

# ROW: Reimagining the Optimal Workplace

A study to the social-organizational and physical workplace needs linked to left/right brain theory for different types of talent in the luxury industry.

by

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### Colophon

ROW: Reimagining the Optimal Workplace

A study to the social-organizational and physical workplace needs linked to left/right brain theory for different types of talent in the luxury industry.

MSc Graduation Thesis P5 Report

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Sincerely, Jessica Kuurstra

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 $<sup>^{\</sup>rm 1}$  Due ethical considerations for data protection company references and names are intentionally anonymized.



### **Preface**

Before you lies the thesis 'ROW: Reimagining the Optimal Workplace.' It has been written to fulfil the graduation requirements of Management in the Built Environment at the Technical University of Delft. During my studies I became more and more fascinated by the fashion industry. This fascination started during my minor in Fashion Industry at the Erasmus University Rotterdam and continues throughout my final graduation year.

My graduation company has a very interesting dependability on a variety of talent, that ranges from (star) designers to corporate executives. Furthermore, the organization has a vast portfolio of different *maisons* (fashion labels and houses). Due to the increasingly pressure in this industry to produce, stay relevant and therefore attract and retain the right type of talent. It is very important to investigate the individual from which the industry consists of, as well as the range of (professional) personalities; what binds them and the *maisons* together, and how this translates into work environment needs. To ultimately find how the workplace can be improved and designed to add value for the organization as a whole.

In context of the university faculty, I will investigate this study from a real estate perspective, by designing the *optimal* workplace for left and right brained talent. These specific wishes and needs from talent working in the luxury industry is a very unexplored topic. Therefore, the literature study, apart from academic articles and books, was dependent on interviews from practice, news articles and documentaries that offer information about the characteristics from people working in the luxury industry. The left and right brained personalities are 'ultimate forms' illustrated in figure 1 and 2; where the creative director and designer John Galliano and CEO of conglomerate LVMH, Bernard Arnault meet. In figure 1 this is set in a business setting, in figure 2 this is set in a creative setting, after a fashion show, and the beginning of John Galliano's career.

I hope this study can fill the gap needed to understand this industry better, as well as from a real estate perspective. To better adopt the workplaces to the needs and future trends of left and right brained talent. As well as, recognizing the people working in it, help them sense each other and make the luxury industry a better place for employees and its huge cultural and climatological impact on the world around it.



Figure 1: LVMH CEO Bernard Arnault with then Christian Dior creative director John Galliano in 2003. (Getty Images)



Figure 2: LVMH CEO Bernard Arnault with then Christian Dior designer John Galliano in 1990. (Getty Images)



### **Abstract**

**Purpose** - The purpose of the research is to use existing data from literature, collect qualitative and quantitative data from experts in the luxury industry to discover what the optimal workplace is for left and right brained talent.

**Methodology** - This research follows the explanatory sequential mixed method design, presented by Blaikie and Priest (2019). In retroductive research, quantitative and qualitative data from indepth interviews, as well as an expert review, are used to formulate the results. Participants are selected that are working in the service office of the Benelux for various maisons (right brained talent) or for the holding (left brained talent) itself. The experts for the review are chosen based on their seniority in the corporate real estate department of the holding company's headquarters.

**Findings** - The results showed that left brained talent sees itself as the binding factor of the organization who value (in)formal activities and connectivity in the workplace, while right brained talent values integrity, identity, and expressions of brand heritage. A workplace that takes integrity into account whilst providing informal meeting spaces. As well as standardization of the office interior with easy demountable and transferable objects to express brand heritage boosts productivity and overall sustainability of the workplace. The new proposed strategy 'Workplace 5.0' presents a set of 4 objectives with each a corresponding means/tool to develop workplaces that best support the staff in developing their skills, their activities and retaining the best talent to ultimately improve performance.

**Practical implications** - Insight in the core values and preferences of talent in the luxury industry can fill a future gap in formulating CREM strategies that tackle the upcoming trends from a user perspective.

**Social implications** – Insight into workplace core values can contribute to the potential of the industry reform.

**Originality/value** – There have been few to none studies that investigate the workplace core values of left and right brained talent in an office where they coexist.

