providing such social security benefits can have a number of positive implications. For example, studies have shown that improved social protection can increase employee motivation, reduce absenteeism and increase the quality of work, which can lead to higher labour productivity and increased competitiveness (Lee and Torm, 2017; Artz, 2010; Pfeffer, 2007). It may also lower employee turnover, which reduces separation and hiring costs and can improve the retention of talented staff (Jetha et al., 2015; Hill, 2013; Galbreath, 2010; Lee et al., 2006). Additionally, firms may incur some tax advantages for providing social security benefits to their employees (Gruber, 2010). However, there are also associated risks and challenges. Voluntary social protection schemes might present financial challenges for enterprises to implement due to the long-term nature of commitment and additional costs. Another risk is that such programs may not have the desired effects on either workers' well-being or firms' performance. In institutionally weak countries, it may also crowd out governments by disincentivising them from improving the level and coverage of social protection they deliver (Lindert et al., 2006).

Studies providing evidence of trends in implementing voluntary social protection programs and their possible effects on coverage and enterprise performance are scarce (Messersmith et al., 2018; Tessier and Schwarzer, 2013). With the aim of contributing to this literature, this paper first reviews current trends of CSR around the world and turns to how CSR initiatives can support the objective of extending social protection in terms of both coverage and benefits (Section 2). Although such programs can be implemented both by small and medium sized enterprises (SMEs), this paper concentrates on MNEs. This is because, relative to SMEs, MNEs have the resource capacity to implement more comprehensive social protection programs, with benefits that are harmonized across the countries where they are present. Indeed, given their size and influence on numerous firms involved in their global supply chains (GSC), MNEs may also have a larger scope of impact. Recognizing the motives and the role of enterprises in supporting and supplementing statutory social protection, the International Labour Organization (ILO) together with multinational enterprises (MNEs), employers' organizations and corporate foundations, launched in 2015 the Global Business Network for Social Protection Floors

[1] See for example Global Business Network initiative, http://www.social- protection.org/gimi/gess/ShowProject.action?id=3030.

(GBN) for enterprises to promote social protection in the private sector, document impacts of employee protection on firm performance, and support implementation of statutory social security. As a GBN pioneer, L'Oréal agreed to a research partnership with the ILO concerning the implementation of its global social platform, the Share & Care Program and shared corresponding data. Consequently, the case study in this paper focuses on this program.

After presenting the Share & Care (Section 3), two types of empirical analysis are conducted in the paper on the basis of the data provided by L'Oréal (Section 4). First, based on the follow-up tools (conceived for tracking the progress of Share & Care), the paper analyses whether the implementation of the program has led to any changes in the benefits provided by L'Oréal firms operating in different countries, then explores the links between two indicators related to firm performance (turnover and absenteeism) and the different elements of the program based on quantitative methodologies. The findings of this latter analysis were not statistically significant, but it may be premature to make conclusions of program effectiveness based on these results owing to objectives of the program and data inconsistency. Indeed, the report of the program and goals were focused on actions implemented and not subsequent outcomes, which resulted in data limitations. The lack of sufficient data and specific indicators has nevertheless sparked a reflection on what type of information is needed to allow for a better evaluation of such programs.

2. Private provision of social protection through CSR

The provision of social protection by enterprises is part of their corporate social responsibility (CSR)[2] strategy. Although, social protection is often not a topic directly referred to in CSR initiatives, there is a growing trend toward its inclusion. The emergence of collaborations between the private sector and development organizations such as the Global Business Network (GBN)[3] is one example.[4] This section provides a further examination of the global evolution of CSR and presents methodologies to incorporate social protection into this framework.

2.1 CSR activity in the World

CSR can be described as "the set of activities by which enterprises demonstrate their concern on the impacts of their operations to their stakeholders and society. It is voluntary in nature and goes beyond compliance to the law" (International Labour Organization, 2006, p. 1). The composition of CSR widely varies, from issues internal to the firm (such as fair wages, working hours and employee health and safety) to those that are external (such as environment, corruption, education and poverty). Even though social protection programs are generally not one of the main areas of consideration,[5] many initiatives concerning employees' health and safety are linked to social protection. Initiatives that help alleviate poverty and inequality in the community may also indirectly address some social protection issues.

Available data indicate an upward trend in CSR involvement by businesses.[6] This is reflected in a recent survey of the top 100 companies in 49 countries by KPMG,[7] that finds that the rate of firms publishing CSR reports has risen spectacularly, going from around 20 per cent in 2000 to around 75 per cent in 2017. Another example, is the 2016 Annual Global CEO Survey of PriceWaterhouseCoopers, where 64 per cent of global executives declare that their companies place CSR in the core of their activities for business success, and 70 per cent state that the same will be the case in five years (PriceWaterHouseCoopers, 2016).[8] This upward trend in CSR is closely linked to higher expectations of stakeholders, especially in developed countries, about promoting socially responsible business

[2] CSR here refers to activities focusing on own employees, workers in supply chains as well as greater communities. CSR policies usually start with a focus on own human resources of businesses as in addition to their importance "this stakeholder is easily identifiable and accessible" (Tessier and Schwarzer, 2013, p. 9).

[3] The Global Business Network for Social Protection Floors has a growing number of members since it was created in 2015. Its current members include L'Oréal, ENI Foundation, Geely, Danone, Nestlé, Legrand, Auchan, IDKIDS, Sanofi, Philip Morris International, Randstad, SwissLife, Credit Agricole, El Corte Inglés and Saint-Gobain among others.

[4] *Global Enterprises and Social Protection: good practice Guid*e published by EN3S is also the result of such an approach which aims to promote methodology on development and implementation of social protection program in MNE's (EN3S, 2017).

[5] It was found that only 25 companies listed in Standard and Poor's 100 Index had reported on social protection issues through annual or CSR reports (Tessier et al., 2013).

[6] Obtaining detailed data on CSR practices is not straightforward. Some agencies use only CSR reports by companies to produce their databases (KPMG, 2017), while some CSR rating agencies, complement information on reporting with information from various media sources, and process the data using their own methodologies. Examples are VigeoEiris, Thomson Reuters Environment, Social and Governance (ESG) Scores, MSCI ESG Ratings and Sustainalytics.

[7] This survey examines CSR reporting by top 100 companies by revenue in 49 countries, in total 4900 companies (2016-2017).

[8] The survey was conducted in the last quarter of 2015 and the sample includes 1,409 business executives from 83 countries.

practices. In the last decades, the expansion of global supply chains (GSC) have led to increasing pressure from stakeholders (including unions and customers) to ensure compliance with national and international standards. This has played an important role in pushing enterprises, especially MNEs, to take action via CSR initiatives (Delautre, 2017; Jackson and Rathert, 2017; Mayer and Gereffi, 2010).

CSR practices largely differ both across and within regions, based on country development status, and between enterprises of different size (SMEs and MNEs). Currently the highest rate in CSR reporting (based on the KPMG survey mentioned above) can be observed in North America (88 per cent), followed by Western Europe (82 per cent), Latin America (81 per cent), Asia Pacific (78 per cent), Eastern Europe (65 per cent) and lastly by Middle East and Africa (52 per cent) (KPMG, 2017). The high rate of CSR reporting in Latin America is due to a strong uptick in some countries in the region in the last years, especially in Mexico (by 32 percent), driven mostly by regulatory changes.[9] Although, data on CSR reporting provides a reference to the increasing attention being given to the topic, it may not be a good indicator of the actual CSR commitment as the reports do not contain verified information and are not comparable between countries.

Consequently, a deeper and more systematic analysis of the scope of CSR measures, using specific surveys, is needed to better understand firms' commitments.[10] Based on such an analysis, Delautre (2017) finds that measures, or scores, for commitment are particularly high in Western European companies in the areas of freedom of association, non-discrimination, health and safety, social factors in supply chains[11] and socio-economic impact operations[12] (higher than the average in all domains examined), while in firms in Eastern Asia and Arab States the scores are all under the average. Although Northern American firms show slightly better results, in all other regions scores are mixed according to the specific area of commitment (Delautre, 2017).

Stronger commitment in developed countries can be linked to stronger involvement by regulators and domestic stakeholders (Ali et al., 2017). Particularly in Western and Northern Europe, support from governments on CSR initiatives are now embedded in public policies. Laws introducing codes of conduct and requiring the public disclosure of information (transparency) on non-financial dimensions (such as environmental, labour or social aspects) are increasingly being adopted, pushing the voluntary aspect of CSR towards more mandatory actions. In this context, the European Union Directive (2014/95) on disclosure of non-financial and diversity information is one of the more telling examples (see Phillips et al., 2018 for more details). As a result of government mandated CSR practices, more formalised CSR commitments and reporting tend to occur in these countries. Also, generally, more networks are being established (especially in Western Europe) to promote and share knowledge on CSR (Mullerat, 2013).

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9 The Mexican government passed the General Law on Climate Change in 2013. This law "requires companies to report on their carbon emissions" (KPMG, 2017, p. 17). Moreover, in order to join Mexico's stock exchange, companies must also produce sustainability reports (KPMG, 2017).

10 In this regard, some CSR rating agencies go further and evaluate the level of commitment of CSR initiatives. For example, VigeoEiris analyses the publicly available information on the basis of selected evaluation criteria (such as compatibility with international standards) and attributes a score to each company. When necessary, the evaluations are refined using complementary data from other sources, such as questionnaires addressed to firms themselves and feedback from partner unions (Delautre, 2017, p. 14).

