

# INSIDER

**20 AND COUNTING**  
Jeffrey Kalinsky reflects on two decades in NYC. p20



**PRIME CHOICE** Irregular Choice has another quirky collaboration. p22

THE BIG STORY

BRAND ANALYSIS 18

NYC RETAIL 20

FN SPY 22

# LEADERSHIP

Gen X

Diversity

# BOOMERS

# #MeToo

## Hire Stakes

Retail has transformed dramatically in the past five years, with key issues such as diversity driving critical hiring conversations. Executive placement experts break down the top skills of the industry's most qualified leaders — and what these stars want in return.

BY SHEENA BUTLER-YOUNG

Family

TALENT CULTURE

# DATA

# POLICY

INCLUSION

# WOMEN

# TECHNOLOGY DIGITAL

**Depending on who you ask, there's never been a better — or worse — time to be a leader in fashion retail. // On one hand, digital disruption — from e-commerce pure plays and DTC pioneers — along with a shrinking middle class and consumer spending shifts have helped send many traditional names packing. // On the other, a breadth of technological innovation coupled with a fresh focus on diversity and inclusion and critical causes like sustainability create fertile ground for a meaningful retail evolution.**

Recruiting experts agree that much like the industry they lead, only retail's strongest, most adaptable visionaries will survive — and thrive — in this climate. "There are people whom retail is leaving behind," said Paula Williamson-Reid, president of Reid & Co Executive Search LLC. "If you've only had one experience in the industry or just haven't managed your career correctly, it's going to be tough for you. There are fewer jobs, the roles are different, and they require a different skill set than they did 15 years ago."

Meanwhile, execs who do stay in the game have new expectations for work-life balance. "Gen Xers — who are [aged 40-54 years old] and rising to leadership roles are not like baby boomers and aren't planning to climb the corporate ladder in the same way," explained Kyle Rudy, SVP of Kirk Palmer Associates, adding that the top benefits rising executives are seeking right now are flexible work schedules and family leave.

"Gen X grew up in a technology-driven environment — and tend to be digital-savvy — so they expect their work to be the same. They don't think it's odd to work remotely, in fact, they expect it."

With American adults, on average, starting families later than prior generations, many up-and-coming leaders are finding themselves with complex domestic obligations.

"When Gen Xers [land in the leadership post], unlike past generations, they're still raising kids and their parents are getting ready for assisted living," Rudy added. "So flexible work



The #MeToo movement has helped reshape HR policies

arrangements, generous family leave policies and creative time-off programs are all critical components of a top shelf benefits package if you're going to retain these high-performing Gen Xers who have to replace the boomers."

To find viable candidates, recruiters have had to cast wider nets as retail adjusts to seismic shifts. Placement execs are reaching into other industries like consumer goods as well as pulling unconventional candidates from roles within fashion. Last month, Target Corp., for example, tapped former Facebook executive Hari Govind to head up infrastructure and operations for its technology team. Meanwhile, luxury staple Chanel poached Swiss



**“THE INDUSTRY HAS MOVED AWAY FROM BEING MERCHANT AND TREND DRIVEN.”**

— KATHY VENTURA, CALDWELL

bank UBS leader Fiona Pargeter to become its first head of diversity and inclusion.

"The industry has had to move away from being merchant, product, trend and fashion driven to now requiring a deeper understanding of customers based on data," said Kathy Ventura, managing partner, consumer and marketing practice at Caldwell.

"[When we recruit], we're looking for a leader

— whether it's a marketer, a merchant or a head of operations — to have an understanding of how to build a business based on technology and a strong data foundation. Then, they have to take that data and [apply it to] building an experience for customers."

Still, Ventura noted that external recruitment shouldn't replace a company's own efforts to groom its existing workforce. "We also have to encourage companies to grow those desired skills internally. You have to develop talent and set your employees up to succeed," she said.

Rudy, meanwhile, has encouraged his retail clients to be flexible with their own list of prerequisites since the most effective leaders don't always check off every box. "A leader who was previously on track to become the CEO, may not be strong in digital. [Conversely], a person who is digital savvy, may not be ready to be a GM."

More and more, retail needs leaders who have a wider viewpoint and touch numerous parts of the business, said Williamson-Reid, Ventura and Rudy. "The business is changing so quickly and dramatically that you have to have people who are able to adapt," Williamson-Reid added.

One area where change has been especially dramatic is in the social media realm. In the past two years, brands from all across footwear and apparel — including Under Armour, New Balance, Gucci and Burberry — shouldered boycott threats across social media over a range of purported social and moral infractions. And just last month, a viral video outside of a Nike store — showing a white store manager accusing an African-American fam-

**50%** of CEOs at S&P 500 companies are women



Burberry was criticized when it sent a noose down the runway for fall '19

ily of stealing a \$12 basketball — compelled the brand to issue an apology. “In this current day — especially in retail— if a CEO isn’t looking at their own social media [or doesn’t] have their corporate communication and social media team out there measuring it and looking at their brand health — they’re going to run into trouble,” Ventura said. “It’s a question of ‘when’ not ‘if.’”

