

Maison Lumineuse: An Online Assessment Process

Eduardo Rábago
Guido Stein

The Company

Maison Lumineuse is a retailer of home and decor products with a history that goes back over 40 years. The company was founded in 1973 when the sisters Gloire and Marita de la Lumière opened their first store in Paris. From the outset, the company was characterized by the excellent taste reflected in its products, a sense of practicality, and the entrepreneurial profile of its founders, whose ambition to expand was underpinned by an international interest and their vision of having Asian suppliers.

In 2020, the sisters were retired. They had no descendants, and the management of the company was in the hands of trusted professionals. The CEO, Jean Luc Parot, had been with the company for 25 years. Despite not having a university education, he was a visionary who always pushed for the transformations needed for the company to remain a leader in the sector.

At the time, the company employed some 12,000 people and had 120 stores—96 in France and the rest in major European cities. It was structured in five functional areas, the most important of which was Sales, which in turn was organized into five regional offices:

- Northern France (Brittany, Normandy and Hauts-de-France) – 19 stores
- Southern France (Occitanie, Nouvelle-Aquitaine, Corsica, Auvergne-Rhône-Alpes and Provence-Alpes-Côte d'Azur) – 27 stores
- Central France (Bourgogne-Franche-Comté, Pays de la Loire and Val de Loire) – 22 stores
- Ile de France (Paris) – 28 stores
- International (Spain, Germany, Benelux and Italy) – 24 stores

Each center reported to the corresponding regional office, and they employed an average of 90 people (see **Exhibit 1** for organizational charts).

This case was prepared by Eduardo Rábago, PDG 2009, and Professor Guido Stein. April 2021.
IESE cases are designed to promote class discussion rather than to illustrate effective or ineffective management of a given situation.

Copyright © 2021 IESE. This translation copyright © 2021 IESE. To order copies contact IESE Publishing via www.iesepublishing.com. Alternatively, write to publishing@iese.edu or call +34 932 536 558.

No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise - without the permission of IESE.

Last edited: 14/7/21

Spring 2020: Epidemic and Retrenchment

In mid-March 2020, France was suffering the effects of the first wave of COVID-19. Months earlier, no one could have imagined it, but the health situation required lockdowns and the restriction of economic activities to those deemed essential. Maison Lumineuse's commercial activity was interrupted for a number of weeks, and the stores did not reopen until May. In early June, Maison Lumineuse's Director of Culture and People, Sophie Margraux, set up an urgent video call with her Head of Talent, Louise Cambard:

SOPHIE: Hi Louise. Thanks for connecting. I wish I could talk to you about this in person, but you know how things are. This morning, the management board approved our proposal to overhaul the department, as I told you in February was likely to happen. Everything has been at a standstill, but it's moving forward again as a matter of urgency, and from now on it will no longer be confidential. You'll have to get fully involved. The plan is to have the new structure up and running by the last quarter of the year. There are going to be a lot of changes, and a lot of delicate decisions will have to be made.

LOUISE: No kidding! In the middle of all the mess we're facing with COVID-19. Tell me, what are we looking at?

SOPHIE: Well, basically, the two things I told you about have been confirmed: we have to trim the structure and change roles. If that was necessary before the pandemic, it's even more essential now. The process of automation and outsourcing in our department is moving forward, and that has one immediate consequence: we have about 60% more people than we're going to need. The plan is to automate everything to do with personnel administration as much as possible: payroll, procedures related to hiring and terminations, vacations and other labor matters. We'll have a centralized department in charge of overseeing all that. Some other matters, such as labor relations, will be outsourced. The idea is for the HR role to focus much more on high-value matters: cultural transformation, training, talent development, motivation, and so on. It could be a great opportunity!

LOUISE: Well, we've been doing all that already. I don't see how we're going to do it any better by reducing our human resources [also called "Culture and People" in the company] teams to less than half their current size.

SOPHIE: The goal is to make the department more efficient by taking out everything that doesn't add value and to concentrate our resources. Instead of having a head of human resources in every store as we do now, we'll have a head of talent for each zone. Generally, they'll be responsible for around three stores, and they'll focus exclusively on culture and professional development. Sometimes they'll handle two stores, sometimes four, depending on the size and the zone, but we need to get used to the idea that two out of every three of the store-level HR managers we have now won't be needed. In September, we have to have the teams for the new structure defined and be prepared for everyone else to be reassigned.

LOUISE: That's going to be quite a challenge, especially with all this uncertainty and with the summer coming up. Do you really think it's the right time to launch something like this?

SOPHIE: I think so, Louise. The timing is what it is; we can't just come to a standstill, especially not now. You know very well that it's time to modernize the department and really focus on the aspects of talent that we've been neglecting the most. There was a time when all we did in human resources was personnel administration. Then we added training and development. Now it's time to focus on the soft part, which is also the most interesting aspect of the work.



LOUISE: Yeah, Sophie, the most interesting part according to the books, but in reality, some people end up getting left behind. There are quite a few who've been making an effort to adapt for the last five years and are finding it very hard. Some of them, as you know, haven't really managed it and are still keen to get back to the payroll and administration stuff as soon as they possibly can.

SOPHIE: Well, that's over now, Louise. In fact, one of the things we have to do now is see who's best able to adapt to the new role and who we might be able to reassign. We're going to try to keep layoffs to a minimum and find a place for everyone who wants to move forward with us. A third of the department will stay on in HR, and they'll be happier. As for the rest, we'll be able to find new positions for most of them in our stores, in sales roles, and maybe some as cashiers or in general services and other support roles. And several will come to the central department to perform administrative oversight functions and provide support in your area. In fact, the good news is that your direct team is going to double in size. We've accepted the idea of bringing three more people into your department to give a boost to digital transformation, culture and professional development. The message isn't that our department is becoming less important because of this wave of digitalization. On the contrary, management is convinced of the critical role that Culture and People can and should play.

LOUISE: How much of a voice is the sales department going to have in the decisions? You know the regional offices will want to have a say and make their own choices, and I guess general management will want to minimize the cost of compensation, and that's linked to seniority.

SOPHIE: We'll have to fight with the regional offices, of course, but leave that to me. It hasn't been easy, but the CEO and sales management have already accepted that performance evaluations and seniority won't carry much weight in the final decision. It's all about getting the right people! We'll set up an objective assessment system that will allow us to identify a first choice for each vacancy based on a study of professional fit. The regional offices will only be able to assert their preferences in specific cases when the best choice isn't clear or there's very little difference between two candidates in terms of how well suited they are for a position. Of course, we'll try to avoid bringing in anyone from outside. You'll be responsible for setting up the objective assessment system I mentioned as a matter of urgency. Talk to Meilleur Développement and see what they can do for us.

An Efficient and Objective Method of Assessment

Meilleur Développement S.A. was a consulting firm that Maison Lumineuse had been working with for five years to introduce the assessment center method with the aim of supporting professional growth. This method for assessing competencies, which the company was using to evaluate around 100 people a year, was based on principles of objectivity and equal opportunity; it took into account only the achievements demonstrated on the assessment day, without considering the position currently held or periodic performance evaluations. The method provided information on the degree to which certain key competencies had been achieved, gauged the potential of participants, and provided recommendations concerning individual and collective actions to foster their development.