11 This measure corresponds to the "… evaluation of the policy imposed by the outsourcing company to its suppliers regarding fundamental labour rights and working conditions" (Delautre, 2017, p. 13).

12 This measure evaluates "the way a company optimizes the economic and social impact of its activities, investments or restructuring has on local communities or labour pool" (Delautre, 2017, p. 13).

In contrast, external forces are found to play a more important role in CSR commitment in developing countries. MNEs may impose requirements on the subsidiaries and enterprises along their supply chains with the objective of attaining international standardization (Visser, 2008). Foreign investors and media are also found to be important drivers behind CSR commitment (or at least reporting) in these countries (Ali et al., 2017). Inherently, in the developing world, CSR is sometimes seen as "a way to fill in governance gaps of weak, dishonest and resource-challenged governments" (Visser, 2008, p. 483). This might result in a tendency for workers to have higher dependence on enterprises in social service provision (including health care, housing among others), which poses the risk of disruption whenever these enterprises retract their investments.

CSR prevalence also varies across countries in the same region with similar development status. For example, France has been progressively active in CSR especially in the past two decades, with the establishment of laws on corporate sustainability and the formation of different enterprise initiatives and networks towards the practice of CSR.[13] In contrast, in Germany, CSR take-up was relatively late (Mullerat, 2013). The possible reason behind this is the existence of strong tripartite dialogue and legal requirements that left limited leeway for voluntary CSR initiatives in Germany (Berthoin Antal et al., 2009). However, this has been changing rapidly with the active engagement of the Federal Government, as the establishment of the National CSR Forum in 2009 indicates.[14]

Differences in the conduct of CSR between SMEs and MNEs can also be observed and concern particularly their target recipients and management. Compared to MNEs, SMEs concentrate more on having better relationships with employees and the community (Jenkins, 2004; Murillo and Lozano, 2006; Spence, 2007; Vives, 2006). This is due to their small size, non-separation of ownership and management (Spence and Rutherfoord, 2003), and more direct relationship with local authorities (Longo et al., 2005). SMEs also have lower tendency to report on their CSR activities and have less resources to conduct CSR (Graafland et al., 2003; Perrini et al., 2007; Spence et al., 2000). MNEs are accountable to employees, communities and investors internally, but in contrast to SMEs, also abroad as stakeholders are present outside MNE's domestic origin (Huemer, 2010). They respond to internal pressures to attract shareholders, improve employee motivation and impact enterprise branding. External pressures evolve from society's expectations, competition with other MNEs, and responsibilities to the State (Weininger, 2008).

Although CSR activities are widely present in different countries and contexts, some argue that CSR might fall short of generating real changes. For one, firms might have a top-down and paternalistic approach with weak participation of workers, which can limit the take-up and impact of their CSR initiatives. Another common argument is that corporations are natural profit seekers and do not exist to solve social problems (Devinney, 2009). Hence, it is possible that CSR remains solely for publicity purposes and communicated values are not reflected in the firm's overall processes and decisions. For example, a firm conducting CSR concerning social protection, such as providing maternity leave and benefits, may undertake decisions that could discriminate female employees in some form. Indeed, many shortcomings by MNEs in providing fair wages and non-discriminatory practices in recruitment of male and female employees are also documented (Pyke, 2017).

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[13] Initiatives and networks include Travailler Mieux and Centre des Jeunes Dirigeants (Mullerat, 2013).

[14] See the website "CSR made in Germany" established by the Federal Ministry of Labour and Social Affairs: https://www.csr-in-deutschland.de/EN/Policies/CSR-national/National-CSR-Forum/national-csr-forum-article.html.

However, CSR can also be a useful tool to expand social protection. The following section will focus on this topic.

2.2 Providing social protection through CSR

In this paper, social protection is defined as "the set of all types of benefits provided to households and individuals through public, *private and non-government provision*s to protect against economic shocks resulting from life contingencies such as sickness, maternity, injury, unemployment, and old age, among others" (Garcia and Gruat, 2003, pp. 13–14) (emphasis is ours). In contrast, other definitions in the literature commonly define social protection as being delivered mainly through "public" or government entities. Involvement of the private sector in social protection provision is in line with the ILO's call for a two-dimensional strategy for the extension of social protection, in countries where national social protection floors (SPFs) do not meet basic social security[15] guarantees.[16] This strategy comprises a horizontal dimension that warrants social protection coverage to all individuals of different income levels and a vertical dimension that encourages schemes aiming to attain higher levels of benefits.

The two-dimensional strategy rests on three tiers that support schemes, which enable delivery of higher levels of social security (see Figure 1). The first tier consists of efforts that ensure the establishment of universal access to essential health care and basic income security (SPFs) for all individuals regardless of income level. The second tier allows for provision at higher levels through compulsory state-guaranteed coverage subject to individual capacity to pay. Lastly, the third tier involves voluntary coverage by non-state institutions (including non-government organizations and private enterprises) that could go beyond State guarantees. In this regard, the third tier presents an area for extension of social security by MNEs (Tessier et al., 2013). The promotion of voluntary social security coverage by MNEs is reinforced by ILO's MNE Declaration,[17] which sets out guidelines for a tripartite cooperation of MNEs, governments and workers' organizations on principles concerning decent work. While insisting on the role of governments in providing social protection floors the Declaration also states that MNEs "…could complement public social security systems and help to further their development, including through their own employer-sponsored programs." (International Labour Organization, 2017, para. 22).

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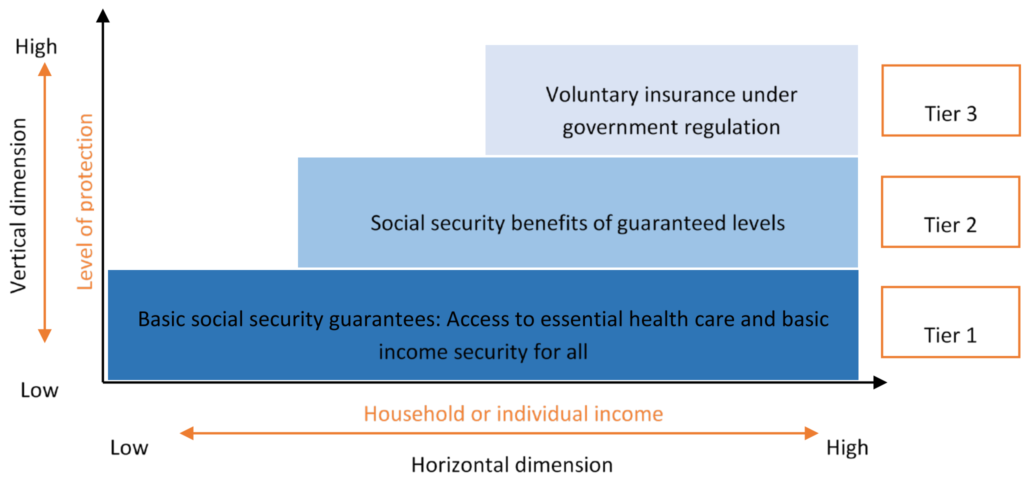
[15] Social security is a "sub-component of social protection, normally government counteractive measures for socio-economic insecurity resulting from life cycle shocks such as sickness, maternity, and death" (United Nations, 2007, p. 111). These are usually in the form of social insurance, a mechanism to finance pensions at the national level, and social assistance, a safety net for those not adequately serviced by social insurance and other forms of social security (International Labour Organization, 2000).

[16] List of SPF guarantees provided in Social Protection Floors Recommendation, 2012 (No. 202), Paragraph 5.

[17] http://www.ilo.org/empent/areas/mne-declaration/lang--en/index.htm.

Figure 1. ILO's two-dimensional strategy to extend social security



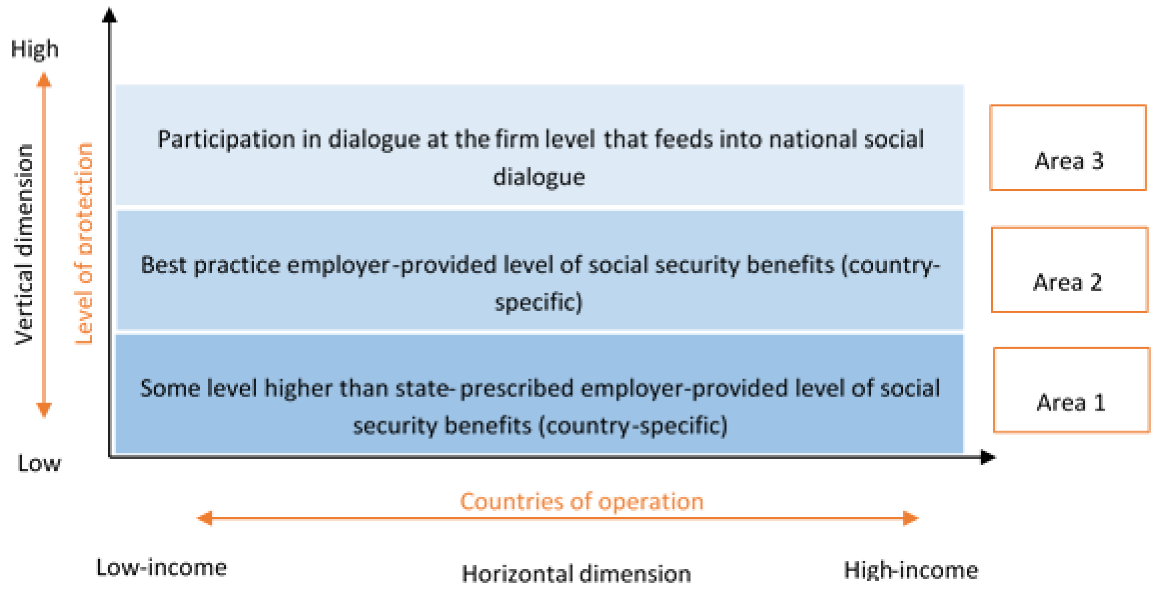
Source: International Labour Organization, 2012

