

Beauty Companies Adapt Swiftly to New Corporate Culture Demands

Results from the latest job market report from 24 Seven highlight the company attributes most sought after by employees.

By [Faye Brookman](#) on October 2, 2018

Signs of Pride at the NYC Pride March



Legacy beauty brands compete with indies not only on the product innovation front, but they also spar over nabbing and retaining top talent.

Recently, several key executives departed mature beauty companies for upstarts. Nathalie Kristo, the former global brand president at NYX just joined Huda Beauty as U.S. president; Nicole Frusci hopped over to Milk Makeup from Benefit last

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year. And as big brands acquire the innovative indies, there is the need to maintain employees who helped nurture them. Then there are the Millennials and Generation Z whose values are different from previous workforces.

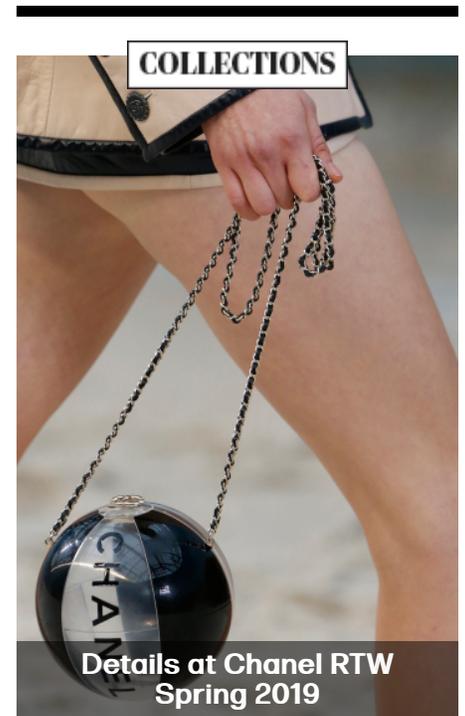
So, how can mega-brands keep workers happy after they've seen the beer and rosé taps at WeWork?

Several of the legendary beauty brands have moved swiftly to adapt their corporate culture to the new breed of employees. L'Oréal USA's #SignsofPride campaign supporting diversity and The Estée Lauder Companies' Reverse Mentorship/Millennial Advisory Boards are examples of fresh thinking. Industry behemoths, such as Unilever, are not only buying brands, but also starting incubator programs to mirror the entrepreneurial vibe.

Retailers are also adapting, especially as they buy online up-and-comers. Employees at Jet.com were disappointed to see their in-office happy hours moved off-site to nearby Hoboken, New Jersey, bars. Word leaked out that the employees weren't happy, and the libations returned to the office.

It seems employees like some of the same things consumers desire when selecting brands — attributes often associated with niche companies. They can sniff out when a promise is not backed up. “The market [the candidate market] knows what's authentic and for some, they have been alienated by larger corporations and seek greener pastures from companies who are able to be more nimble and proactive on the issues they care about the most,” said Lisa Marie Ringus, executive vice president, global sales and business development at 24 Seven, a staffing and recruiting firm supporting fashion, beauty and retail brands.

24 Seven's Job Market Report, that has been conducted for the last 10 years, shows that beyond salary, employees evaluate companies based on their culture, influence and commitment to social issues, authentic leadership and those who remain committed to continued education and development. According to the 2018 report, (created in partnership with



Cosmetic Executive Women), when salary comes up short, 48 percent of beauty employees will consider a job because of a better culture than they currently have.

Just like consumers dig into background of a brand they buy, today's candidates do exhaustive research on the character of employers. "With more talent and access to information than ever before, applicants enter the job with a better understanding of the landscape and knowledge of what they want out of their career. Alignment with values, company purpose, culture, working environment, possibilities for career progression and flexibility are at the top of the list for younger professionals," said Stephane Charbonnier, chief human resources officer of L'Oréal USA. "Every generation is defined by a set of values, work styles and realities, so we are constantly re-evaluating our offerings and rewards to make sure we are attracting, engaging and retaining all talent."

