

The Glass Runway

Gender equality
in the fashion industry

May 23, 2018



C.F. DA GLAMOUR McKinsey & Company



An important moment of introspection for the fashion industry

Background

- Undertaken by Glamour & The Council of Fashion Designers of America
- Examine an industry that largely caters to women but is disproportionately male at the top (only 14% of major brands have a woman in charge)

Goals

- Understand fashion's equality gap
- Establish a strong fact-base for decision makers
- Spark constructive discussions

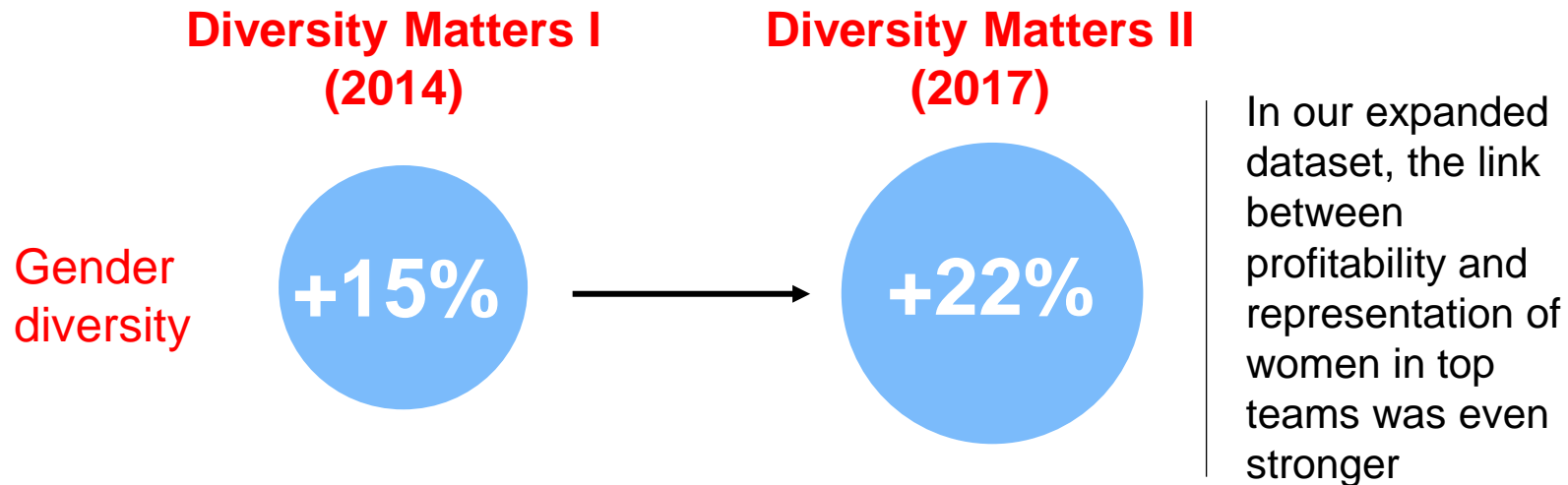
What We Did

- Surveyed a broad range of professionals across the fashion ecosystem
- Refined findings in a series of interviews – from the catwalk to the c-suite
- Leveraged McKinsey *Women in the Workplace* insights

Gender diversity has positive outcomes for business

Gender-diverse companies outperform

Likelihood of having financial performance¹ above national industry median for companies in top quartile for gender diversity



¹ Average EBIT margin, 2011-15

² Varies by geography, but in most cases includes all non-white ethnicities. In the US, we also include Hispanic of any race. In Singapore, we include only people of Malaysian decent.

SOURCE: McKinsey Diversity Matters Database, 2017

“———— LVMH

Diversity is a tremendous source of complementary skills and wealth, making it a key success factor for LVMH and its Maisons.”