At the minimum, MNEs have the obligation, like all other enterprises, of contributing to social security through the provision of benefits that are at levels mandated by national law and the payment of corresponding taxes. Alternatively, MNEs can utilize voluntary social initiatives or CSR to provide a wider range or higher levels of social security benefits than mandated. Voluntary provisions of social security by MNEs can be categorized into three areas (see Figure 2). The first area consists of schemes that provide benefits that exceed state-prescribed employer-provided levels of benefits, but are lower than the existing maximum benefits provided by other employers in the country. The second area comprises initiatives that provide the highest level of benefits among the firms existing in the country. This second area recognises that firms may be prompted to provide a higher level of benefits and deeper commitment due to competition with other firms. Indeed, competition related to firm's image and in attracting skilled workers, can drive other enterprises to provide social protection to their own employees (Tessier and Schwarzer, 2013). MNEs can also influence firms along their supply chains to implement more comprehensive social protection schemes by imposing it as a condition to continue the business relationship (Ali et al., 2017; Visser, 2008). For example, providing extended social protection can be included as a condition for choosing suppliers.

The third area includes the involvement of MNEs in social dialogue at the firm level. While it is already expected from firms to engage in social dialogue at the national level, dialogue within the firm including all international subsidiaries can help discern the social protection needs of workers and how they can be met through private initiatives. International Framework Agreements, which are agreements between the subsidiaries of MNEs worldwide and international workers' representatives,[18] can indeed create this opportunity. Dialogue at the firm level between employers and workers' organisations might also feed into national social dialogue, as it could drive workers organisations to demand extended levels of state-provided social protection benefits (Tessier and Schwarzer, 2013).

[18] See Lévesque et al., 2018; Bourguignon and Mias, 2017 for more information on this topic.

Figure 2. Voluntary provision of social security by MNEs (Tier 3)



Source: Authors

Additionally, the potential spill-over effects mentioned above may be reinforced by integrating provisions linked to CSR into other international frameworks, such as international trade agreements. These frameworks can promote the CSR activity of firms within the territory, and in some cases subject to the jurisdiction of the parties to the agreement (Peels et al., 2016). Many CSR clauses do not explicitly mention social protection but some refer to MNE Declaration, which include references to social security, benefits and conditions of work (International Labour Organization, 2017, paras. 22, 41–42).[19] In this respect, such frameworks might be important tools to stimulate social protection through CSR given that commitment is at the state level. Nevertheless, potential spill-over effects depend on how extensive each State promotes and monitors CSR activity (Peels et al., 2016).

Indeed, the implementation of voluntary social security initiatives through CSR entails challenges for MNEs. Putting in place a harmonized benefits system might be financially demanding, and legal and social hurdles might arise due to varying norms across countries. MNEs may also be faced with the challenge of convincing their own subsidiaries and employees to take the ownership of the program. To ease the financial burden that would fall upon the subsidiaries, some flexibility may be given in the payment of premiums and contributions so that they can adopt the mechanism that works best for their needs and organizational context (Tessier et al., 2013). Support from top-rank employees also plays an important role in engaging subsidiaries and instilling the values and objectives of the provision of social protection benefits into the whole organizational structure (GBN Meeting, 2017). Strong internal communication, between the headquarters and subsidiaries as well as between or among firm segments, during program preparation and implementation is also needed (EN3S, 2017). Most importantly, strong dialogue at the firm level which allows the involvement of employees at the earlier stages of the project is essential. The existence of a platform where challenges and advantages can be discussed with the participation of workers, can not only facilitate acceptance, but also lead to better design,

[19] Such is the case of EU-Vietnam Free Trade Agreement. Some agreements on the other hand, have direct reference to social protection in their CSR clauses (for example, EU-Moldova Association Agreement).

implementation and monitoring of the program.

Another challenge faced is the evaluation of such schemes. Although, there are studies that look at the effect of some employee benefits or social security compliance on financial performance (Messersmith et al., 2018; Lee and Torm, 2017; Jetha et al., 2015; Lee et al., 2006), those exploring the effect of more comprehensive voluntary social protection schemes on coverage and various performance indicators are rare. This limitation is partly due to the lack of CSR reporting guidelines on social protection, which makes it difficult to find available data at the firm- or country-level. Additionally, such comprehensive schemes are only recently emerging. But, some evaluation of voluntary schemes on social protection by MNEs is important to improve existing schemes and to further promote social protection provision in the private sector. The following section is an attempt to examine one such program based on the available data.

3. The case of the L'Oréal Share & Care Program

L'Oréal is a multinational company, offering a multitude of consumer products in the cosmetics industry with around 83,000 employees worldwide. At the end of 2013, L'Oréal started the implementation of the Share & Care program. This section aims at giving an overview of the program, and its challenges (3.1), before providing information on other similar initiatives (3.2).

3.1 Overview of the Program

L'Oréal's Share & Care program is an example of a social protection program implemented by an MNE as part of an effort to support the CSR strategy.[20] Its stated objectives include attraction and retention of talented workers[21] and sustaining the economic performance. The program is founded on four pillars that integrate social protection in areas such as employees' welfare ("Protect "), healthcare ("Care "), parenthood ("Balance ") and quality of life at work ("Enjoy "). It features benefits such as death, accidents and disability insurance (Protect), medical insurance (Care), paid maternity and paternity leave (Balance), as well as, accessible workplace to persons with disabilities (PWD) and meal subsidies (Enjoy), among others. The program is setup to go beyond the national obligations where subsidiaries operate, and aims to provide benefits that are at least at the same level as that of the top performing companies[22] in the corresponding country.

There are two types of benefits called "Must Have's" and "Nice to Have's". "Must Have's" are the benefits that all subsidiaries have to provide to permanent employees[23] in all countries of operation (67), regardless of the different existing national social security levels. In a number of countries, such as in France, subsidiaries have also included temporary employees in the program (as required by the local law or as observance to local practice of companies in the country). The internal minimum benefits, or Must Have's, are set at equivalent levels across all countries of operation, considering the different baseline levels or levels of protection prescribed by national social security law. The feasibility of meeting the Must Have's in countries with weak social protection was, therefore, determinant in setting the internal minimum benefits. However, it has been ensured that the Must Have's meet ILO's SPF guarantees in all countries.[24]

In order to give local subsidiaries a way to further develop Share & Care, the program also comprises "Nice to Have's", which can be described as recommended but not mandatory actions. "Nice to Have's" are additional benefits that go beyond both the requirement of national law and that of L'Oréal, but are

20 While Share & Care program was developed independently of the CSR plan of L'Oréal, and operated through its HR department, it is reported as one of L'Oréal's CSR policies in company's publications (see for example, L'Oréal, 2016).

21 The importance of social protection for employees can also be seen clearly in a survey that L'Oréal conducted among 1900 students to learn about what they expect in terms of work environment. Strong coverage of medical expenses emerged as the most important benefit for the choice of the future employer.

22 Companies that are recognized as leaders in the local market, ranking among 25 per cent of those having the best practices in a specific domain (Share & Care implementation guidelines).

23 Permanent employees, as defined by L'Oréal, covers all contracts, except the one with predetermined time limit and, if legally compliant, exclusions can be decided in each country for part-time contracts with less than 21 standard working hours per week and those with contracts where the minimum weekly working hours are not indicated (occasional contracts) (provided by L'Oréal).

24 In cases where national security law was more developed, and benefits included in Must Haves were lower by some degree than those provided by the law (such as in France), L'Oréal Share & Care complied with national obligations and provided the nationally prescribed benefits exceeding the Must Have's.

deemed important and feasible by subsidiaries in a specific country. In the case of France, for example, where most Must Have’s were already in place prior to the Share & Care program, Nice to Have’s such as a service that helps employees with dependant parents, an IT kiosk and concierge, and a fitness room were provided (L’Oréal, 2016). Such local Nice to Have’s are also important in countries with poor social protection linked to specific cultural and local norms. In this paper, only Must Have's are analysed as they are mandatory and harmonized across different countries.

In 2013, L’Oréal initiated preparations for the program including stocktaking, gap analysis, and formulation of internal minimum benefits. These were necessary to set up the guidelines for Must Have’s and Nice to Have’s. Country Human Resources departments were consulted through a technical questionnaire to assess nationally provided social protection and local practices, recognizing that not all countries have the same baseline levels. The gap analysis helped determine internal minimum levels of benefits that are reasonable to provide in all of its countries of operation.