**Keywords** – luxury conglomerate – left brain, right brain theory – workplace strategy – corporate real estate management



# **Table of contents**

COLOPHON	3
ACKNOWLEDGEMENTS	4
PREFACE	5
ABSTRACT	ε
TABLE OF CONTENTS	
LIST OF FIGURES.	
LIST OF TABLES	
LIST OF ABBREVIATIONS	11
GLOSSARY	12
1. INTRODUCTION	14
1.1 CONTEXT	14
1.2 Problem Statement	
1.3 RESEARCH OBJECTIVES	15
1.4 Research Relevance	16
1.5 Research Questions	
1.6 PERSONAL STUDY TARGETS	
1.7 Thesis Outline	
1. THEORETICAL BACKGROUND	22
2.1 The Luxury Industry	22
2.2 Relevant trends and debates	23
2.3 TALENT	
2.4 THE TALENT LIFECYCLE	
2.5 THE WORKPLACE AS A TOOL	
2.6 KEY FINDINGS OF THEORETICAL BACKGROUND	
3. THEORETICAL FRAMEWORK	
3.1 TALENT: KEY TERMS & CONCEPTS	
3.2 THE WORKPLACE: KEY TERMS AND CONCEPTS	
3.3 LITERATURE THEORIES AS INPUT FOR IN-DEPTH INTERVIEWS	
4. CONCEPTUAL FRAMEWORK	
5. METHODOLOGY	53
5.1 Type of study	
5.2 METHODS AND TECHNIQUES	
5.3 Data collection & Analysis	
5.4 DATA PLAN	
5.5 METHOD EVALUATION	
6.RESULTS	
6.1 External Information: Strategic Environment & Organizational Demands	
6.2 Internal Information: In-Depth Interviews	
U.J WUKKPLACE STKATEGT 4.U. IN DIALUGUE	80



6.4 New Optimum: Curves and Analysis	90
6.4 New Optimum: Curves and Analysis	95
6.6 Implementation & Control	108
7. DISCUSSION	111
7.1 SUMMARY FROM EXISTING DATA (LITERATURE STUDY)	111
7.2 SUMMARY FROM EMPIRICAL DATA (WORKPLACE STRATEGY 5.0 ADVICE)	111
7.3 IMPLICATIONS (DIALOGUE EXISTING & EMPIRICAL DATA)	112
7.4 Limitations	113
7.4 Limitations	113
8. CONCLUSION	114
REFERENCE LIST	115
Reference images	122
APPENDIX 1: [INTERVIEW PROTOCOL]	126
APPENDIX 2: [INTERVIEW PROTOCOL CREM EXPERT]	131
APPENDIX 3: [WORKPLACE MACRO, MESO, MICRO LEVEL]	1314
APPENDIX 4: [PROBLEMATIZATION]	1319



# List of figures

Sets of reference images of interview protocol 1 are presented in reference list.

Figure 1: LVMH CEO Bernard Arnault with then Christian Dior creative director John Galliano	in
2003. (Getty Images)	5
Figure 2: LVMH CEO Bernard Arnault with then Christian Dior designer John Galliano in 1990	).
(Getty Images)	5
Figure 3: Problem to research goal. (source: Author)	15
Figure 4: Conceptual model within context of the luxury industry. (source: author)	17
Figure 5: Paragraphs resulting from sub-research questions (source: author)	
Figure 6: Most important job considerations for luxury talent (Business of Fashion & McKinse	y,
2022)	24
Figure 7: Talent lifecycle in luxury conglomerates. (adopted from; Schiemann, 2014; Crane &	
Hartwell, 2019)	27
Figure 8: CRE input -> output -> outcome -> added value chains, with in blue box the	
intervention for this research. (adopted from Van der Voordt & Jensen, 2018)	34
Figure 9: Different scales that are used to choose a business location, and thus impact the	
workplace. (source: Rijn & van der Burgt, 2021)	35
Figure 10: Input for corporate real estate strategy. (O'Mara, 1999)	
Figure 11: Multibrand luxury strategy (right). (Dabija, 2011)	
Figure 12; Interaction between left and right brained talent illustrated in arrow A, B and C.	
(source: author and organization structure based on Dabija, 2011)	42
Figure 13; Framework used to define the concept workplace. (source; Ceylan et al., 2011)	
Figure 14; Definition workplace. (source: Niemi & Lindholm, 2010)	
Figure 15: Final definition of the workplace. (source: author)	
Figure 16; Interaction between left and right brained talent in arrow A, B and C. (organization	
structure based on Dabija, 2011)	
Figure 17: Reference image for in-depth interview. (Healthline, 2022)	
Figure 18; Hypothesis. (source: author)	
Figure 19; Conceptual Framework. (source; author)	
Figure 20; Positioning of research in case study designs (blue frame). (Adapted from: Yin, 201	
Figure 21: Structure chapter 6. (source: author)	
Figure 22: Input for corporate real estate strategy. (O'Mara, 1999)	
Figure 23: Multibrand luxury strategy (right). (Dabija, 2011)	
Figure 24; Interaction between left and right brained talent in arrow A and B. (organization	
structure based on: Dabija, 2011)	
Figure 25; Service offices from luxury conglomerate as scope of thesis (source; author)	
Figure 26; Holding Headquarters LVMH in Paris (L) (Wikipedia, 2013), Holding Headquarters	
Richemont in Geneva (R), (Porro Spa, n.d.)	
Figure 27; Service office Richemont in Benelux (L) (M+ R Interior Architecture, n.d.), Service	
office Richemont Benelux interior (M) (M + R Interior Architecture, n.d.), Service office Kering	Ţ
London (R) (Retail Design Blog, 2012)	
Figure 28; YSL Headquarters (L) (Halard, 2019), YSL Headquarters interior (M) (Halard, 2019)	
Cartier Headquarters (R) (Yatzer, 2022)	-
Figure 29: Left, Right brain talent as holding and maisons. (Source: Author)	
Figure 30; Spider diagram of core values of left brained talent in Benelux service office. (Source	
author	78



