



# EMCC company network

## Case example of Carrefour SA

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## Company background

Carrefour SA is an international retail chain founded in France, with a global network of outlets. It is the second largest retail group in the world in terms of revenue and sales figures after Wal-Mart, and the largest retailer in Europe. Carrefour operates mainly in the EU, Brazil, Argentina and Colombia, but also has interests in North Africa and Asia.

The first Carrefour store opened in 1959. The group was created by Marcel Fournier and Denis Defforey and grew into a chain from the first sales outlet located in the Rhone-Alpes region of south-eastern France. In 1999, Carrefour merged with Promodès, one of its major competitors on the French market.

The Carrefour group pioneered the concept of a hypermarket, a large supermarket and a department store under the same roof. They opened their first hypermarket in June 1963, in Sainte-Geneviève-des-Bois, near Paris.

Over the past 40 years the Carrefour group has grown to become one of the world's leading distribution groups. The group currently operates four main grocery store formats: hypermarkets; supermarkets; hard discount stores; and convenience stores. The Carrefour group currently has over 12,500 stores, operated either directly by the company or by franchise.

## Operations

Carrefour has 456,000 employees worldwide and has an annual turnover of €7.24 billion. Three billion customers a year shop with Carrefour.

Carrefour was the first major retail operator in South America with a presence in four countries – Brazil, Argentina, Colombia and the Dominican Republic. Carrefour is active in three types of retail distribution in this region of the world: hypermarkets, supermarkets and hard discount stores. It has become the number one food retailer in terms of sales in Brazil via the purchase of Atacadão, a leading operator of discount hypermarkets with 34 stores across the country.

In 1989, Carrefour was the first international retailer to establish a presence in Asia, when it entered Taiwan through a joint venture with Uni President Enterprises Corporation. It used Taiwan as a platform from which to enter other Asian markets. Carrefour also operates in the United Arab Emirates and Jordan in partnership with Majid al Futtaim, a leading retailer in the region, and is present in Kuwait and Oman.

Carrefour is also present in Algeria, Egypt and Tunisia in Africa, and in fourteen countries in Europe.

## Diversity management practice

Carrefour has always engaged with local communities in a variety of ways. In 1992, the group set up its quality management programme. The main activities in this area have included for example, a disability policy, developing a social charter with FIDH (Fédération Internationale des Ligues des Droits de l'Homme) signing an agreement with trade unions at international level to apply the United Nations World Pact in its operations, making a commitment to sustainable fishing and drawing up and adopting a group code of ethics.

The group's directors support a multicultural approach to HR as well as the voluntary Corporate Social Responsibility Policy.

On 22 October 2004, the Carrefour group signed a diversity charter against discrimination in the workplace along with 40 other companies in France. The charter was promoted by the French

Ministry for Employment and Social Affairs and aims to encourage integration and equal opportunity among the signatory companies.

Carrefour SA believes that the fight against discrimination is consistent with its values of equality, sharing and solidarity – Carrefour’s mission is to serve all their customers, wherever they are located. This ensures high performance and dynamism within the company due to the fact that Carrefour aims to offer career progression opportunities to all their employees regardless of second-level educational status. The company primarily seeks to engage employees with a commercial mindset but also aims to recruit, where possible, culturally and socially diverse staff. More than 100 nationalities are represented in Carrefour’s French hypermarkets, and 62 in the ‘Ed’ discount stores.

### **Why diversity management?**

The signing of the diversity charter proved to be the main driver behind the development of Carrefour’s diversity policy. In addition, Carrefour undertook measures to strengthen its relationship with its customers and with the wider population. Carrefour’s customers represent 100 nationalities, and the group believes that their distribution of outlets should reflect internally the diversity of the population in those countries where it operates.

A commitment made by Carrefour in 2002 (*Partageons les Valeurs*) set out the values of the group. These are: respect, freedom, integrity, solidarity, sharing, responsibility and progress. These values are central to the principles of diversity and strengthen the implementation of diversity policies. However, James Gisbert, Social Development Manager with Carrefour, has pointed out that these are essentially guidelines and that the autonomy of each subsidiary is to be respected in terms of how they choose to implement these actions for diversity.