*Chantal Gaemperle,
Group EVP Human
Resources, LVMH*

“———— L'ORÉAL®

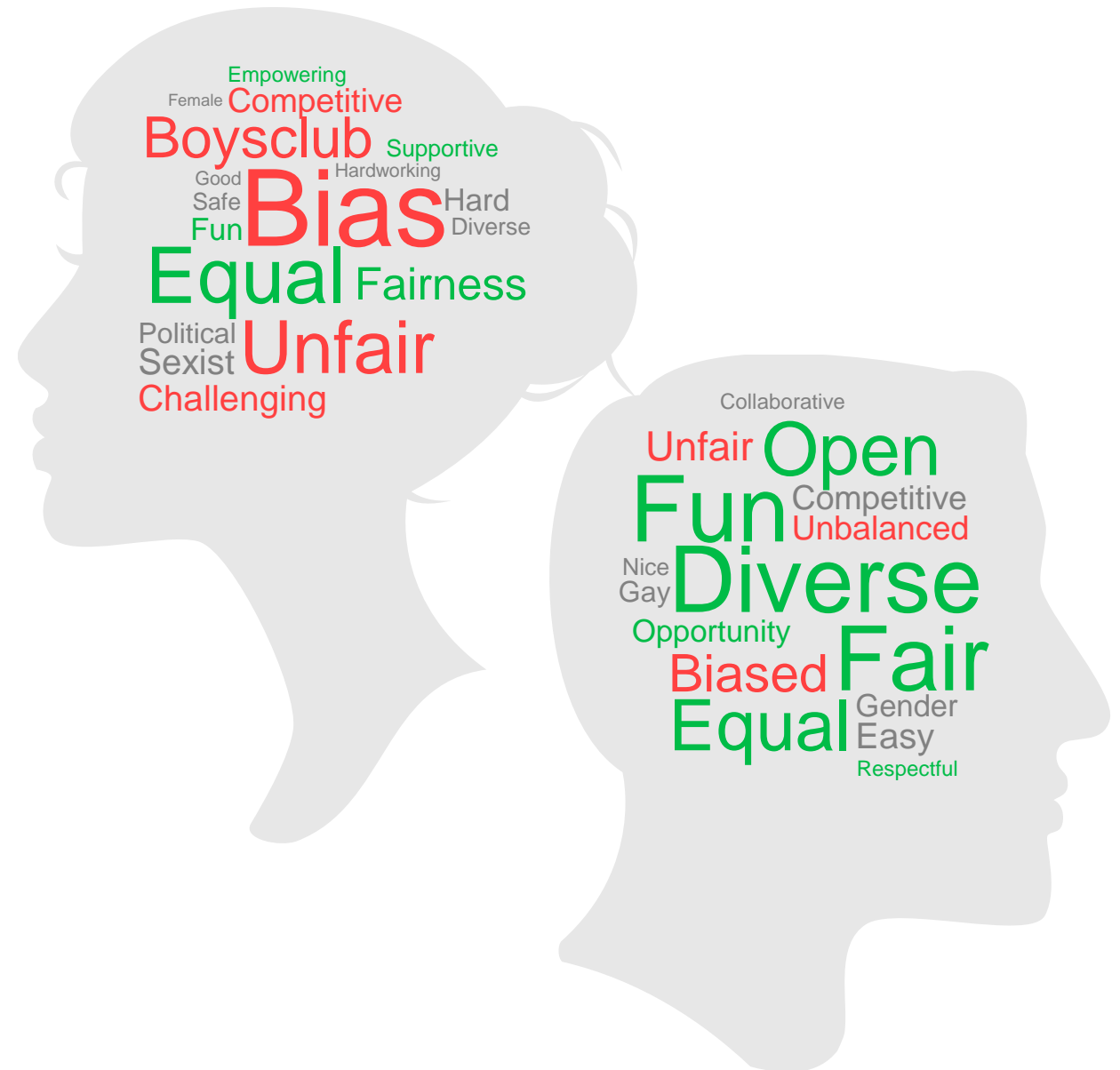
Gender diversity is a **strategic priority** for our Group as it is a **source of creativity, innovation and performance.**”