A number of firms have recently created new roles to accelerate and emphasize their focus on diversity and inclusion: In April 2018, Nike promoted Kellie Leonard to become its chief diversity and inclusion officer. Last fall, Macy’s named Shawn Outler to the same post while Under Armour this year hired Tchernavia Rocker as its new chief people and culture officer. Gucci joined luxury market peer Chanel last week when it announced that it named Renée Tirado its first global head of diversity, equity and inclusion.

“We’re witnessing a wholesale diversity transformation — much like the digital transformation of the last decade,” noted Rudy. “It’s being driven — not only by social media missteps — but by demographic shifts and even legislative measures.



## “WE’RE WITNESSING A WHOLESALE DIVERSITY TRANSFORMATION.”

—KYLE RUDY, KIRK PALMER ASSOCIATES

We can’t consider it a trend — it’s here to stay.”

This industry-wide overhaul, said Ventura, reflects a growing awareness in retail that its C-suite needs to have a 360-degree view of the customer. “We’re in a society that’s getting more diverse. The population [make-up] is changing and so is the customer — and knowing your customers is [crucial] and it’s something the retail community has to continue to strive to get better at.”

Put another way: “You can’t have leaders who don’t reflect your customers — and if you continue to do that, you’ll be disconnected,” said Williamson-Reid.

For decades, increasing female representation has been a major priority for a large number of U.S. corporations — albeit with uneven progress. (For example, only 5% of CEOs of S&P 500 companies are women and just 24% of all C-suite positions at those firms are held by women.)

However, now that the #MeToo movement has taken hold — and athletic footwear brands, in



## “YOU CAN’T HAVE LEADERS WHO DON’T REFLECT YOUR CUSTOMERS.”

— PAULA WILLIAMSON-REID, REID & CO

particular, are going after female consumers in unprecedented fashion — corporations have given renewed attention to the treatment and advancement of women employees.

“[More recently], clients have been kicking off our searches asking for a woman in the role: Over the past two years, 70% of our executive placements have been women,” said Rudy. “But the question is ‘Are these companies ready to give them the flexibility they need?’”

Over the past decade, women have been instrumental in pushing corporations to offer more perks such as work from home, flex schedules, open vacation policies and extended parental leave — measures that also benefit their male counterparts.

Meanwhile, said Ventura, the “slow and steady” rise of women on executive teams should create new avenues to eradicating persistent issues like the gender pay gap. “But it is going to take time. To [move things along], when we [as women] get into roles where we have to the ability to influence decisions and to do so strongly. It’s important that we do it.”

Still, women — and other minorities — will likely continue to face significant barriers when charting their path into those roles to begin with.

For example, Williamson-Reid said she still

## IN & OUT

JUST AS FASHION RETAIL IS REACHING INTO OTHER INDUSTRIES TO DIG FOR NEW TALENT, SOME OF ITS VETERANS ARE TAKING THEIR SKILLS TO SECTORS LIKE CONSUMER GOODS AND CANNABIS.

JULY 2019: **Davide Grasso**, former CEO of Nike-owned Converse, named COO of Maserati.

JULY 2019: Former Adidas North America President **Mark King** tapped to become CEO of Taco Bell brand.

JANUARY 2019: New Balance president and CEO **Rob DeMartini** stepped down after 12 years at the helm to lead USA Cycling.

OCTOBER 2018: After 27 years at J.Crew, longtime creative director **Jenna Lyons** announced a multichannel lifestyle deal with Turner Entertainment.

OCTOBER 2018: **Ed Kistner**, the former DSW-SVP of planning and allocation, departed to join cannabis company Green Growth Brands as an administrative leader.

sees a number of retail firms operating with a second-generation bias — requesting women candidates for top slots but expecting them to have experience in roles that were traditionally offered almost exclusively to men. “Retail has evolved to have a significant recognition that it needs diverse voices at the table — and that the more variety you have the better,” Williamson-Reid said. “What hasn’t evolved is where [companies] choose those people from and the lens [through which] they look at them.”

As retail shifts to become more tech and data driven, Ventura cautioned that some of those issues could become exacerbated: “There’s a risk that women won’t rise to the mid and executive levels as quickly and, where they do, they’re going to be in merchandising or other roles that are perceived to be softer.”

In the same vein, Rudy said he’s seen many firms espouse goals to support women and other minorities within their workforce, but lag behind on creating an environment that puts those objectives into action. “You can have diversity and inclusion, but people may still feel that they don’t belong within a company,” Rudy said. “The policies are often there. It’s how [that policy is] seen and supported in the culture.”

Williamson-Reid said an emerging trend in recruiting is to seek out talent that has the ability to shape and model an organization’s values in real time. “There’s a new emphasis on leaders who build a culture. They can get the best out of people,” she said. ■