Outdated benefits don't resonate with the up-and-coming workforce, said Gary Suskin, chief operating officer of PrincetonOne, which has placed candidates in brand and retail positions. "With unemployment around 4 percent, the competition is tough, and employers need to get creative," said Suskin. "Millennials and Gen Z want more paid time off, although often they don't even use it all; community involvement and social experiences — think happy hours, sporting outings and working [at] soup kitchens."

Ensuring the perks are authentic is paramount, added Ringus. "The risk for companies not taking an authentic approach, is further lack of engagement and alienation from the very pool of talent they are trying so hard to cultivate, mentor and generate future leaders from," she said. That said, she applauded the strides made in the beauty industry within the last year. "We still have a long way to go and the stance we are seeing from our talent community isn't going to change."

In June, L'Oréal saw Pride month as an opportunity to celebrate inclusivity, according to Xavier Vey, president and coo of L'Oréal USA's Luxe Division. The company revealed a video around Pride Month where four prominent LGBTQ+ artists interviewed four members of L'Oréal's "OUT@ L'Oréal group about their



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personal journeys and what inspired them to march in NYC Pride. The artists translated those messages into signs carried by the employees and coworkers who carried them in support.

“Our employees at L’Oréal USA are a diverse and talented group of people,” Vey said, adding Pride was the chance to tell the stories with the hope of inspiring others. Vey helped create OUT L’Oréal, a think tank to advance initiatives for the LGBTQ+ employee community and champion diversity and inclusion across L’Oréal USA. More than 600 L’Oréal USA employees from across its brands participated in the NYC Pride March. “We also want to make sure our workforce reflects our markets; today that means recruiting and retaining a diverse group of people who are able to provide unique and valuable perspectives to our company,” he said.

Niche brands might have rich opportunities, but Charbonnier said big firms offer breadth. He views L’Oréal’s portfolio of more than 30 brands and a global footprint in over 150 countries a positive, noting it is an opportunity to “build a non-linear career.”

Another new program at L’Oréal, where employees embrace entrepreneurialism, is a competition called “Beauty Shakers.” Employees at all levels submit ideas about the business — from making the supply chain more efficient to creating a new type of product or more sustainable packaging. The ideas are presented to L’Oréal leadership. Some of the ideas will soon be launched, Charbonnier said.

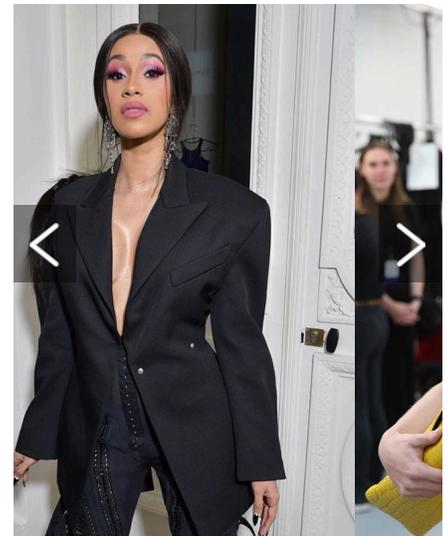
Estée Lauder’s base of Millennials has increased from 67 percent of its employees in March of 2018, up from 61 percent in May of 2015. In fact, it was that year that president and chief executive officer Fabrizio Freda was inspired to start a Millennial program to help senior leaders stay current in regard to the next generation of consumer behavior. There are two elements, reverse mentorship and Millennial Advisory Boards. Since the launch of the program, it is now in 20-plus countries and has 300-plus Millennial participants in the reverse mentoring program globally and 100-plus members in the New York-based Millennial Advisory Boards. There are numerous other programs to enrich the culture at the company including Good



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Works Volunteer Activities, inclusion and diversity educational workshops, a partnership with LinkedIn Learning and in August, the company awarded a special bonus to employees across the globe who don't receive equity-based compensation.

Ringus said the beauty industry is in a good place to continue to court good talent. "The beauty industry is seen by other industries as being the most progressive and forward-thinking community," she said. But she does warn that a lack of women in beauty c-suites could siphon off good minds. "This one issue is something that may affect the future of our employee base as they seek outside companies and industries able to be more conscious and in a position to act on what matters to them most."



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