Figure 31; Spider diagram of core values of right brained talent in Benelux service office.	
(Source: author)	80
Figure 32; The new optimum in identity, location, and sustainability. (Source: author)	90
Figure 33; The new optimum in location. (Source: author)	91
Figure 34: The new optimum in identity. (Source: author)	92
Figure 35: New optimum in sustainability. (Source: author)	93
Figure 36; Service offices as a marriage of left and right brained talent. (Source; author)	96
Figure 38; Skill Offices & Satellite Offices. (Source; author)	101
Figure 39: Reference image interior (source: author)	

# List of tables

Table 1; Thesis outline. (source: author)	20
Table 2; Summation of talent supply, underlying factors, and positioning in the talent life cycl	le of
the luxury industry. (source: Business of Fashion, 2021; the Boston Consulting Group, 2014;	
McKinsey, 2022)	32
Table 3: Definition left and right brained talent in the luxury industry. (source: Mainel et al,	
2017; Boston Consulting Group, 2014)	
Table 4; Details in-depth interviews. (source: author)	
Table 5; Details expert review. (source: author)	
Table 6; Datasets and storage. (source: author)	58
Table 7; Portfolio luxury conglomerate. (source: interviewee 9 and author)	70
Table 8; Left brained, right brained core-values from participants. (Source: author)	76
Table 9; Left brained, right brained core-values from participants with hypothesis. (Source:	
author)	76
Table 10; Self-estimation in left/right brain dependency by participants from holding and	
lateralization according to core values. (Source: author)	78
Table 11; Left brained, right brained core-values with preferred reference image, from	
participants. (Source: author) *CRC reference image	79
Table 13; Self-estimation in left/right brain dependency by participants from maison and	
lateralization according to core values. (Source: author)	80
Table 14; Table 6; Left brained, right brained core-values with preferred reference image, fro	m
participants. (Source: author) *CRC reference image	
Table 15; Customization Index. (Source: Author)	98
Table 16; Left and Right brained talent design advice. (Source; author)	105



## List of abbreviations

BOS Building Office Services

CFO Chief Financial Officer

CRC Client Relations Centre

HR Human Resources

IT Information Technology

*RF* Regional Functions

ABW Activity Based Working

CDP Clean Desk Policy



### Glossary

List of frequently used terms, in alphabetical order.

### Conglomerate

A large cooperation made up from different independent businesses 'maisons', who report to senior management (Chen, 2022; Shipilov & Godart, 2015). This term is synonymous to (fashion) group.

Decentralized Organization Brands are independent of each other with own talent and management for the same holding (Chen et al., z.d.). Helps to respond to customers' needs and be autonomous. Encourages employees to be more active and entrepreneurial; improves employer brand and attract new talent. (Lai, 2022)

### **Holding**

The company controlling the operations of its independent businesses 'maisons', by owning more than 50% of its stake (Fontinelle, 2021). This term is synonymous to *parent company*.

### **Left Brained Talent**

(1) Holding representatives. (2) Or/and employees that from a professional perspective depend on analytic and logical thinking (Kumar & Sharma, 2016). Hypothesis of preferred core values in the workplace are: peer learning and (uniformity) in workplace layout.

### **Luxury Industry**

Industry based on relatively new firms from the 1980s - 1990s that hold and manage maisons with rich history, heritage and craftmanship that dates back before the 190th century. Few major conglomerates lead the sector; LVMH, Kering, and Richemont. The maisons are roughly divided into hard and soft luxury products, whereby the traditional maisons' image is key to the industries high profitability, together with new brand building strategies and distribution control. (Donzé & Fuijoka, 2018; Deloitte, 2021; McKinsey, 2022; d'Arpizio & Levato, 2014) This term is similar to *luxury goods industry.* 

#### Maison

The independent businesses that make up the conglomerate. The businesses date back to the nineteenth century and sometimes earlier. The holding's success is due to the maisons' timeless brand identity, which embodies heritage, craftsmanship, and history. (d'Arpizio & Levato, 2014). This term is similar to (fashion) brand or label.

### **Right Brained Talent**

(1) Maison representatives. (2) Or/and employees that from a professional perspective depend on creative and holistic thinking (Bilton & Leary, 2002; Kumar & Sharma, 2016). Hypothesis of preferred core values in the workplace are: autonomy and interior design.

