

EVENTS/CAUSES

## Thoughtfulness needed in diversity practices: luxury executives

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*Even within luxury conglomerates Kering and LVMH, brands are addressing DEI efforts at their own pace. Image credit: Gucci*

By KATIE TAMOLA

As luxury conglomerates make strides to become more inclusive organizations, leaders will have to be intentional to ensure consumer-facing efforts are effective and reflective of each brand's individual DNA.

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Executives from Kering and Mot Hennessy spoke about the challenges of making luxury more inclusive during a discussion hosted by the Wharton School of the University of Pennsylvania. As part of the Leading Diversity@Wharton lecture [series](#), the women discussed the differences, difficulties and thoughtfulness that encapsulate luxury brands' diversity and inclusion efforts.

"These are the types of moments [when we ask ourselves] how do we bring together the product and the people, how do we bring together consumers and the talent," said Dr. Atria Charles, head of inclusion, diversity and equity at Mot Hennessy. "And how do we make sure that the way in which we present ourselves to the larger world mirrors the world we live in, and how do we do that authentically and with meaning."

The conversation was led by Stephanie Creary, an assistant professor of management studying identity and diversity at the Wharton School.

Similar important goals

Across the various sectors in the luxury industry, brands may have different strategies and challenges in addressing diversity. However, similar objectives across brands' inclusion goals remain, such as the importance of listening and responding to consumer needs.

"Given the global context and what diversity means across many different markets, we need to make sure we're sitting in this," said Kalpana Bagamane, chief diversity inclusion and talent officer at Kering. "This state of let's listen, learn but unlearn.

"Because that is key to creating the empathy we need that will lead to the behavior," she said. "Let's make sure we're sitting down and having conversations with people, because we can't solve problems that we don't understand, and the only way to understand is to talk to people."

## *How to Make Luxury Industries More Inclusive / Leading Diversity at Wharton*

Dr. Charles reverberated this sentiment when she recalled the wine and spirits division's historical ability to listen to its consumers, getting brands to them and meeting consumers' marketing needs.

"Within our organization, we have brands such as Hennessy that have had a long history embedded in the Black community, from being one of the original sponsors and cofounders of the Urban League to NAACP support to being one of the first brands to actually put in advertisements in Black media publications," Dr. Charles said. "To having the face of Black people representing a luxury brand decades ago."

"That that was innovative, and it was ahead of the time, but it was also honoring the consumer," she said.

The Cognac brand has shown consistent commitment to brand values, including its support and celebration of the Black community. Recently, Hennessy tapped Grammy-award-winning rapper and songwriter Nas in releasing its latest campaign that celebrates Black legacy and excellence ([see story](#)).

From her leadership position at Kering, Ms. Bagamane tries to believe that people inherently want to do the right thing and want to be better. She also said that the process to be better is often not speedy, but slow and intentional.

"What I often say is that as long as tomorrow is better than today, then we're going in the right direction that's as a good thing," she said. "I have often said if we move too fast, we risk losing people, and this is something we can't risk, so [we need] understanding that people are at very different points of the journey, as individuals, as houses.

"We have a portfolio of houses, and every house is different, has a different brand DNA has their own unique culture as well," she said.

It is imperative for brands to understand and reflect its own values, to diversify internally and thoughtfully and to be dedicated to the slow process of growing their teams which will ultimately grow their consumer base.



*The Never Stop Never Settle Society fund is providing \$1 million dollars to Black entrepreneurs. Image credit: Hennessy*

"A primary focus for us right now is building our talent diversity pipeline," Dr. Charles said. "There are a lot of people that don't even know the opportunities that exist within the luxury goods, a lot of people are not aware of the fact that many of our brands are parts of larger groups and that once you can get into one house or maison or brand, you are now able to travel throughout the group with different mobility opportunities.

"There's so much opportunity in luxury that I don't think a lot of people know about," she said.

Kering's Ms. Bagamane later elaborated on how important it is for brands to have effective leadership that is also dedicated to the diversity, equity and inclusion (DEI) process.

"What's key for success and trying to build strategy, is your approach and I would say, and I would say anybody interested in and going into this field should really do the due diligence around leadership," she said. "If you do not have authentic leadership commitment and driving the change that's necessary, it's very difficult."

### A seat at the table

Luxury brands seem to be highlighting their DEI efforts more than ever.

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 in November 2020, 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](#)).

A recent report from the Council of Fashion Designers of America (CFDA) and PVH Corp. shows that there are several structural obstacles that must be addressed for the industry to have a more representative and equitable workforce.

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 ([see story](#)).

Consumers will be keen to watching how brands actually deliver on their promises to be more inclusive and diverse, as many are looking for initiatives that go beyond just a certain month and are not simply for aesthetic purposes.

"For Black History Month, our whole model this year, it's not just the month, it's a movement," Mot Hennessy's Dr. Charles said. "This idea outside of the marketing month, and really understanding talking about the black entrepreneurs, talking about Black Wall Street, talking about the Tulsa massacre within a luxury brand that's what allows us to connect and authentically engage what we know our consumers value, and in this era, that's what people value what's going on in their communities, and the identities that matter to them.

"Apply your thoughts on your role and mission," she said. "I think part of our job is to kind of bring the veil up and really show the beauty and artisanship and craftsmanship of our work, while also letting everybody know that they have a seat at the table."

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