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SALARY SEXISM

By Zornitza Kratchmarova

Fashion sells women a message of empowerment, freedom and self-expression. This makes the disparity in levels of pay and positions of seniority enjoyed by women relative to men in the fashion industry a gender gap that seems especially glaring.

"If it was Lehman Sisters, it would be a different world." This is almost a slogan for Christine Lagarde, current president of the European Central Bank and former head of the International Monetary Fund. The collapse of the US financial services giant Lehman Brothers in autumn 2008 made a big dent in everyone's life. And yet, on the question of gender differences, much remains to be done. And not just in financial services. You only have to turn the spotlight on the fashion and luxury industry to see the disparity. But there's an additional paradox, because, as the management consultancy firm McKinsey points out, "The fashion industry is propped up by women – they spend three times more on clothing than men." In fact, the company calculates that women collectively spend an average of 159 billion dollars per year on clothing in the US market alone. And yet, McKinsey adds, women also fill the majority of the industry's entry-

Photograph by Steven Meisel, *Vogue Italia*, May 2002.

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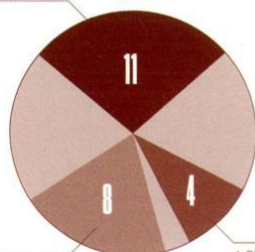
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27.1%

WOMEN ON EXEC BOARDS IN THE 40 LARGEST FASHION AND LUXURY EU & US COMPANIES

Source: Ethics & Boards Fashion & Luxury Index 40.

11 COMPANIES (INCLUDING H&M, TIFFANY & CO, CAPRI HOLDINGS, SMCP, ESTÉE LAUDER, TAPESTRY, KERING, BURBERRY) HAVE AT LEAST 33% OF WOMEN IN C-SUITE.



8 COMPANIES DON'T DISCLOSE INFORMATION. 4 COMPANIES HAVE NO WOMEN IN C-SUITE.

level jobs. Too bad that the proportions are reversed the higher up the corporate ladder you go. Not to mention the top positions.

We asked Floriane de Saint Pierre – the undisputed leader in recruiting for the fashion and luxury industry – to give us a rundown of the figures processed exclusively for *L'Uomo Vogue*. Having founded her eponymous hyper-exclusive talent boutique in 1990, focused on the C-suite and creatives, in 2010 she established Ethics & Boards, today's largest independent governance "data place", or repository of information. "At Ethics & Boards we aggregate and structure the governance, remuneration and leadership teams of all major listed companies worldwide. Specifically, the firm's Fashion & Luxury index aggregates all governance data of 40 fashion, beauty and luxury listed companies in Europe and the US." The figures offer some clear indications. The female share of executive boards, executive committees and leadership teams amounts to 27.1 per cent. Some firms manage to do better, with at least 33 per cent of key positions held by women. Examples include H&M, Tiffany & Co, Capri Holdings, SMCP, Estée Lauder, Tapestry, Kering and Burberry.

But it's clear that gender parity in the upper echelons of the business is still a long way off. "Things are better on non-executive boards, with an average female presence – out of the total positions held – of 35.7 per cent," says de Saint Pierre. "In detail, 14 companies (35 per cent) have at least 40 per cent women on their

boards, and 3 of them – Kering (60 per cent), SMCP and L'Oréal – have over 50 per cent women on their non-executive boards." Some encouraging indications emerge elsewhere, too. "There are other key companies with over 40 per cent women at non-executive board level. Above all: Tiffany & Co (recently acquired by LVMH), Pandora, Hermès, H&M, Burberry, Estée Lauder and LVMH," says the headhunter, who goes on to explain the reason for these percentages. "In France, the Copé-Zimmermann law has set a quota of 40 per cent women at non-executive board level. This explains why all French listed companies on the Ethics & Boards Fashion & Luxury Index 40 have at least 40 per cent women on their boards." In other words, they have no choice. So, make way for women!