L’Oréal launched the program and implemented it simultaneously in all subsidiaries, reaching full implementation of the Must Have’s in all countries of operation by 2015 (L’Oréal, 2016). During its first phase of implementation, challenges arose in setting the minimum standards as it required an extensive amount of time and a well-qualified team of experts to draw comparable levels of coverage across countries that were adaptable to each country of operation. Aside from this, it was also a challenge to conduct a collaborative and consensual global program within a limited time period. Further, the simultaneous implementation of the program in 67 countries implied the need for a worldwide internal consensus and a clear structure of the guidelines (Tessier et al., 2013).

In 2017, L’Oréal accounted that under the Share & Care Program, “96% of the Group’s permanent employees ha[d] access to each healthcare benefit [under the “Care” pillar] reflecting best practice in their country of residence”, and “92% … benefit from financial protection [under “Protect”] in the event of unexpected life events, such as death or total permanent disability” (L’Oréal, 2017, p. 37). After the completion of the first phase of the program, L’Oréal set new 2020 Share & Care goals to improve employees’ welfare according to the four program pillars. New targets include provision of a minimum 10 days paid paternity leave, improvement of work flexibility schemes, and expansion of benefit schemes (L’Oréal, 2017).

3.2 L’Oréal Share & Care and other voluntary social protection programs

L’Oréal is not alone in the implementation of social protection programs. Other MNEs, including GBN members, have instituted their own social protection programs.[25] Table 1 provides a list of selected MNEs, including L’Oréal, that provide social protection benefits. Similar to the Share & Care Program, the listed company policies are enterprise-initiated extension of social protection executed through the CSR entry point and an HR strategy. The programs differ in terms of implementation mechanisms and featured benefits. Common program components are social insurance coverage that includes medical, disability and survivor’s benefits[26] as well as sick and maternity/paternity leave. Companies, such as Orange and Tiger Brands have financed their own health facilities or on-site clinics, aside from offering health insurance benefits, which remains a rare practice. Other programs also offer additional benefits such as educational allowance, housing allowance, and flexible working hours. L’Oréal also offers additional benefits such as a fair salary increase to maternity leave takers, ergonomic trainings, and stress prevention seminars. Some of the programs also allow for a certain degree of flexibility and innovation. Dan’Cares, for example, allows local subsidiaries to determine the level of employee contribution.

In terms of monitoring and evaluation, Danone collects feedback from employees on its Dan’Cares program through a global opinion survey undertaken every two years called Danone People Survey. However, to date no systematic impact evaluation has been undertaken. Geely, in collaboration with its private education subsidiary, Sanya University and the ILO, is in the process of conducting research on their social protection program, including a survey on CSR and talent retention (GBN Meeting, 2017). Other GBN members, which only recently implemented their programs, have not conducted a formal evaluation yet. Nonetheless, all GBN members have been encouraged by the ILO to conduct proper monitoring and evaluation of their social protection programs.

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[25] Each member of the GBN pledged to implement its own social protection program. Early members have already launched their programs while new ones are in the process of conceptualizing their own. However, provision of social protection benefits is not limited to the members of GBN. Other companies have also initiated similar schemes by providing such benefits as part of their remuneration packages.

[26] Survivor’s benefit is the guarantee covered of life insurance, as defined in ILO Convention No. 102.

Table 1. Extension of social protection programs by selected companies

Company	Basic Social Protection Benefits	Additional Social Protection Benefits	Population
Credit Agricole (Take Care Program)	Medical coverage and healthcare access, life insurance, disability benefits	Introduction of one additional benefit greater than local practice median such as optical, dental, check-ups and prevention; Extended coverage to families	All employees (type of contract not specified).
Danone (Dan'Cares Program)	Health Coverage, basic coverage: Maternity, hospitalization, and ambulatory (consultations, pharmaceutical expenses); Life insurance - personal or professional accident (minimum of 1-year paid salary).	Decision regarding level of contribution from employees and detail of elements covered taken locally	All employees of all types of contracts included; Extended coverage: families, priority coverage to children, then partner; case by case approach.
Geely (Responsible Care System)	For employees in China - Social insurance (pension, medical insurance, maternity insurance, housing fund), fully paid annual leave and sick leave, Care and Mutual Fund (for sickness, marriage, retirement, death, etc.); For employees abroad - Pension insurance, fully paid leave, group life insurance, health care program, group life insurance, maternity and paternity salary compensation.	For employees in China- event benefits (New Year, etc.), children education allowance, psychological counselling; For employees abroad- flexible working time, travel insurance	All employees (type of contract not specified).
L'Oréal (Share and Care Program)	Life, disability and sick leave insurance (2 years paid salary); Health insurance (reimbursement of fees 75% minimum - hospitalization, surgery, maternity, prescription drugs); Medical check-ups; Maternity leave (14 weeks maximum); Paternity leave (3 days minimum).	Awareness raising action on health risks; Fair salary increase for maternity leave takers; Reintegration interview after maternity leave; PWD-accessible workplace; Meal cost subsidy; Ergonomic trainings; Flexible work hours; teleworking program; well-being program; Stress prevention seminars; Ability of local subsidiaries to formulate their own country-specific benefit, etc.	All permanent employees.
Orange	Basic social protection including death, disability and incapacity, health insurance (inpatient, maternity, outpatient, dental and optical), old-age pensions, social services funded by employer (varies across countries).	Additional benefits such as aid to finance house or vehicle, provider of health facilities, catering costs borne by employees and solutions for employee child care facilities, etc.	All employees (type of contract not specified).
Tiger Brands	Four medical scheme options (A, B, C, and Mzansi) includes unlimited cover for prescribed minimum benefits such as annual routine care benefit (consultations, acute medication, radiology, basic and specialized dentistry and optometry, etc.), chronic medicine benefit, and hospitalization expenses in private hospital of choice.	Other benefits include HIV/AIDS support for employees, ante-natal classes, speech and psychotherapy and maternity consultations, and own on-site clinics	All employees (type of contract not specified).

Total	Life insurance and complementary retirement plans, worldwide application regarding death (minimum of 2 years paid salary), complementary health insurance co-financed by the company and employees (covers ambulatory, hospitalization, dental and optical expenses), sick leave, maternity leave.	Extended coverage to families (children and partner).	All employees (type of contract not specified).
Vallourec	Health coverage: Recommendation for basic coverage including sick leave, maternity leave, medical consultations, hospitalization, dental care.	Priorities according to local specificity: Dental care, retirement plans; Other educational aspects (prevention training, access to school, financial aid); Extended coverage to families.	All employees, all types of contracts included; In most cases; Depending on country, both employer and employees need to contribute.

Source: ILO Global Business Network, L'Oréal Internal Presentation to ILO (2015), Company Official Websites, (Domini, 2017)

4. Data and the empirical analysis

Based on the information that is available, an empirical analysis of various trends was undertaken. Two types of data sources, both providing country level information on L'Oréal firms, were available. The first type of data, follow-up tools, are documents that contain questions on the progress of L'Oréal firms in specific countries on different elements of the program (such as sick leave or life insurance). These tools are presented in the form of yearly documents. A mapping of these tools, which tracks the improvement in benefits that L'Oréal provided from 2013 to 2015 is presented in the next section (4.1). The second source of data is human resources information (such as the number of employees, number of resignations, employee age, and rates of absenteeism). These data are independent from the program and comprise the period between 2013 and 2016 (4.2). Combining these two databases, the next section proceeds to examine the link between indicators of firm performance (turnover and absenteeism) and the implementation of the program (4.3). These indicators were chosen as financial data were not available. A decline in turnover or absenteeism over the period of the program implementation can be associated with increased firm performance, in line with the Program's objectives.

4.1 Improvement in benefits: Data from follow-up tools

L'Oréal developed follow-up tools before the start of the program (2013) and used them throughout the implementation phase to track progress annually (2014-2015) in 67 countries where the program is deployed. These tools are presented in the form of tables that contain questions about the implementation status of specific benefits. There are over fifty questions related to Must Have's that are analysed in this section.[27] For example, one questions asks whether L'Oréal firms in a specific country are already providing a fully paid 14-week maternity leave and the response is recorded (yes or no). These individual responses are tabulated here into a synthetic table which shows the changes in the main benefits[28] in all countries (see Table 2). Improvement is registered if a benefit was not provided in the firms in a country in 2013 (before the implementation) but was provided under Share & Care in the following two years (2014-2015). Meanwhile, a maintained status is recorded if a benefit was already at the level prescribed by the program in 2013 (for example, maternity leave was already at 14 weeks). Finally, in rare cases, a non-improvement is recorded if a benefit was not provided in 2013 nor in the implementation period.[29]

Table 2 presents an extract of this table with a limited number of countries. For example, in Croatia, life insurance pensions in case of natural death were provided during 12 months in 2013, but improved up to a minimum of 24 months under the Share & Care program. In contrast, in Chile, such pensions were already being paid up to 24 months in 2013. Similarly, at the start of the program, medical insurance in Hungary was lagging in terms of the treatments included in the insurance package as compared to most countries. After the implementation of Share & Care, treatments such as medical

[27] See Appendix B for the complete list of questions.

[28] The table shows only a short list of 'Must Have' benefits, which includes the main social protection components of the Share & Care program addressing life-cycle shocks such as death, disability, illness, and maternity as prescribed by ILO's Social Protection Floors Recommendation, 2012 (No. 202). More benefits were included in the econometric model that follows.

