The Glass Runway

Gender equality in the fashion industry

May 23, 2018
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 performance above national industry median for companies in top quartile for gender diversity

Gender diversity +15%  +22%

In our expanded dataset, the link between profitability and representation of women in top teams was even stronger.

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

“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

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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.

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

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

SOURCE: Glass Runway Survey
Women are starting their careers with high aspirations

“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

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

SOURCE: Glass Runway Survey
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”

<table>
<thead>
<tr>
<th></th>
<th>Implemented Concrete Changes</th>
<th>Paid Maternity Leave</th>
<th>Paid Paternity Leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>11%</td>
<td>45%</td>
<td>19%</td>
</tr>
<tr>
<td>Men</td>
<td>13%</td>
<td>46%</td>
<td>29%</td>
</tr>
</tbody>
</table>

SOURCE: Glass Runway Survey
At VP level, women begin asking less and receiving fewer promotions

**Promotion process**

% of employees who did the following in the past year

<table>
<thead>
<tr>
<th></th>
<th>Women in the fashion industry</th>
<th>Men in the fashion industry</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Before VP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asked for a promotion…</td>
<td>31%</td>
<td>24%</td>
</tr>
<tr>
<td>Received a promotion without asking…</td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td><strong>VP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asked for a promotion…</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>Received a promotion without asking…</td>
<td>3X</td>
<td>2X</td>
</tr>
</tbody>
</table>

*SOURCE: Glass Runway Survey*

“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
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

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sr. manager</td>
<td>30</td>
<td>7</td>
</tr>
<tr>
<td>VP</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>C-Suite</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

Women by level

+52%

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

SOURCE: Glass Runway Survey

“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

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

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

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.