

APPAREL AND ACCESSORIES

## Barriers to entry hampering diversity, inclusion efforts in fashion

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*People of color continue to face challenges in corporate fashion. Image credit: Gucci*

By SARAH RAMIREZ

Fashion companies are facing more scrutiny about diversity, equity and inclusion efforts, but a new report shows that there are several structural obstacles that must be addressed for the industry to have a more representative and equitable workforce.

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The Council of Fashion Designers of America (CFDA) and PVH Corp. have collaborated on the "State of Diversity, Equity & Inclusion in Fashion" report. It examines how employees in the fashion industry perceive company efforts to tackle underrepresentation, as well as employees' own experiences working in fashion.

The report is based on a McKinsey & Company survey of more than 1,000 working industry professionals across 41 companies, as well as 20 stakeholder interviews and three focus groups with college students and emerging designers.

### Workplace challenges

Diversity, equity and inclusion (DEI) initiatives can span several areas, and efforts should focus on racial and ethnic diversity as well as gender diversity.

The majority of respondents, 59 percent, report that their company has taken action in response to racial injustice. However, 16 percent do not think this will result in lasting change while another 40 percent report being unsure about the longevity of any changes.

However, Black employees were less likely than white employees to agree that their companies are doing "what it takes" to improve racial and ethnic DEI, at a rate of 57 to 77 percent. White employees were also more likely to believe the best workplace opportunities went to the most deserving candidates, at a rate of 62 percent compared to 47 percent of Black employees.



*The Natural Diamond Council has launched a scholarship opportunity for BIPOC designers. Image credit: Natural Diamond Council Image credit: Natural Diamond Council*

A 2019 analysis from McKinsey showed that while employees of color account for 32 percent of entry-level positions in the apparel and beauty industries, they only comprise 16 percent of C-suite roles and 15 percent of board seats.

Among the challenges in improving racial and ethnic DEI in management are less support for persons of color (POC), too few qualified POC in the pipeline and perceived differences in standards used to judge POC.

Black employees report greater inaccessibility to the industry, at a rate of 68 percent to 37 percent of white employees. Similarly, 51 percent of LGBTQ+ employees report inaccessibility to the fashion business, compared to 41 percent of heterosexual employees.

As outlined in the report, the fashion industry also has unique biases and challenges impacting how it approaches DEI.

These barriers include low pay, particularly at entry-level, with work concentrated in New York City, with its high cost of living. Fashion also relies on a referral network for job seekers, resulting in underrepresented groups having difficulty breaking into the industry.

While 48 percent of respondents received referrals for their current roles, the racial disparity was stark with 57 percent of white employees being referred compared to 23 percent of Black employees.

Fashion also lacks a strong pathway from the sales floor where between 12 and 22 percent of roles are filled by Black employees to corporate roles.

Once POC have joined the workforce, Latinx and mixed-race employees are least likely to report that promotions are based on fair and objective criteria. Employees at small companies, those with 49 or less employees, are also more likely to perceive fairness in promotions than employees at companies with at least 250 employees, at a rate of 68 to 46 percent.

Furthermore, while 26 percent of employees of color report race and ethnicity as negatively impacting previous raises and promotions including 42 percent of Black women and 27 percent of Asian women some respondents shared perceptions of tokenism in interviews with researchers.

Insufficient compensation is not only a barrier to entry in the fashion industry, but also makes it challenging for fashion companies to retain diverse talent.

Nearly four in 10 of Black employees, 37 percent, have to supplement their income beyond parent support, through freelancing or gig economy jobs, compared to 23 percent of white employees. This also impacts perceptions of performance, as some employees cannot afford to put in unpaid overtime hours.

Forty-four percent of employees of color also cite better pay in other industries as a leading reason for considering a career change, including 73 percent of mixed race and 51 percent of Latinx employees.

Additionally, employees of colors do not feel like they belong in their workplaces. Two in three Black workers reported frequently being the only person of their race or ethnicity in a room, leading to complicated feelings including being under pressure to perform or as if their actions are expected to be representative of other Black employees.



*Racial bias is an unconscious or conscious way of thinking that influences how an individual acts and interacts with people from different racial or ethnic backgrounds. Image credit: Sephora*

Sixty-seven percent of Black employees and 65 percent of LGBTQ+ employees reported experiencing microaggressions, higher rates of

Black and LGBTQ+ employees report higher rates of experiencing microaggressions than other demographics, at respective rates of 67 and 65 percent.

Microaggressions are brief or commonplace interactions with indirect, subtle or unintentional discrimination against members of marginalized groups. Examples include needing to prove competency more than other employees, or being mistaken for another coworker of a similar race or ethnicity.

Making strides?

Consumers are becoming more invested in brands' diversity and inclusivity efforts, both in marketing and in the workplace.

The majority of consumers expect brands to commit to inclusivity and diversity in their advertising, according to recent research from Getty Images.

Nearly 80 percent of respondents believe advertisers can improve at reflecting people's true lifestyles and cultures, beyond just including people of various ethnicities, backgrounds and appearances. The findings are based on a Visual GPS global survey of more than 5,000 from 26 different countries, in conjunction with global market research firm YouGov ([see story](#)).

Accelerated by the global pandemic and the Black Lives Matter movement, diversification of businesses and the amplification of marginalized voices have become a top priority for businesses and consumers.

During a panel at the FT Business of Luxury Summit on Nov. 23 moderated by *Financial Times* editor Isabel Berwick, fashion industry experts discussed workplace discrimination and what fashion and media companies need to do to promote racial and ethnic diversity in a meaningful way. They addressed specific ways in which the fashion industry must transform to have a meaningful impact in the effort towards inclusion ([see story](#)).

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