*Jean-Paul Agon,
Chairman and CEO,
L'Oreal*

100% of women surveyed
see gender equality as an
issue in fashion, while less
than 50% of men do

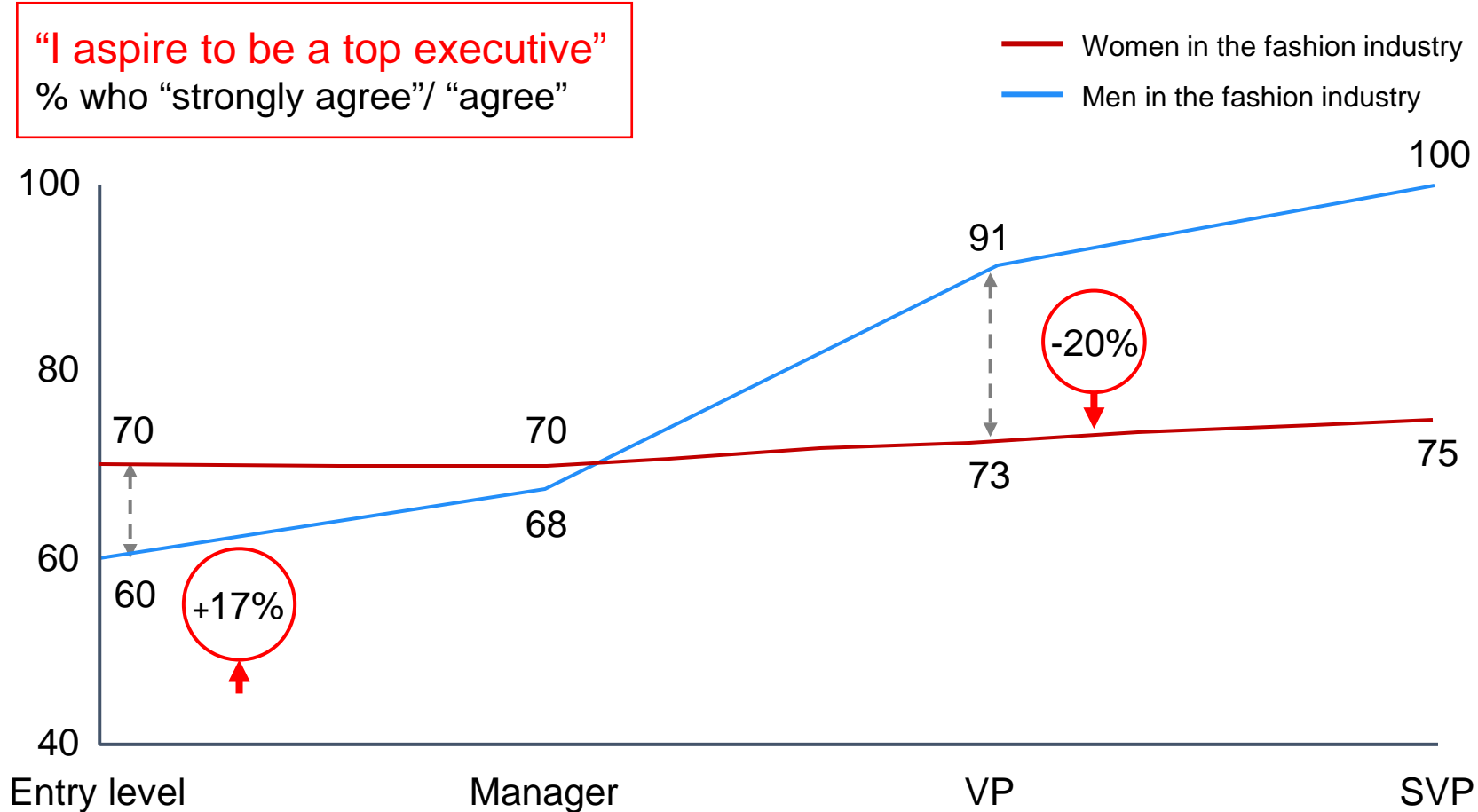
SOURCE: Glass Runway Survey

What 3 words best describe your experience working
in the fashion industry as it relates to gender?