[29] This analysis has the advantage of giving an easily interpretable overview of the changes that were generated by the program in various countries and regions. As such, this tool may be useful for enterprises to have an insight into the relevance of different items of the program depending on country/region characteristics, including the development status.

analysis, drug prescription, optical treatment, and dental treatment were also included. However, in Croatia and Turkey benefits related to dental treatment are still not provided. This is a case where companies in a specific country do not normally provide the Must Have's and L'Oréal subsidiaries have the prerogative to provide the specific benefits. Therefore, such non-provision is not considered non-compliance to the program. In contrast, there are also cases where local subsidiaries decide to provide the benefits even though it is not a local practice among companies in the country. Such is the case of the accidental death and disability benefit in Ghana.

In terms of maternity leave, many improvements have been recorded in various countries, such as Australia, Canada, India, and Malaysia. For example, in Malaysia, only 8.5 weeks of maternity leave was provided in 2013; this went up to 14 weeks following the implementation of the Share & Care Program. In comparison, in France, statutory maternity leave was already more than 14 weeks (16 weeks), therefore no change was recorded under the Share & Care Program. Concerning the entitlement to days off in case of sickness, only L'Oréal subsidiaries in five countries (China, Nigeria, Slovakia, Ukraine and the United States) were not offering this benefit prior to program implementation and these firms made changes in line with the requirements of Share & Care after the implementation.

Table 2. Simplified table of Share & Care Program 'Must Haves' implementation tracker

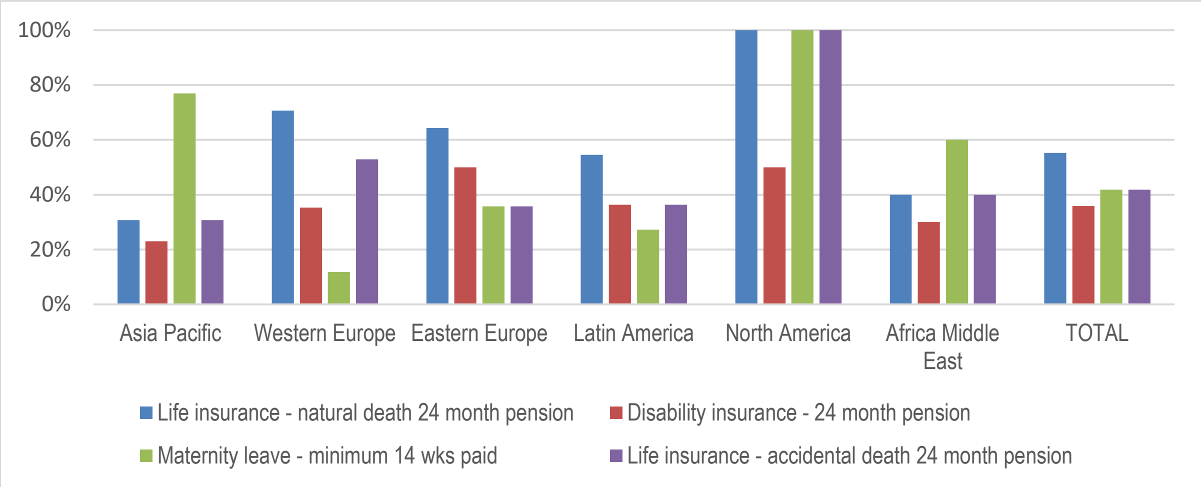
	Australia	Canada	Chile	China	Croatia	France	Ghana	Hungary	India	Italy	Malaysia	Pakistan	Turkey	USA
PROTECT														
life insurance (natural death) - 24 months	↑	↑	•	↑	↑	•a	↑	•	•	↑	•	•	↑	↑
life insurance (accident death) - 24 months	↑	↑	•	↑	•	•a	↑b	•	•	•	•	•	•	↑
disability insurance - 24 months	•	•	•	↑	↑	•a	↑b	•	•	↑	•	•	↑	↑
sick leave	•	•	•	↑	•	•	•	•	•	•	•	•	•	↑
CARE														
medical check-ups	↑	•	↑	•	•	•	↑	•	•	•	•	•	↑	•
medical insurance – hospitalization, pre-natal, birth, disease at 75% cover	•	•	•	•	•	•a	•	•	•	•	↑	•	•	↑
medical insurance - medical analysis	•	•	•	•	•	•a	•	↑	•	•	•	•	•	↑

medical insurance - drug prescription	•	•	•	•	•	•a	•	↑	•	↑	•	•	•	↑
medical insurance - optical treatment	•	•	•	↑	•	•a	•	↑	•	•	•	•	↑	↑
medical insurance - dental treatment	•	•	•	•	—n	•a	•	↑	•	•	•	•	—n	↑
BALANCE														
maternity leave – minimum 14 weeks paid	↑	↑	•	•	•	•	↑	↑	↑	•	↑	↑	•	↑
paternity leave - minimum 3 days paid	•	↑	•	•	•	•	•	•	•	↑	↑	•	•	↑
ENJOY														
PWD-accessible workplace	•	•	•	•	•	•	↑	•	↑	↑	↑	•	•	•
ergonomic training	↑	↑	↑	•	↑	↑	•	↑	↑	•	↑	↑	↑	•
flexible work hours	•	•	•	•	•	•	•	•	•	•	•	•	•	•
stress prevention seminars	↑	•	↑	↑	↑	↑	•	↑	↑	↑	↑	↑	↑	•

Source: L'Oréal Follow-up Tools (2013-2015), Notes: (↑) Improved from 2013 levels, (•) Already provided by L'Oréal to its employees in the country since 2013, (—n) Never provided by L'Oréal to its employees in the country as of 2016 – but not required by L'Oréal, (a) Provision of benefit is the best practice in the country even before Share & Care, (b) Provision of benefit is not a local practice by firms in the country but is done by L'Oréal through Share & Care.

On the basis of the information obtained from the follow-up tools, global and regional changes are also analysed and improvements are seen in all regions, with differences in terms of the type of the benefit (see Figure 3 and Appendix C). For example, in 55 per cent of L'Oréal's countries of operation, the company's permanent employees witnessed an improvement in life insurance in case of natural death to a minimum of 24 months fully paid pension. This figure is mostly driven by Western European countries where improvement was observed in 12 out of 17 countries (70 per cent) in comparison to only 4 out of 13 in Asia Pacific (31 per cent) and 4 out of 10 African and Middle Eastern regions (40 per cent). It should be noted that the improvement in Western European countries was not an upgrade from non-provision but was mostly characterised by an expansion of the number of pensionable years. Moreover, there was improvement in pensions in case of accidental death (mostly in Western Europe) in 42 per cent of the countries and disability insurance to a minimum of 24 months fully paid pension (mostly in Eastern Europe) in 36 per cent of the countries.

Figure 3. Improvement in 'Must Haves' implementation, by region and benefit, 2013-2015, percentage



Note: The number of countries is different in every region.

Source: L'Oréal Follow-up Tools (2013-2015) with correction from L'Oréal.

Fully paid maternity leave benefit improved to a minimum of 14 weeks in 42 per cent of the countries mostly from Asia Pacific, African and Middle Eastern, and Eastern Europe regions. These regions have a relatively lower share of countries with fully paid statutory maternity leave (at least 14 weeks) than Western Europe economies (International Labour Organization, 2016). Meanwhile, an improvement in the paternity leave benefit to a minimum of 3 days fully paid occurred in 16 per cent of the countries.

4.2 Human resources data

Human resources data, which are not directly linked to the program, include headcount and age of permanent employees, full-time/part-time contracts, number of resignations (including retirement), absent days (total and due to sickness) among others.[30] L'Oréal aggregated the data from different firms in 67 countries and provided one data point per country for each indicator. All data are also disaggregated into male and female and cover a period of 4 years from 2013 to 2016 (see Table 3 for more variables).

[30] The authors of the paper requested data on a number of variables that could be of interest for the analysis. L'Oréal provided yearly data on separate files within the limits of data availability and disclosure policy.

Table 3. Descriptive statistics across all 67 countries and 4 years

Variable	Obs.	Mean	Std. Dev.	Min	Max
Statutory Headcount	251	1113	2239	11	12667
Headcount (female)	251	731	1493	6	8960
Part-time total	251	83	295	0	1774
Part-time (female)	251	76	274	0	1633
Permanent total	251	988	2103	11	12375
Permanent (female)	251	641	1384	6	8582
Average age of employees	251	37	4	20	72
Average age of female employees	251	36	4	20	72
Absenteeism rate due to sickness	249	0.02	0.01	0	0.06
Absenteeism rate	249	0.05	0.03	0	0.16
Total number of absent days	250	11331	21782	0	147692
Total number of absent days due to sickness	250	5735	13807	0	97547
Number of resignations	250	113	272	0	2039
Turnover rate	250	0.12	0.08	0	0.71

Source: based on data provided by L'Oréal

Two of the indicators–number of resignations (that can be used to calculate the employee turnover-rate) and absenteeism, are of particular interest. In line with the goals of the L'Oréal Share & Care program, they can give insight into the possible links between the program and firm performance.[31] Both turnover (employee departure) and absenteeism (unscheduled employee absence), depend on decisions and behaviour of employees towards attending work and have firm costs attributed to them. A decrease in turnover rate can lead to lower separation and hiring costs. A decline in absenteeism can be associated with a higher quality of work and higher labour productivity. Therefore, the decline in these indicators can be an indication of firms' increased competitiveness (Onikoyi et al., 2015; Park and Shaw, 2013; Glebbeek and Bax, 2004).