12



### **Sustainability**

Based on framework of Sustainable Circular Economy (SCE). To ensure economic sustainability and a healthy planet while contributing to the sustainable development goals (SDGs). Implementations are assessed by four dimensions; Material Circularity (MC), Economic Sustainability (EconSus), Environmental Sustainability (EnvSus), Social Sustainability (SocSus). (Blum, Haupt & Bening, 2020)

### Workplace

The physical, virtual, and social environment in which work activities take place. Each environment is defined by two core values. (Ceylan et al., 2011; Niemi & Lindholm, 2010)



### 1. Introduction

### 1.1 Context

This study is conducted in the field of the built environment and the luxury industry. Specifically, if there is a possibility that these two fields can cooperate in attracting, retaining, and optimizing talent by making interventions in the workplace of the luxury industry. Over the last two decades the luxury industry began to work in a different way than before. Since the 1990s, wealthy entrepreneurs and families started to acquire and merge fashion houses under big conglomerates or so-called *fashion groups*. (Bonhôte et al., 2022) Creative talent was appointed to breathe new life into fading fashion couture houses and make the group successful. Whilst creative talent became 'disposable' and corporate talent pressured the fashion houses into upscaling and revenue growth, the luxury fashion industry changed its structure. (Blanks et al., 2022)

This structural change is present in the corporate real estate of the luxury groups, with the holding acting as a catalyst for the maisons to grow rapid on a global scale. The holding controls the coordination between brands. It provides centralized services (finance logistics, manufacturing, marketing, legal, real estate, etc.) as well as regional services around the world (logistics, sales, human resources, real estate, etc.). (Donzé, 2018) The creative designs and strategies from the maisons are formulated in the maisons' headquarters that resonate its brand heritage. The rigid holding with controlling functions is situated in their own separate headquarters. The service-oriented offices that implement the brand and holdings' strategy into the various geographic regions are where brand and holding representatives work alongside each other. (Ijaouane & Kapferer, 2012) The research focuses on the latter offices: the melting pot of brand and holding. Nowadays, the encompassing workplace strategy 4.0 of the holding is focused on control and uniformity of the workplace. It raises the question of whether this strategy with aim for upscaling, and globalization is still *in-fashion*?

#### 1.2 Problem Statement

According to research, talent that is oriented toward producing creative output due to the nature of the position (Meinel et al., 2017), values integrity and honest communication. Integrity to protect intellectual property and tackling their fear of being exploited for ideas. This honest communication is valued, as opposed to having to develop ideas in an information vacuum disconnected from markets and being presented with an incorrect representation of markets and audiences filtered by management. (Bilton & Leary, 2002) However, it is unknown what talent values on a personal/professional level that does not produce creative output and is focused on operations, frequently working for the holding. Furthermore, aside from what talent with creative output values, as previously described, it is also unclear what talent working for the maisons values for their workplace. Specifically, how preferences from holding or maison talent translate into workplace preferences, and what luxury companies can do to prepare their workplaces to attract and retain the right employees.

This internal perspective focused on the user, as well as an external perspective is crucial in adopting to the upcoming trends and discourses. These external trends and discourses are twofold;

(1) From globalization to localization with pressure for less production and (2) from employee growth to employee decrease. Coming forth from the emergence of Artificial Intelligence, 4th industrial revolution, the talent crunch in 2030 and European policies with aim for localization such as 'Made in Europe'. (The Business of Fashion, 2021; McKinsey, 2022; Koidl, 2022; European Parliamentary Research Service, 2022; Butler-Young, 2023) It is therefore important to find tools



to prepare workplaces for these trends but to adopt workplaces for the internal organizational debates and talent preferences. The workplace can act as a tool to retain, attract talent, to ensure future significancy- and success of the organization, as well as an organizational culture of continual innovation (Earle, 2003).

Furthermore, the empirical research indicates two major bottlenecks with the current Workplace Strategy 4.0. These are as follows. (1) Fluctuations in various brand representatives over time who value identity versus reacting to these fluctuations in a sustainable manner. (2) A need for output-oriented working (working when and where you want) versus personalizing the office space and accomplishing teambuilding in-person.

It is therefore important to examine what the values are of this *left brained* talent (holding representatives) and *right brained* talent (maison representatives) in designing their optimal workplace. To better understand the differences and similarities in the workplace preferences and propose a tailor-made strategy for the service-oriented offices of a major luxury conglomerate where left and right talent meet to tackle these misalignments from an internal and external perspective.

The figure below illustrates how the internal and external trends, discourses and preferences are used as input to propose a reimagined workplace strategy.



Figure 3: Problem to research goal. (source: Author)

### 1.3 Research Objectives

The purpose of this study is to determine which underlying mechanisms best describe the workplace preferences of left (talent from holding) and right (talent from maisons) brained talent in the luxury industry. To investigate whether talent's workplace preferences can be linked to dominant right and/or left-brain lateralization. To improve a major luxury conglomerate's workplace strategy for left/right brained talent in service-oriented offices, which is adapted to trends, discussions, and environmental factors that make the strategy *in-fashion* again.