Women are starting their careers with high aspirations

"I aspire to be a top executive"
% who "strongly agree"/ "agree"



SOURCE: Glass Runway Survey

“_____”
As women, I think we sometimes limit ourselves in what we think is possible.”

- Senior executive at a large retailer

“_____”
“I see women in the 35-50 year range who feel grateful for having reached VP level, and they feel that it would be greedy to want anything more.”

- Senior leader of a luxury retailer

We found four drivers of the equality gap



**Awareness and
commitment**



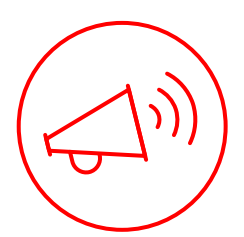
**Constraints of
work-life balance**



**Ambiguous
success criteria**



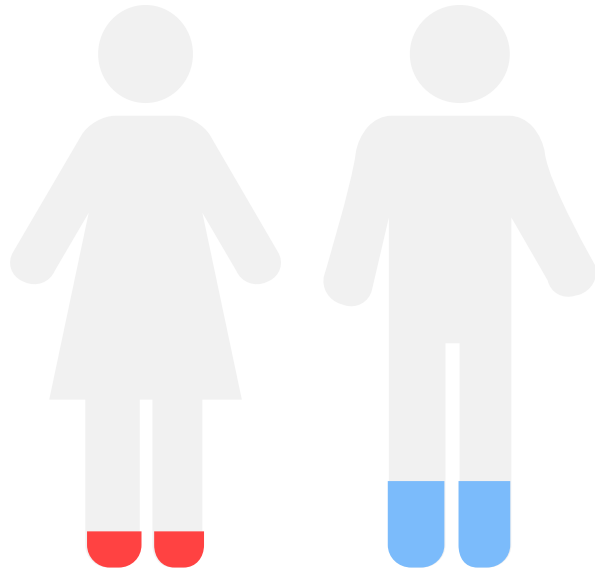
**Disparity in sponsorship
& mentorship**



Gender equality has to be a strategic priority for change, but currently, both women and men see limited concrete action