But if we observe who's sitting at the chief executive officer's desk, the scenario changes drastically. According to the Ethics & Boards Fashion & Luxury Index 40, there are just 3 women CEOs in the top 40 listed companies in the fashion and luxury sector in Europe and the US, amounting to 7.5 per cent of the total. And two of them were appointed in 2020: Helena Helmersson, head of H&M, and Jan Singer, at the helm of J. Crew (data collected on 16 February 2020). These newcomers have joined the ranks of "veteran" Micaela Le Divelec Lemmi, CEO of Salvatore Ferragamo since 2018. Then there's the inimitable Miuccia Prada, fashion designer, shareholder and co-CEO with her husband Patrizio Bertelli of the fashion giant that bears her name. Since mid-April, however,

Miuccia Prada has brought in Raf Simons, formerly at Calvin Klein, to support her in the role of creative director. Floriane de Saint Pierre sheds light on the wider picture: "Most large listed groups have named in past years or are naming top women executives as CEOs of key brands they own. These include LVMH with Séverine Merle, CEO of Celine, Pascale Lepoivre, CEO of Loewe, Sophie Brocart, CEO of Patou, Véronique Courtois, recently named CEO of Guerlain, and so on; Kering with Francesca Belletini, president and CEO of Saint Laurent, and Sabina Belli, CEO of Pomellato; and Puig Group with Charlotte Tasset, CEO of Nina Ricci Mode." So there are signs of improvement, but there's still far to go.

Progress in this field should be a high priority, because gender diversity is perceived today as an aspect of corporate social responsibility. In short, it's a question of ethics. But it's also a business imperative that can boost the financial performance of individual companies. McKinsey once again offers some illuminating data. In a recent study, the firm showed that European listed companies with the highest percentage of women in leadership positions surpass the average industry indicators in terms of profit margins, returns on equity and stock price. Credit Suisse has come to the same conclusion, noting that companies with greater female representation in the boardroom tend to generate superior market returns and corporate profitability. Deloitte goes even further with its findings, reporting an 18 per cent improvement in business performance at organisations

SALARY GAP IN ITALY'S FASHION INDUSTRY

Values taken into account: BAS (base annual salary).

Source: OD&M Consulting (Gi Group), 2019 Database.

	♂	♀	AVERAGE	AVERAGE
VISUAL MERCHANDISER	36,381	33,921	33,648	47,931
CUSTOMER RELATIONSHIP MANAGER	69,836	66,478	66,936	87,862
E-COMMERCE SPECIALIST	39,920	38,541	38,203	52,794
E-COMMERCE SALES MANAGER	70,009	66,788	68,748	90,126
RETAIL MANAGER	69,398	66,351	67,871	89,974
STORE MANAGER	41,281	40,641	39,076	55,434
BRAND MANAGER	68,145	64,985	64,845	85,983
DIGITAL MANAGER/WEB MARKETING MANAGER	67,690	65,984	66,819	89,015
SOLUTION ARCHITECT	41,936	N.A.	39,965	55,112
USER EXPERIENCE DESIGNER	43,987	42,571	41,902	57,638

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THE FANTASTIC FOUR WOMEN CEOS OF THE 40 LARGEST FASHION AND LUXURY EU & US COMPANIES

Source: Ethics & Boards Fashion & Luxury Index 40.



MIUCCIA PRADA

Mrs Prada is the co-CEO and executive director of **Prada** alongside her husband, Patrizio Bertelli. From later this year she will also share the Creative Director position with Raf Simons.



HELENA HELMERSSON

After a working life at **H&M** that began in 1997, Helena Helmersson was appointed its CEO this January. Previously her roles have included global director of production and director of CSR.



JAN SINGER

Spanx, Nike and Victoria's Secret are among the companies for whom Jan Singer served as an executive before being named CEO of the challenged US retailer **J. Crew** earlier this year.



MICAELA LE DIVELEC LEMMI

Le Divelec Lemmi joined **Salvatore Ferragamo** as general manager in March 2018 before being promoted to the top a few months later. She is a two-decade Kering veteran.

where employees feel that diversity and inclusion are prioritised. Furthermore, work teams with high levels of inclusion have been shown to outperform others by a factor of eight to one. Competitiveness through diversity seems to be the motto.

But it's not just a question of gender, because there's also value in the fusion of different cultures, religions, ethnicities and socio-economic backgrounds. This is the opinion of Silvia Dall'Angelo, senior economist at Federated Hermes, a global investment manager with 576 billion dollars in assets under management, and among the pioneers of ESG investments around the world. The London-based Dall'Angelo takes stock of another law specifically focused on inequality in earnings between men and women. Introduced by the UK's Government Equalities Office in 2018, the legislation has made it mandatory for all British companies with over 250 employees to publish their "gender pay gap" figures comparing men's and women's average pay across their organisation (basic salary plus benefits). Dall'Angelo notes a stark reality: "The figures published are embarrassing, with gaps sometimes exceeding 50 per cent." The same applies to all market segments, fashion industry included.