Consequently, the proposed strategy is oriented towards sustainability, efficiency, personalization, and reflective of the (new) values of talent in the luxury industry to attract, retain and flourish the right type of talent.



### 1.4 Research Relevance

It is unclear what the (workplace) core values are of left and right brained talent are and what a workplace strategy should look like with the right level of synergy and/or autonomy for brand and holding representatives. The following sections present the scientific, social, and practical relevance of the research.

### 1.4.1 Research gap

Other studies have shown a problem in communication, culture, and struggle between creative talent (right brained) and corporate talent (left brained) in the luxury fashion industry, and in other creative industries (Blanks, 2022; Bonhôte et al., 2022; Crane, 1997; Shipilov & Godart, 2015; Morrow, 2018). The structure in which left, and right brained talent operate is studied on macro and meso level (Chen et al., z.d.; Auguste & Gutsatz, 2013). However, in-depth study and solutions proposed to solve these problems on a micro level, through a better workplace design are not researched and proposed. This while a new workplace layout can foster knowledge sharing, communication, innovation, and an improved image of the corporation (Voordt & Jensen, 2018). The micro scale is described as the processes within the building, as well as the relationship of employee to the workplace and the interaction between employees itself. As van Rijn & van der Burgt (2021) describes in 'factors of the micro environment', Kwon et al. (2016) indicates that the micro-level is crucial for the relationship quality between employee and supervisor. A relationship for left and right brained talent that is described as *a challenge* in 3 ways.

- 1. Finding the right level of brand synergy or autonomy with the holding. Maisons that share too many resources with the holding may lose creative autonomy and jeopardize brand identity and heritage. Complete financial responsibility, on the other hand, jeopardizes coordination and collaboration with other maisons. (Ijaouane and Kapferer, 2012)
- 2. Attracting and retaining talent for creative job roles, this talent leaves the talent lifecycle due to a culture clash between these creative job roles and executives. This conflict stems from executives' desire for upscaling in new products versus the creativity of creative job roles in generating these new products. (Blanks, 2022; Bonhôte et al., 2022; Crane, 1997; Shipilov & Godart, 2015; Morrow, 2018; Bilton and Leary, 2002).
- 3. Providing collaboration and synergy between maisons that enables opportunities for talent retention and information sharing, without the harming strategic position of the brands (brand identity). (Resulting from expert interview 9)

However, it is unclear what a workplace looks like where left and right brains coexist to address these three major literary and empirical discourses.

### 1.4.2 Scientific relevance

A fair amount of knowledge exists in employee preferences in the workspace. However, literature suggests that three aspects require greater focus.

- (1) Employees are not all the same, and it is critical to understand the differences that lead to workplace preferences. For this thesis, the characteristics that someone is more logical and/or creative in their profession and what they judge to be personally, is tested against their workplace preferences. The research aims to fill the gap between the employee's workplace core values and left or/and right brain dominance from a professional and personal perspective.
- (2) By filling this gap, the research hopes to provide guidance on how to attract, retain, and flourish talent in the luxury industry. According to McKinsey (2021) and the Business of Fashion



(BoF), one of the most significant challenges for the fashion industry will be the competition for talent. Not only for the fashion industry, but also for other industries with similar dependency on this type of talent. (2022, Serenko) It is thus valuable to understand what attracts and retains this type of talent; this thesis will investigate this from a real estate standpoint.

(3) The new Workplace Strategy 5.0 is an opportunity for implementing sustainability into action (Van der Voordt & Jensen, 2018). As stated in Chapter 6, the new strategy centers around the concept of sustainability, based on framework of Sustainable Circular Economy (SCE) from Blum, Haupt & Bening (2020). To ensure economic sustainability and a healthy planet while contributing to the sustainable development goals (SDGs). Implementations are assessed by four dimensions; Material Circularity (MC), Economic Sustainability (EconSus), Environmental Sustainability (EnvSus), Social Sustainability (SocSus).

### 1.4.3 Social and practical relevance

A better understanding of the employee and its values can lead to better work quality for the employees. When organizations align with the values of their employees, it benefits not only the organization but also the employees. They are encouraged and motivated to contribute more to their job and to develop as individuals. Raziq and Maulabakhsh (2015); Sell and Cleal (2011) Furthermore, this research benefits (creative) organizations that plan to restructure the workplace, move to a new location, or begin an extensive renovation. Organizations made up of similar holding-brand constructions, such as the automotive, beauty, and food industries. This study provides guidelines for the types of offices where employees from independent brands and holding company work together. The thesis helps architects, strategists, and planners gain a better understanding of how to design a sustainable office where multiple types of brands and personalities can coexist. As well as how to deal with integrity and brand identity in the workplace.

### 1.5 Research Questions

The following section describes the main research question, conceptual model, scope, null questions, hypothesis, and sub research questions.