**My company
has ...**
% who “strongly
agree”/“agree”

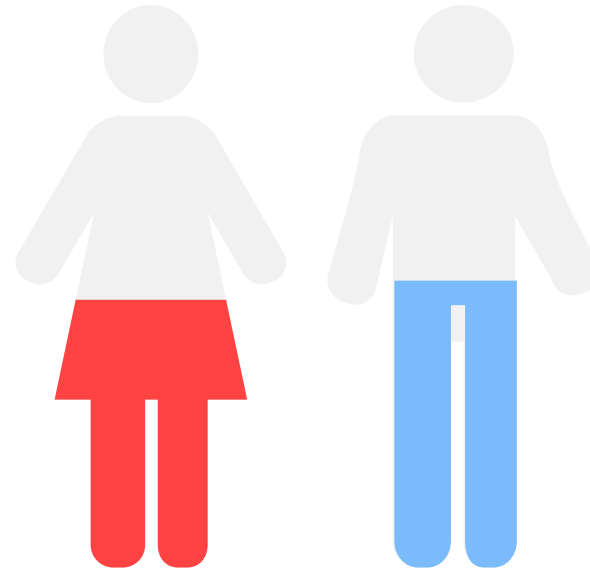
**IMPLEMENTED
CONCRETE CHANGES**



11%

13%

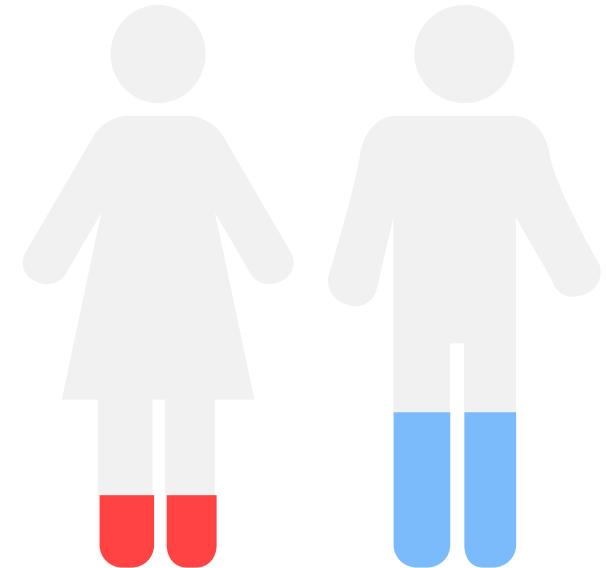
**PAID
MATERNITY LEAVE**



45%

46%

**PAID
PATERNITY LEAVE**



19%

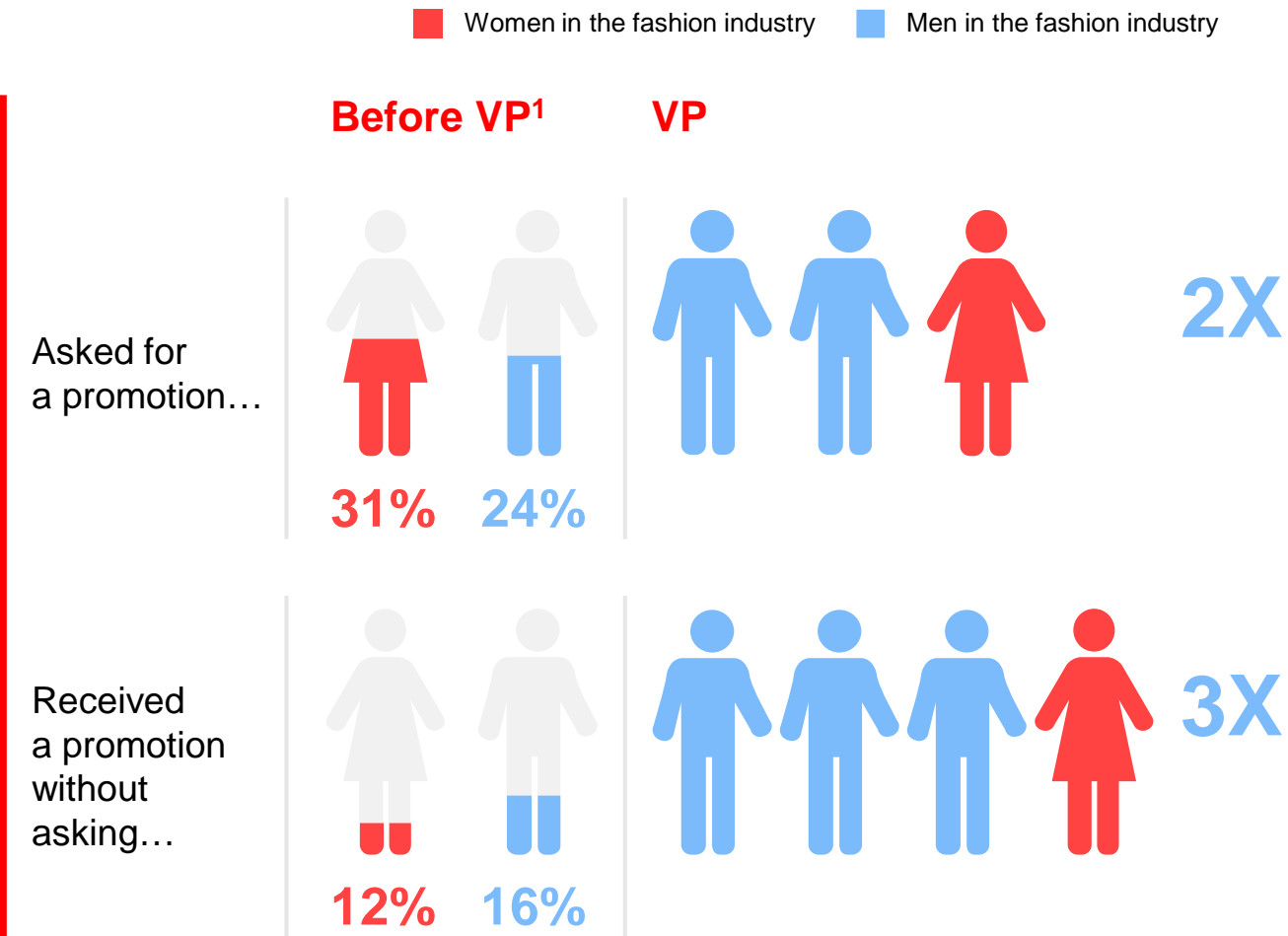
29%



At VP level, women begin asking less and receiving fewer promotions

Promotion process

% of employees who did the following in the past year



“As women advance, they second guess themselves more than men who are unwavering in their drive to climb to the top.”

- President of a fashion brand

¹ Entry level (analyst/associate), Manager/ Director (including Creative Director)