There is also national-level data available on resignations (2013-2016), reported as the number of separations by permanent employees who left on their own initiative or by mutual agreement. This variable was used to calculate the turnover rate, measured by the ratio of the number of resignations (including retirement) to the number of permanent employees. Moreover, data were also provided on absenteeism rates calculated as the number of days of absence over the number of working days. Total absent days comprise sick leave, maternity and paternity leaves and parental care leaves along with unpaid leaves and absences due to occupational diseases and accidents. Data on absenteeism due to sickness are also separately provided.

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31 Data on sales were not available.

4.3 Econometric models and results

In order to analyse whether the change in different components of Share & Care could be associated with changes in employee turnover and absenteeism rates, the two databases mentioned above (follow-up tools and human resources data) were merged. A number of econometric models were estimated to explore this link: fixed effects, random effects and pooled OLS corrected for country clusters. A number of tests were conducted for model selection, including Hausman test, F test, AIC and BIC, but were not conclusive as to the superiority of one or the other model form. Fixed effects model is presented here, but results for different models will also be reported. The fixed effects model can be written as follows:

$$y_{it} = \alpha_{\mathrm{i}} + \beta_1 \mathrm{T} + \beta_2 \mathrm{X}_{it} + \beta_3 \mathrm{Z}_{it} + \varepsilon_{it}$$

where y takes alternatively the values of turnover rate (defined as the ratio of separations over the number of employees), total absenteeism rate and rate of absenteeism due to sickness (ratio of the number of absent days –total or sickness- to the total number of working days), i is the country, t is time, α_{i} is the country-specific fixed effect, T is the year dummy (for 2013-2016), X corresponds to covariates such as average age of employees, share of female and part-time employees in the country, Z is the change in the relevant aspect of the program (for example, whether maternity leave went up to 14 weeks or was already at 14 weeks between 2013 and 2015) taking the value of 0 if no change was recorded and 1 if there was improvement,[32] ε is the error term.

Figure 4. Regression results: Employee turnover and Share & Care

VARIABLES	(1) **Random**	(2) **Fixed**	(3) **Pooled**
average age	-0.00431 (0.00287)	-0.000692 (0.00146)	-0.00560* (0.00305)
share of female workers	0.232*** (0.0800)	0.435 (0.693)	0.241*** (0.0686)
share of part-time workers	0.138 (0.137)	0.120 (0.210)	0.169 (0.138)
life insurance (natural death)- 24 months	-0.0240 (0.0219)	-0.0449* (0.0240)	-0.00595 (0.0220)
medical check-ups	0.0161 (0.0308)	0.0252 (0.0366)	0.00645 (0.0301)
maternity leave – min. 14 weeks paid	-0.0475** (0.0191)	-0.00737 (0.0202)	-0.0746*** (0.0208)
paternity leave - min 3 days paid	-0.00758 (0.0207)	0.00808 (0.0272)	-0.0228 (0.0215)
PWD-accessible workplace	-0.0158 (0.0369)	-0.0159 (0.0476)	-0.0153 (0.0335)
stress prevention seminars	-0.00565 (0.0151)	0.00725 (0.0162)	-0.0130 (0.0182)
health awareness training/ programs	0.0104 (0.0293)	0.00213 (0.0330)	0.0194 (0.0285)
ergonomic training	-0.0130 -0.00431	0.00436 -0.000692	-0.0265 -0.00560*
constant	0.358*** (0.107)	0.0645 (0.447)	0.428*** (0.110)
Observations	249	249	249
R-squared	0.158 (overall)	0.051 (within)	0.176
Number of countries	63	63	

[32] See Appendix A for the complete list.

Robust standard errors in parentheses. *** $p<0.01$, ** $p<0.05$, * $p<0.1$

Notes: Square root transformations of dependent variables were used to make their distributions more Gaussian. The residuals of the models were checked for normality. Nested models with different sets of covariates were also compared. The benefits that generated change in the highest number of countries were presented in this model. Variables that are highly correlated are excluded (tetrachoric correlation over 0.65).

None of the models examined gave robust significant results indicating that change in dependant variables cannot be statistically linked to the implementation of specific benefits with the models and variables used (see Figure 4 for some results on turnover).[33] In some models, some program items became temporarily significant (such as the life insurance in the fixed effects model and maternity leave in the random effects and OLS models[34]) but were not robust to the sensitivity analysis, across different models and including and excluding various covariates. Such results might suggest that more detailed and specific information on the indicators is necessary to have a better understanding of the links. For example, in the case of employee turnover (the model presented in Figure 4), the inconclusive results could be due to the fact that the number of separations used to calculate the turnover rate also includes retirements. However, the number of retirements would not necessarily be linked to the program. Indeed, the literature suggests that dysfunctional turnover or the voluntary separation of an employee that a firm prefers to retain is considered more relevant for a firm to measure since losing a positively evaluated employee threatens organizational effectiveness and entails high separation and replacement costs (Dalton et al., 1982). In terms of overall absenteeism, the inconclusive results could also be linked to the fact that this indicator includes many types of absences, which can be influenced differently by the program. For example, longer maternity leave increases absenteeism, while better health of employees can lead to a decline.

Moreover, R-squared values, which indicate how well the covariates predict the responses, are very low. This suggests that additional variables containing more information is necessary. Currently, data are aggregated at the country level, therefore the information on the variation at the firm and individual levels is lost. Such indicators could include employee characteristics such as employee educational attainment, wages, number of hours worked, position at the firm, marital status, age, as well as employee job satisfaction. At the firm level, indicators such as profits and firm performance, program expenditure or ratio of program costs to total wages paid may also prove relevant. Number of employees and firms affected by the program can also be provided.

Finally, while it is true that the announcement of such a social protection program can affect workers' intentions to stay at the firm, and consequently the turnover rate, the first phase of Share & Care was completed only in 2015. Therefore, given that the HR data is until 2016, one year might be too early to see any effect on separations or absenteeism.

Even with significant results, such an analysis might have limitations as it would not inform about the reasons behind changes in absenteeism and turnover that might be linked to factors other than L'Oréal Share & Care. In order to isolate the impact of the program on specific indicators, it is necessary to conduct an impact evaluation analysis (see Appendix D for some methodologies). However, such an evaluation requires identification of control groups – a group of countries, firms or workers that are not

[33] Similar results were obtained for absenteeism and absenteeism due to sickness and can be provided upon request.

[34] Although inconsistently, maternity leave came out significant in many of the models, which suggests that further research can be carried out on this topic.

affected by the program. In the case of Share & Care, this was not possible due to the simultaneous implementation of the program alongside the varying baseline levels of benefits in different countries.[35] However, similar firms might serve as control groups in future studies if data can be obtained.

Despite its limitations, with a larger number of more specific indicators obtained within the company (at the firm and individual level) and sources from outside (i.e. information on other firms) complemented with data over longer periods of time, such an analysis has the potential of generating information on the links between the program and firm performance and workers' welfare.

5. Conclusion

Social protection is not only a human right but also "sound economic policy" (Ortiz, 2018). It helps reduce poverty and inequality and can also contribute to increased human capital and productivity. Recognizing the possible beneficial effects for workers and enterprises, many MNEs have undertaken or are currently planning to undertake programs to offer social protection to their employees, going beyond legal obligations. This is a voluntary effort by enterprises that falls under the CSR framework. However, studies analysing voluntary social protection programs empirically and their effects are rare. In this regard, this paper analyses improvement in coverage due to the implementation of such a program, L'Oréal's Share & Care, and explores the possible effects of the change in a large number of benefits on performance-related indicators. It is also the first attempt to examine the impact of a social program by a company participating in the Global Business Network.

The results of the mapping analysis showed that L'Oréal subsidiaries in different countries had witnessed improvements in various social protection benefits, for example maternity leave went up to 14 weeks in 42 per cent of the countries where L'Oréal is present. This supports the idea that voluntary initiatives by MNEs can help extend social protection. Moreover, the mapping analysis is a useful tool for monitoring implementation outcomes in countries and regions in the future phases of the program.

Econometric analysis aimed at linking the changes in benefits and turnover/absenteeism rates, using data from both the follow-up tools and the human resources department, however, did not give any statistically significant results. This finding could be due to limited data in time and scope. According to L'Oréal, the Share & Care Program is based on a conviction that social and economic performance is closely linked. The program is designed in such a way to attract and retain talent and to accompany growth and innovation in business. In this respect, the priority focus has been given to implementation of a common social framework throughout all countries where L'Oréal operates. The implementation aspires to be within the top performers in social protection in all countries and to encourage local initiatives in the area of social protection in all countries. In this respect, priority was given to follow and ensure accurate implementation, but no specific indicators to monitor impact of the Program were predetermined.

To better assess the extent to which such voluntary initiatives impact on firm performance and employee welfare, it is necessary to identify relevant methodologies and indicators before the start of the program, collect data systematically, and monitor consistently the indicators through time. It is also important to have information on a large number of variables, ideally, at the individual or firm-level, in addition to

[35] The aim of the company was to extend the benefits to all their employees wherever they may be within a limited period of time, and the focus was not on measurement.

country level data. Specific macro variables (such as social security systems) should also be taken into consideration as well as the potential lagged effect of the program on outcomes.

Indeed, in relation to this study, L’Oréal is planning to implement new indicators including the number of employees and firms affected by various features of the program. Moreover, some additional questions about Share & Care will be included in the employee satisfaction surveys, which were already being conducted. The goal is that such surveys be combined with available managerial data on employee and firm characteristics (age, gender, wage, and profits among others) and can be used as a basis for impact analysis.