### 1.5.1 Main research question

What is the optimal workplace for left and right brained talent in the luxury industry?

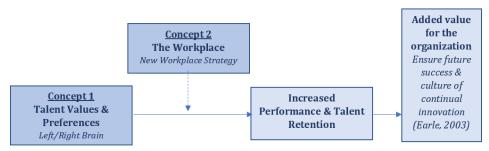


Figure 4: Conceptual model within context of the luxury industry. (source: author)



### 1.5.2 Scope

The study focusses on the worldwide 'Workplace Strategy 4.0' of a major luxury conglomerate. With a focus on the typology 'service offices' where employees from holding and various maisons work. This are 20 offices globally. The interviews are conducted with talent (working for maison and holding) from service office in the Benelux, and with experts from the holding's headquarters.

### **1.5.3 Null questions and hypothesis from literature**: Chapter 2 + 3

Literature study proposes definitions to the research context and two concepts used in the conceptual model above.

Context	<b>Null question</b> Definition of the research context	<b>Chapter</b> 2. Theoretical Background	Paragraph 1. The Luxury Industry
Concept 1	Definition of talent and preferences	3. Theoretical Framework	1. Talent: Key terms & concepts
Concept 2	Definition of the workplace	3. Theoretical Framework	2. The Workplace: Key terms & concepts
Hypothesis	Core values in the workplace of left and right brained talent	3. Theoretical Framework	4. Relevant models to interpret findings





### 1.5.4 Sub research questions from empirical study and literature: Chapter 6

The main research question is answered by the following four sub-questions per paragraph. The figure below indicates how each paragraph results to another, with main objective to adopt the current workplace strategy 4.0 (RQ1) from the luxury conglomerate into a new workplace strategy 5.0 (RQ5). Research question one and two, affect this translation by external factors such as trends and discussions. And internal factors, in this case the workplace values and preferences of left and right brained talent.

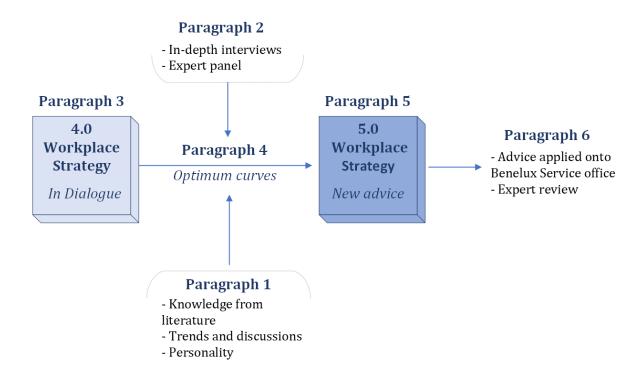


Figure 5: Paragraphs resulting from sub-research questions (source: author)

Paragraph 6.1	Topic External	<b>Research Question</b> What is the strategic environment and organizational demands of the luxury conglomerate?
6.2	Internal	What is the current workplace strategy and what are the workplace core values of left/right brained talent?
6.3	Workplace 4.0	How does left/right brained talent react onto the current workplace strategy and service office(s)?
6.4	New Optimum	What is the new optimum for the service office(s)?
6.5	Workplace 5.0	How can workplace strategy 4.0 be re-envisioned to align with the values of left/right brained talent?
6.6	Implementation & Control	Would the given advice work in practice?



### 1.6 Personal Study Targets

This thesis addresses several personal interests, such as the luxury industry, its structure, employees, architectural design, and its intersection with psychology. I am very interested at researching this topic on the most micro level as possible; the person itself. To later translate these findings onto the bigger scale; the (work) environment. Moreover, this internship and structure of the thesis is a great opportunity to explore the work field, by doing interviews with different departments (maisons), positions and specializations. By doing so, I can immerse myself in this world, grow as a person and improve my academical skills.

### 1.7 Thesis Outline

For the contents of the thesis, see the table below.

Chapter	Content			
1.Introduction	Problem statement, objectives, relevance, research			
	questions, and study targets.			
2.Theoretical Background	Literature review to definition luxury industry, relevant			
	trends, and debates. The (luxury) talent lifecycle and			
	workplace as a tool to attract, flourish and retain talent.			
3.Theoretical Framework	Definition left, right brain talent with core values, and			
	definition workplace. Literature theories as input for in-			
	depth interviews are illustrated, as well as models to			
	interpret findings. Finalized with hypothesis.			
4.Conceptual Framework	Framework and research questions.			
5.Methodology	Research problem, methods and techniques, data collection			
	and analysis			
6.Results	Answer for each four sub-questions and analysis of collected			
	data.			
7.Discussion & Conclusion	Main findings, review on hypothesis, with discussion and			
	recommendations.			