### **Implementing diversity management**

The implementation of the diversity management programme was carried out with the assistance of a number of associations, e.g. the Institut du Mécénat Solidarité and the then Minister for Equal Opportunities, Azouz Begag. James Gisbert described the early stages of the implementation process:

‘The group spent some time trying to visualise discrimination and aligning diversity management with the business plan.’

This commitment has been backed by commissioning a number of studies by external experts which have assisted in designing and implementing diversity policy.

The group’s retailers implement this diversity commitment in line with their specific characteristics and human resources policy. In 2006, Carrefour retailers took many initiatives that demonstrated their commitment to diversity. In France, for example, Carrefour hypermarkets and Champion supermarkets developed innovative recruiting techniques, partnering the ANPE (the French state training agency – L’Agence Nationale Pour l’Emploi) in the recruitment of new employees using a ‘simulation’ method which gives priority to candidates’ ability to perform a certain job. More than 1,000 employees were hired in 2006 using this new method. In addition, Carrefour has been offering candidates an opportunity to apply for jobs anonymously in order to focus on their potential and competences rather than on their experience and educational background. This has been enabled by the development of a curriculum vitae format which removes information that may be used to discriminate against candidates. Since 1999, the group has been taking a pro-active approach to recruiting disabled people, who currently make up 6.6% of its workforce figure, higher than the legally mandated rate.

## *The five axes of diversity management*

Carrefour's implementation policy consists of five axes or dimensions:

- Planning and audit

Work groups were organised to bring together staff who understood how the retail outlets operate, and HR managers to discuss, understand and implement the Diversity Charter. In addition, a study of the state-of-the-art in diversity was commissioned with Jean François Amadiou (Director of the Discrimination Observatory in the Sorbonne); and Carrefour participated in a study on diversity measures carried out by INED (L'institut national d'études démographiques)

- Objective HR processes

CVs were redesigned to avoid indicators that could be used as a basis for discrimination (address, birthplace, nationality and gender). Evaluation tools were adapted to target employees' proven skills rather than their qualifications. Anti-discrimination training has been incorporated into general induction training.

- Awareness-raising

Actions and initiatives are posted regularly on the company intranet. The recommendations and actions set out in the report on sustainable development have been disseminated. Carrefour hypermarkets are involved in a community or civil campaign in the banlieues (suburbs). Diversity toolkits are used in all hypermarkets to help raise awareness regarding diversity management.

- External partners

James Gisbert pointed out that the Carrefour group deals with a range of different organisations and public bodies, including the Institut du Mécénat Solidaire, the Ministry of Education, ANPE and the Ministry for Equal Opportunities amongst others.

- Social dialogue

The Carrefour group places great importance on the issues of corporate social responsibility and diversity, engaging in debates hosted by the European Committee on Information and Dialogue. A diversity group incorporating the social partners has been set up in the hypermarket sector of the business.

## *Difficulties encountered in implementation*

James Gisbert identified a number of difficulties encountered by the company in terms of effectively implementing diversity management. The first problem was working out a way to get the message across in everyday life. Another difficulty, specific to France, is the fact that it is illegal to record someone's ethnicity on application forms or indeed during the recruitment process. This means that it is difficult to engage in effective monitoring and evaluation of diversity management programmes in France.

## **Lessons learnt**

James Gisbert gave some useful advice regarding how best to implement diversity management in a large organisations like Carrefour. He emphasised the necessity of having a good understanding of how to apply diversity in the company, as well as the need to devise a way to retain staff over the long term. An interesting point made by James was the need to situate diversity management in the context of the relevant country's history, for instance France's history of colonialism and conflict in territories such as Algeria and Indochina.

James also saw the need to remain humble and open as being of key importance, and he emphasised the creative potential of diversity management if it is implemented holistically and effectively. Finally, he drew attention to the unconscious assumptions that everyone carries with them and how this can affect the way they perceive others who they deem to be different. In addition, these may lead to indirect discrimination against groups with non-visible differences.

## **Outcomes**

James had previously discussed the difficulty of identifying suitable diversity indicators for monitoring purposes. However, he was able to present some outcomes for the hypermarket sector – 330 people with disabilities were employed in 2006 and more than 1,200 skills-based recruitment processes were undertaken.

## **Contact details**



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