The figures from Karen Millen are striking. On average, the retailer pays its male employees 53 per cent more than its female personnel, despite the company's executive ranks being dominated by women. The former CEO Beth Butterwick attempted to douse the blaze by publishing a statement on the company's website: "Our pay gap is highly influenced by the salaries and gender make-up of the stylists who work in our stores. However, we recognise we can do more to champion diversity at all levels of our business and ensure everyone can build and sustain a successful and rewarding career." We'll wait and see. What's certain is that almost all companies have more women working in entry-level positions. The statistics are also affected by flexible working hours that women with young children are often obliged to make use of.

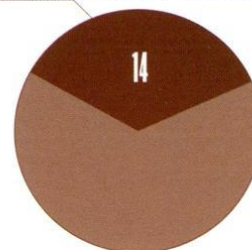
The numbers also reveal other details on the pay-check differential between the sexes. At New Look, women earn on average 86 pence for every pound earned by men (2019 report on statistics from 2018). Russell & Bromley does better, with 94 pence earned by female employees for each pound earned by male staff members. In percentage terms, Burberry, Topshop, Selfridges and Mulberry declare differentials of 8.7 per cent, 7.7 per cent, 7.7 per cent and 4.8 per cent respectively, in favour of men. But there are also some UK companies with over 250 employees in which there is no substantial gender-based difference in average earnings. Primark, All Saints, Boohoo and Debenhams are virtuous examples. And there are some cases where women even earn more than men. Paul Smith stands out with an average of 1.13 pounds earned by women for every pound earned by men. Harvey Nichols Group and Harrods, meanwhile, pay their female employees 1.12 and 1.02 pounds respectively for every pound paid to male employees. Silvia Dall'Angelo continues: "I've never suffered a setback in my career because of the mere fact of being a woman, or at least I've never noticed it. But in any case, I'm absolutely in favour of introducing rules to accelerate the process of female growth in the workplace."

Assessing the Italian situation exclusively for *L'Uomo*, OD&M Consulting of the Gi Group, specialised in HR, calculated the pay gap between men and women in ten key fashion-industry positions. For each role, the figures distinguish between basic annual earnings and total earnings

35.7%

WOMEN ON NON-EXEC BOARDS OF THE 40 LARGEST FASHION AND LUXURY EU & US COMPANIES

14 COMPANIES (35%) HAVE AT LEAST 40% WOMEN ON BOARDS, AND 3 OF THEM - KERING (60%), SMCP AND L'ORÉAL - HAVE OVER 50% OF WOMEN IN THEIR NON-EXECUTIVE BOARD.



OTHER KEY COMPANIES WITH OVER 40% WOMEN AT NON EXEC BOARD LEVEL: TIFFANY & CO, PANDORA, HERMÈS, H&M, BURBERRY, ESTÉE LAUDER AND LVMH.

(base plus variable). The survey also compares average annual earnings for each position in three European countries: Italy, France and the UK (2019 figures, see table on these pages). "In Italy there is a difference between men and women in the fashion system, but it declines as responsibilities increase," says Martina Colombo, a consultant at OD&M Consulting. "In roles where there are more women than men it falls to zero or almost zero. This applies to the position of store manager, for example, which is a post often occupied by women. It's also true that technical profiles pay almost the same. For positions like solution architect or user experience designer, the biggest problem is finding women candidates."

This introduces another significant point. The gender gap is undoubtedly also the result of deep-rooted cultural legacies. It's a matter of expectations, with women themselves tending to conform to them for fear of being judged negatively. For instance, women are expected to be kind and amiable. So if a woman is assertive, she's likely to come across as being fussy or nagging, adjectives rarely applied to men. This is valid in everyday life, but even more so at work, where there's still a knee-jerk correlation: "testosterone = readiness to take risks". Hence to win. But is this really true? Recent econometric analysis conducted by the International Monetary Fund has shown that the greater presence of women in key roles is associated with greater stability in individual institutions. So the answer would seem to be a resounding "no".