Evidence from this analysis can further promote the extension of social protection by MNEs and can also contribute to improving publicly provided social protection for all. Hence, newly implemented private initiatives on social protection by multinationals provide a good opportunity for advancing coverage of workers and consequently improving their level of well-being and satisfaction.

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Appendices

Appendix A: Changes in benefits (Must Haves) in all 67 countries following L’Oréal Share &Care

	Argentina	Australia	Austria	Belgium	Brazil	Bulgaria	Canada	Chile	China	Colombia	Croatia	Czech	Denmark	Dubai	Egypt	Finland	France	Germany	Ghana	Greece	Guatemala	Hungary
PROTECT																						
life insurance (natural death) - 24 months	•	↑	↑	↑	↑	↑	↑	•	↑	↑	↑	↑	•	•	•	↑	•a	↑	↑	•	↑	•
life insurance (accident death) - 24 months	•	↑	↑	•	↑	•	↑	•	↑	↑	•	↑	•	•	•	↑	•a	↑	↑b	•	•	•
disability insurance - 24 months	•	•	↑	•	↑	↑	•	•	↑	•	↑	↑	•	•	•	↑	•a	↑	↑b	•	↑	•
sick leave	•	•	•	•	•	•	•	•	↑	•	•	•	•	•	•	•	•	•	•	•	•	•
CARE																						
medical check-ups	•	↑	•	•	•	•	•	↑	•	•	•	•	•	•	↑	•	•	•	↑	•	•	•
medical insurance - hospitalization, pre-	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•a	•	•	•	•	•
medical insurance - medical analysis	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•a	•	•	•	•	↑
medical insurance - drug prescription	•	•	•	•	•	•	•	•	•	•	•	•	—n	•	•	↑	•a	•	•	•	•	↑
medical insurance - optical treatment	•	•	•	↑	•	•	•	•	↑	•	•	•	•	•	•	•	•a	•	•	•	•	↑
medical insurance - dental treatment	•	•	•	—n	•	—n	•	•	•	•	—n	•	—n	•	•	↑	•a	•	•	•	•	↑
BALANCE																						
maternity leave – minimum 14 weeks paid	↑	↑	•	•	•	↑	↑	•	•	•	•	↑	•	↑	↑	•	•	•	↑	•	•	↑
paternity leave - minimum 3 days paid	•	•	↑	•	•	•	↑	•	•	•	•	•	•	•	•	•	•	•	•	↑	•	•
ENJOY																						
PWD-accessible workplace	↑	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	↑	•	•	•
ergonomic training	↑	↑	↑	↑	↑	•	↑	↑	•	↑	↑	•	↑	↑	↑	•	↑	•	•	•	↑	↑
flexible work hours	•	•	•	•	•	•	•	•	•	↑	•	•	•	↑	•	•	•	•	•	•	•	•
stress prevention seminars	↑	↑	↑	•	↑	↑	•	↑	↑	↑	↑	↑	•	↑	↑	↑	↑	↑	•	↑	↑	↑

Source: L’Oréal Follow-up Tools (2013-2015), Notes: (↑) Improved from 2013 levels, (•) Already provided by L’Oréal to its employees in the country since 2013, (—) Never provided by L’Oréal to its employees in the country as of 2016 – noncompliance to the program, (—n) Never provided by L’Oréal to its employees in the country as of 2016 – but not required by L'Oréal.

	India	Indonesia	Ireland	Israel	Italy	Japan	Kazakhstan	Kenya	Latvia	Lebanon	Malaysia	Mexico	Morocco	Netherlands	New Zealand	Nigeria *	Norway	Pakistan	Panama	Peru	Philippines	Poland
PROTECT	•	•	↑	↑	↑	•	↑	•	•	↑	•	•	↑	•	↑	↑	↑	•	↑	↑	•	↑
life insurance (natural death) - 24 months	•	•	↑	↑	•	•	↑	•	•	↑	•	•	↑	•	↑	↑	↑	•	↑	•	•	•
life insurance (accident death) - 24 months	•	•	•	•	↑	•	↑	•	•	↑	•	•	•	•	↑	↑	↑	•	↑	•	•	•
disability insurance - 24 months	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	↑	•	•	•	•	•	•
sick leave																						
CARE	•	•	•	•	•	•	•	↑	•	↑	•	•	•	•	↑	•	•	•	•	•	•	•
medical check-ups	•	•	•	•	•	•	•	•	•	•	↑	•	•	•	•	•	•	•	•	•	↑	•
medical insurance - hospitalization, pre-	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	↑	•	•	•	•	•
medical insurance - medical analysis	•	•	•	•	↑	•	•	•	•	↑	•	•	•	•	•	•	↑	•	•	•	•	•
medical insurance - drug prescription	•	•	•	↑	•	—n	•	•	•	—	•	•	•	•	—n	•	—n	•	•	•	•	•
medical insurance - optical treatment	•	•	•	•	•	•	•	•	•	↑	•	•	•	•	—n	•	—n	•	•	•	•	•
medical insurance - dental treatment																						
BALANCE	↑	↑	•	•	•	•	•	•	↑	↑	↑	↑	•	•	↑	↑	•	↑	•	•	↑	•
maternity leave – minimum 14 weeks paid	•	↑	•	↑	↑	↑	•	•	•	•	↑	•	•	↑	•	•	•	•	•	•	•	•
paternity leave - minimum 3 days paid																						
ENJOY	↑	•	•	•	↑	↑	↑	↑	•	•	↑	•	•	•	↑	↑	•	•	•	•	•	•
PWD-accessible workplace	↑	•	•	↑	•	•	•	↑	•	↑	↑	↑	↑	↑	•	↑	↑	↑	↑	↑	↑	•
ergonomic training	•	•	↑	•	•	•	↑	•	•	•	•	•	•	•	•	•	•	•	↑	•	•	•
flexible work hours	↑	↑	↑	↑	↑	•	↑	↑	•	↑	↑	•	↑	•	•	•	↑	↑	↑	↑	↑	↑
stress prevention seminars	•	•	↑	↑	↑	•	↑	•	•	↑	•	•	↑	•	↑	↑	↑	•	↑	↑	•	↑

Source: L'Oréal Follow-up Tools (2013-2015), Notes: (↑) Improved from 2013 levels, (•) Already provided by L'Oréal to its employees in the country since 2013, (—) Never provided by L'Oréal to its employees in the country as of 2016 – noncompliance to the program, (—n) Never provided by L'Oréal to its employees in the country as of 2016 – but not required by L'Oréal.

	Portugal	Romania	Russia	Salvador **	Saudi Arabia **	Serbia	Singapore	Slovakia	Slovenia	South Africa	South Korea	Spain	Sweden	Switzerland	Taiwan	Thailand	Turkey	UK	Ukraine	Uruguay	USA	Venezuela
PROTECT																						
life insurance (natural death) - 24 months	↑	•	•	•	•	•	•	↑	•	•	↑	↑	↑	↑	•	•	↑	↑	↑	↑	↑	•
life insurance (accident death) - 24 months	•	•	•	•	•	•	•	↑	•	•	↑	↑	↑	↑	•	•	•	↑	↑	↑	↑	•
disability insurance - 24 months	•	•	•	•	•	•	•	↑	•	•	↑	↑	•	•	•	•	↑	•	↑	↑	↑	•
sick leave	•	•	•	•	•	•	•	↑	•	•	•	•	•	•	•	•	•	•	↑	•	↑	•
CARE																						
medical check-ups	•	•	•	•	↑	•	•	↑	•	•	•	•	•	↑	•	•	↑	•	•	•	•	•
medical insurance - hospitalization, pre-	•	•	•	•	•	↑	•	•	•	•	•	•	•	•	•	•	•	•	•	•	↑	•
medical insurance - medical analysis	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	↑	•
medical insurance - drug prescription	•	•	•	•	•	•	•	•	•	•	•	—n	—n	•	•	•	•	—n	•	•	↑	•
medical insurance - optical treatment	•	•	•	•	•	•	↑	•	•	•	•	•	•	•	•	↑	↑	—n	•	•	↑	•
medical insurance - dental treatment	•	—n	•	•	•	—n	•	•	•	•	—n	•	—n	•	•	•	—n	—n	•	•	↑	•
BALANCE																						
maternity leave – minimum 14 weeks paid	•	↑	•	•	•	•	↑	↑	•	•	↑	•	↑	•	↑	↑	•	•	•	↑	↑	•
paternity leave - minimum 3 days paid	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	↑	•	•	•	•	↑	•
ENJOY																						
PWD-accessible workplace	•	•	•	↑	•	•	•	•	•	•	•	•	•	•	•	↑	•	•	↑	•	•	•
ergonomic training	•	•	↑	↑	↑	•	↑	•	↑	↑	•	•	•	↑	↑	•	↑	↑	•	↑	•	•
flexible work hours	•	↑	•	↑	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	↑	•	•
stress prevention seminars	↑	↑	↑	↑	—	↑	↑	↑	↑	↑	•	↑	↑	↑	•	↑	↑	•	•	↑	•	↑

Source: L’Oréal Follow-up Tools (2013-2015), Notes: (↑) Improved from 2013 levels, (•) Already provided by L’Oréal to its employees in the country since 2013, (—) Never provided by L’Oréal to its employees in the country as of 2016 – noncompliance to the program, (—n) Never provided by L’Oréal to its employees in the country as of 2016 – but not required by L'Oréal.