Table 1; Thesis outline. (source: author)





### 1. Theoretical background

The following chapter illustrates the context of the luxury industry and defines the concept 'talent' and 'workplace' used in the research. The key findings are assessed to define the research gap and generate the theoretical background.

### 2.1 The Luxury Industry

The study is conducted in the field of the built environment and the luxury industry. The built environment is for this research specified as the concept; the workplace, this term will be defined in paragraph 3.2. This paragraph discusses the definition of *luxury* industry or similar called *luxury goods industry*. Donzé & Fuijoka (2018) together with McKinsey (2022) define the luxury industry into the following three characteristics.

- 1. An industry based on relatively new firms from the 1980s -1990s, that hold and manage maisons with rich history, heritage and craftmanship that dates back before the 19<sup>th</sup> century. One of the major challenges facing this industry is overcoming the contradiction between the modern organization of luxury companies and the traditional image of their products.
- 2. The industries' high profitability and long-term growth perspective that attracts investors. This profitability is the result of a new management strategy implemented in the 1970s and 1980s that emphasized more economic value through brand building and distribution control.
- 3. One of the fastest growing sectors since 1970s, which is expected to grow between 5 and 10 percent in 2023 (McKinsey, 2022).

Ijaouane & Kapferer (2012) state that the luxury industry is made up from few major conglomerates that lead the sector; LVMH, Kering and Richemont. All three conglomerates are owned by each a single family, whereby individual brands, *maisons*, are managed autonomously (Shipilov & Godart, 2015). Still today these conglomerates are dominating the industry (Deloitte, 2021; McKinsey, 2022).

The conglomerates can be further crystallized into hard and soft luxury, which defines their dominant product type and specialization (d'Arpizio & Levato, 2014). Hard luxury is often referred to as watches and jewelry. Soft luxury as, leather accessories, bags, shoes and clothing. Some maisons of the luxury conglomerates also have product types as food and beverages, beauty, furniture, and hospitality (Dauriz et al., 2013). Considering the specialty of the conglomerate that will be researched and the vast intensity of hard and soft luxury products by other maisons and conglomerates, this thesis will use the soft and hard luxury specialization terms, and not further specialize into other types of products.

For this thesis the definition for *luxury industry*, and other key terms can be found in the glossary.



### 2.2 Relevant trends and debates

Talent, as a user, is a crucial element in designing the optimal workplace and therefore the following trends and debates are identified that are affecting the user. Important findings are that from an external perspective; demographic changes, educational shortcomings and economic factors are drivers reflecting in the changing needs of talent. In a rapidly changing job market, luxury talent has more options than ever before in terms of where, when, and how to work. Which allows them to have more specific wishes and needs since employers are in dire need of their abilities. From an internal perspective, two important debates are circulating in the luxury industry that are impacting the decision of talent to look for other job opportunities and also increase job performance.

### 2.2.1 The Talent Crunch

The Business of Fashion (2021) & McKinsey (2022) state that the *Talent Crunch* in 2030 will be one of the biggest challenges to come for the luxury industry in the upcoming years. Korn Ferry (2018) indicates that this talent supply gap in 2030, results in more than 85 million jobs that cannot be fulfilled globally. With the Netherlands, France, Germany, and the UK with a talent shortage of around 1.5 million high-skilled workers per country. Exact numbers for the luxury industry are unclear, but The Business of Fashion & McKinsey (2022) underline that 90% of luxury executives have projected a skills shortage in their organization, coming forth from having problems in retaining and attracting top talent.

A problem that is not industry specific, but coming from a global crisis in four aspects (Serenko, 2022):

- 1. Demographics: Older generations leaving the workforce, too little young generations to take over
- 2. Education: Too little qualified graduates
- 3. Professional: New and specific job roles
- 4. Culture: Changing needs and expectations

For this research the last aspect will be investigated, since this is an internal aspect that can be improved from the luxury industry itself. The following section specifies these cultural changes in needs and expectations from a luxury talent perspective.

### 2.2.2 The Great Resignation and The Cost-of-Living Crisis

In the late 2020 and early 2021 workers sought higher wages, fulfillment, and work-life balance in other opportunities. During this *Great Resignation*, workers implied on having more freedom, deeper sense of purpose and better salary. (Serenko, 2022) These culture shifts are also resonating in the luxury industry. A global study conducted by the Business of Fashion and McKinsey (2022) shows that more than 34 percent has considered leaving the industry in the past 18 months (stated in December 2021). The most important considerations for employees in the luxury industry are illustrated in the graph below.