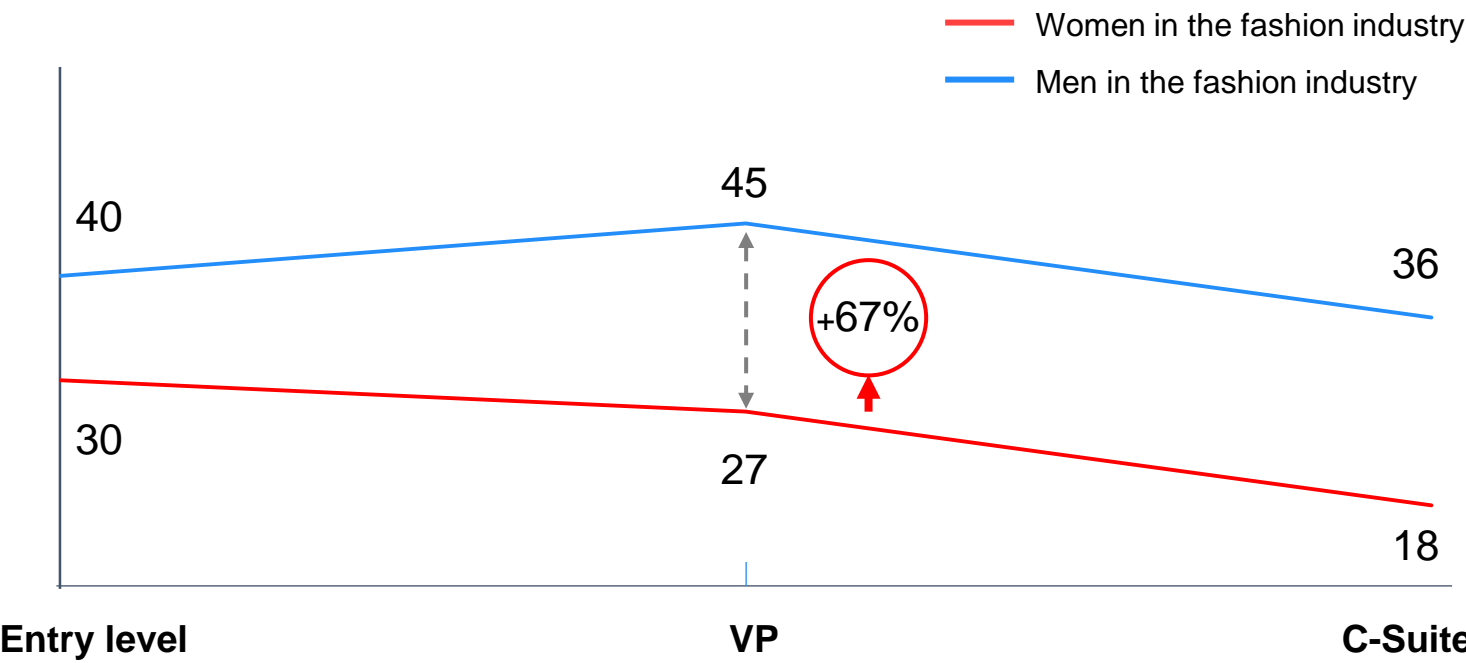
SOURCE: Glass Runway Survey



Women may be less confident about what it takes to succeed because they are receiving less advice on how to advance their careers

“Outside of the formal review process, I regularly receive feedback on how to advance my career”

% of employees who “strongly agree” or “agree”



“

“Men are much more vocal and direct in asking me for feedback.”

- Senior executive at large retailer

“

“As a man, I am worried about women being more sensitive and getting offended when I give them feedback, so I do it less often.”

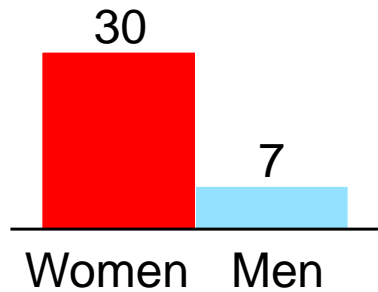
- Event producer



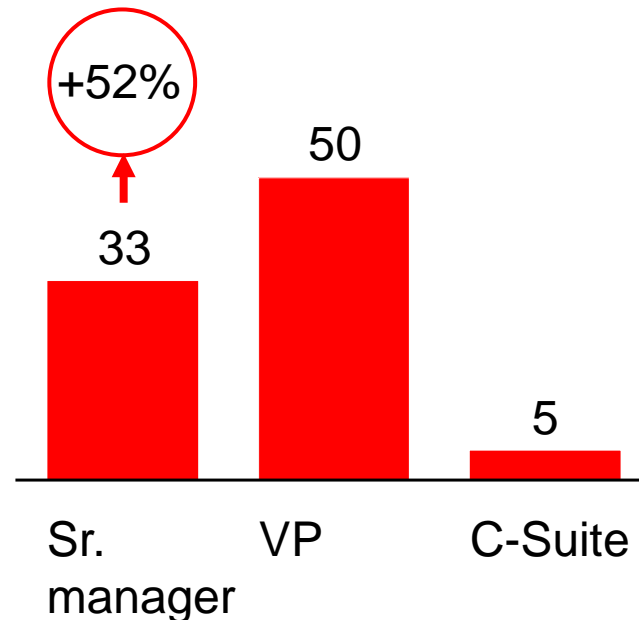
Across all levels, women report greater difficulty in juggling parental responsibilities – this is most pronounced with female VPs

“Having young children has slowed my career advancement”
% of employees who “strongly agree” or “agree”

Women compared to men



Women by level¹



¹ Number of men with kids too small to split by level

“

“Women experience a higher level of both internal and external pressure to be present for their children.”

- *President of a fashion brand*

“

“If you make it to the C-Suite you’ve had to make a conscious choice between work and family life.”

- *President of a fashion brand*

Fashion companies can address inequality with clear actions



Develop a **compelling business case** for gender diversity



Increase **transparency and clarity** of evaluations, promotions, and compensation



Create programs and policies that give employees the **flexibility** to fit work into their lives



Offer sponsorship programs geared towards **empowering women**



Some companies are already taking actions



Digital network created for employees to **brainstorm ideas** on how to become more aware of and correct gender-related behaviors



HR involved at each step of the review process to offer a safeguard against biases



Panels for mothers returning to work, for women to share their experiences, offer advice, and be role models for others



Networking events provided for women to connect, featuring talks from inspiring female leaders