Appendix B: Questions related to Must Have's

N°	1. PROTECT – Welfare	2. CARE	3. BALANCE - Parenthood	4. ENJOY - Quality of life at work
	QUESTIONS			
1	Are all permanent employees eligible for life insurance in case of natural death?	Have you put in place awareness actions regarding at least one health topic at least once per year? For example: obesity, melanoma, heart conditions, diabetes, nutrition…	Are all employees entitled to a maternity leave of at least 14 weeks (with a maximum waiting period of 12 months)?	Are your new workplaces accessible to employees, especially by public transport?
2	Is the insurance in case of natural death granting, on top of social security, a lump sum or equivalent pension of not less than 24x monthly base salary?	Do you organise on a regular basis a voluntary individual prevention initiative, which is totally or partially paid by the company? (medical check-up, online health risk assessment)	Are all employees entitled to receive a salary equivalent to 100% (gross or equivalent net) during 14 weeks of their maternity leave (with a maximum waiting period on 12 months)?	Are your new workplaces accessible to people with disabilities?
3	Are all permanent employees eligible for life insurance in case of accidental death?	Do you provide a private medical plan covering medical expenses, if that is the local practice?	Does the employee coming back from maternity leave have access to her original job or an equivalent one in terms of status and salary?	Did you implement a plan to make the existing workplaces accessible to people with disabilities?
4	Is the insurance in case of accidental death granting, on top of social security, a lump sum or equivalent pension of not less than 24x monthly base salary?	Are all permanent employees eligible to a private medical plan or to a public health system? (respecting the maximum waiting period indicated in the guidelines)	During maternity leave, does the employee receive a salary increase equal to the one she would have received if she had been at work?	Do you provide an onsite or easily accessible place where employees can have their lunch?
5	Are all permanent employees eligible for total and permanent disability insurance?	Are their dependent children and spouse eligible?	Do the employees coming back from maternity have a welcome back interview to adapt to her new working environment?	Do you participate in the cost of meal?
6	Is the insurance in case of permanent disability (both for accidental and natural causes) granting, on top of social security, a lump sum or equivalent pension of not less than 24x monthly base salary?	Based on a recent benchmark or information you could collect, can you state that your local policy is among the top performing companies on the local market?	Are all permanent employees entitled to at least three days of paternity leave at child birth, paid at 100%?	Do you have a cafeteria in each entity?

7	Based on a recent benchmark or information you could collect, can you state that your local policy on life and disability insurance is among the top performing companies on the local market?	Are the significant risks covered, either by a private medical plan or by the public health system, at least at 75% of the customary and reasonable expenses? (hospitalisation, pre-natal examinations, natural birth and caesarean hospitalisation, prescription drugs for chronic disease, surgery other than esthetical)	Do you offer one day off for special family occasions? (employee's wedding, death of a close relative...)	Does each new employee is offered an ergonomic training adapted to his/her work station?
8	Are all permanent employees eligible in the event of sickness?	Does your insurance cover medical visits?		Is this training ergonomic training renewed on a regular basis?
9	Are all employees' salary maintained at least at the level of the local practice of top performing companies?	Is that a local practice of top performing companies?		Is each employee provided, through a locally defined policy, with the technical tools/equipment appropriate to his/her job mission (workstation, technical solutions for collaboration and remote communication)?
10	Are all employees entitled to days off in case of sickness at least at the level of the top performing companies on the market?	Does your insurance cover medical analysis?		Do you provide a suitable technical training upon any changes of IT services and IT tools available?
11	Based on a recent benchmark or information you could collect, can you state that your local policy is among the top performing companies on the local market?	Does your insurance cover prescription drugs?		Does every employee have a privileged access to the company's products?
12		Does your insurance cover optical treatments?		Do you organize at least a general information meeting per year to update employees about the company's business?
13		Does your insurance cover dental treatments?		Is one of the following programs giving a form of flexibility in place: flexible schedules, re-organisation of working hours for special occasions, time-off in compensation of additional hours worked, teleworking (if organisation allows it)?

14	Is the cost of coverage shared between employer and employees?	Are workplaces equipped with the technological resources allowing collaborative work practices (networks Wi-Fi, video conference HD for headquarters, web conferences and audio conferences)?
15	Do you communicate on a regular basis regarding the medical benefit plan?	Are charters facilitating better conciliation of professional and personal responsibilities in place: rules regarding meeting hours, rules regarding management of communication devices?
16	Are medical claims insured by a recognized insurer?	Do you have a collective stress measurement program in place (Pulse, specific surveys…)?
17	Does the insurer offer high quality services to the members (detailed reimbursement forms, information resources to answer employees' questions) and a transparent collaboration with L'Oréal?	Do you have a training seminar for managers to help them to better anticipate stressful situations within their teams / develop positive energy and sense of listening?

Appendix C: Improvement in 'Must Haves', by region and benefit, 2013-2015

Country Group / Benefits	Life insurance - natural death 24-month pension		Life insurance - accidental death 24-month pension		Disability insurance - 24-month pension		Sick leave		Medical check-ups		Medical insurance - hospitalization, pre-natal, birth, disease at 75% coverage		Maternity leave - minimum 14 weeks paid		Paternity leave - minimum 3 days paid		Total number of countries
	No. of countries	% of Grand Total	No. of countries	% of Grand Total	No. of countries	% of Grand Total	No. of countries	% of Grand Total	No. of countries	% of Grand Total	No. of countries	% of Grand Total	No. of countries	% of Grand Total	No. of countries	% of Grand Total	
Panel A. By Region																	
Asia Pacific	4	5.97	4	5.97	3	4.48	1	1.49	2	2.99	1	1.49	10	14.93	4	5.97	13
Western Europe	12	17.91	9	13.43	6	8.96	0	0.00	1	1.49	0	0.00	2	2.99	4	5.97	17
Eastern Europe	9	13.43	5	7.46	7	10.45	2	2.99	2	2.99	1	1.49	5	7.46	1	1.49	14
Latin America	6	8.96	4	5.97	4	5.97	0	0.00	1	1.49	0	0.00	3	4.48	0	0.00	11
North America	2	2.99	2	2.99	1	1.49	1	1.49	0	0.00	1	1.49	2	2.99	2	2.99	2
Africa Middle East	4	5.97	4	5.97	3	4.48	1	1.49	5	7.46	0	0.00	6	8.96	0	0.00	10
TOTAL	**37**	**55.22**	**28**	**41.79**	**24**	**35.82**	**5**	**7.46**	**11**	**16.42**	**3**	**4.48**	**28**	**41.79**	**11**	**16.42**	**67**
Panel B. By Development Status																	
Developed	21	31.34	15	22.39	12	17.91	2	2.99	4	5.97	1	1.49	11	16.42	7	10.45	30
Developing	14	20.90	11	16.42	10	14.93	2	2.99	7	10.45	1	1.49	17	25.37	4	5.97	33
Transition	2	2.99	2	2.99	2	2.99	1	1.49	0	0.00	1	1.49	0	0.00	0	0.00	4
TOTAL	**37**	**55.22**	**28**	**41.79**	**24**	**35.82**	**5**	**7.46**	**11**	**16.42**	**3**	**4.48**	**28**	**41.79**	**11**	**16.42**	**67**

Appendix D: Summary of impact evaluation methodologies

Methodology	Description	Comparison group	Valid Methodology
Pre-Post	Measures how program participants changed over time	Program participants themselves before participating the program	If program is the only factor influencing any change in outcome over time
Difference in Difference	Measures the difference between before and after change in program participants and non-participants	Non-participants for whom data was also collected before and after the program	If both participants and non-participants have the same outcome trajectories had the program not existed
Multiple Linear Regression	Measures effect of program by controlling for observed characteristics other than the program that might explain differences in outcomes	Non-participants for which data was also collected before and after the program	If unobservable or unmeasured characteristics do not affect the outcome or do not differ between participants and non-participants
Statistical Matching	Measures effect of program by comparing participants and non-participants with the same set of characteristics	Exact matching: At least one non-participant per participant who have an identical a set of known characteristics, Propensity score matching: A non-participant per participant with the same likelihood of participating, predicted by known characteristics	If unobservable or unmeasured characteristics do not affect the outcome or do not differ between participants and non-participants
Instrumental Variables	Measures effect of program by using an 'instrumental' factor that only affects the outcome by predicting if a unit participates or not in the program	Units that were predicted by the 'instrumental' factor to not participate and did not participate	If the only effect of the 'instrumental' factor on the outcome is through predicting participation of a unit
Regression Discontinuity	Measures effect of program by ranking units based on a specific measurable criterion. A threshold is used to determine if a unit participates or not in the program	Units near but below the threshold that therefore do not participate in the program	If units directly above and below the threshold are statistically identical and the threshold is not manipulated for certain units to participate in the program
Randomized Evaluation	Measures effect of program by using random assignment in determining if a unit participates or not in the program	Units that are randomly assigned to not participate in the program that are, on average, statistically identical to those randomly assigned to participate	If randomization was properly conducted, the effects of the program do not spill over to the control group and any behavioural changes are driven by the program and not the evaluation

Source: Adapted from J-PAL, Available at https://www.povertyactionlab.org/sites/default/files/resources/2016.08.31-Impact-Evaluation-Methods.pdf