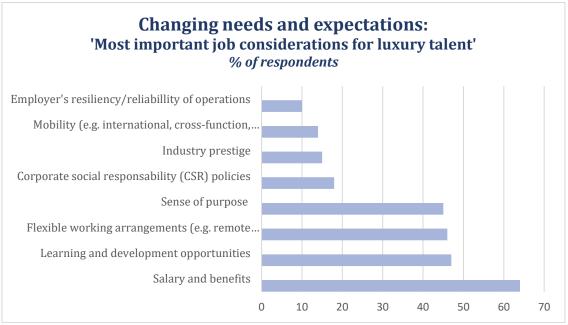


Figure 6: Most important job considerations for luxury talent (Business of Fashion & McKinsey, 2022)

Specifically, the top-3 considerations align with the global shift for mentioned values by Serenko (2022); higher fulfilment (*learning and development opportunities* in figure 3), work-life balance (*flexible working arrangements* in figure 3), and higher wages (*salary and benefits* in figure3). The ongoing cost-of-living crisis (European Parliament, 2023) boosts the latter consideration; *salary and benefits*, whereby rising inflation and cost of living resonate in salary and benefits that reflect and grow in the same rate with this change. There are some nuances in the presented numbers and expectations. With most important nuances in: millennials and employees of color. Millennials value a strong CSR policy and 83% of this group state not to be loyal to an employer that contributes to social and environmental causes. Half of the employees of color believe that a career in luxury is not open to all qualified candidates. All in all, luxury companies must prepare their workplaces to be flexible, diverse, and digitalized.

### 2.2.3 Culture clash in job roles and synergy of maisons

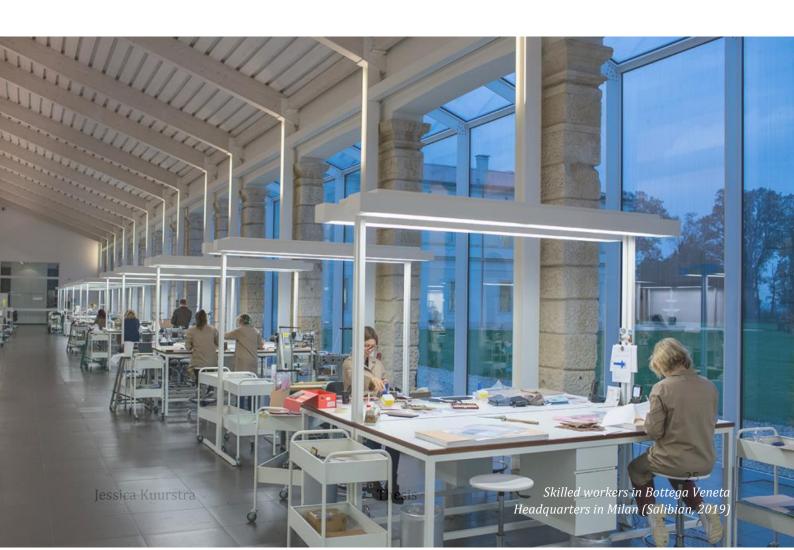
Besides the changing needs and expectations, as summated in figure 3. Three debates circulating and stating to be impacting the decision of talent to leave or stay (talent retention), but also affect job performance and adding value to the organization as a whole. For the luxury industry, the discourses are found within the maisons or between the different maisons on a group level. The three debates are shown below.

### Debates on organizational level in luxury industry

- a. Within maisons: 'culture clash'
  - → Misalignment between creative job roles and executives.
- b. Between maison and holding: 'island culture'
  - → Finding the right level of autonomy or synergy of maisons in a luxury conglomerate remains a struggle.
- c. Between maisons: 'synergies intra-maison'
  - → Finding the right balance between synergies intra-maison, regarding privacy (competitors), talent- and information sharing.



- **a.** A problem in communication, culture and struggle in the luxury industry and other creative industries is found between creative job roles and executives (Blanks, 2022; Bonhôte et al., 2022; Crane, 1997; Shipilov & Godart, 2015; Morrow, 2018). Bilton & Leary (2002) illustrates the disconnect between both *camps*. Important to note is that for this problem, the creatives are described as employees with *creative job roles*, and does not directly refer to the creative personality of the employee.
- **b.** A problem within major luxury conglomerates is finding the right level of synergy or autonomy of the brands. When there are too many synergies, the maisons tend to underperform because sharing resources can make them feel less accountable. It can also jeopardize their brand identity and heritage in terms of shielding ideas and creative autonomy. Giving maisons complete financial responsibility, on the other hand, jeopardizes coordination and collaboration mechanisms with other maisons. (Ijaouane & Kapferer, 2012)
- **c.** Collaboration between maisons provides opportunities for talent retention. (Auguste & Gutsatz, 2013; Shipilov & Godart, 2015) These synergies appear themselves on two levels: shared centralized services for centralized support functions and regional support platforms. The primary sources of efficiency in regional support functions are logistics, warehousing, human resources, information technology, and media buying. (Ijaouane & Kapferer, 2012) Synergies are defined as the ability to share costs in functions that are not inherent to the luxury product, such as support activities from the holding. However, providing opportunities for talent across maisons (Auguste & Gutsatz, 2013; Shipilov & Godart, 2015) and information sharing can be viewed as a synergy as well. It is therefore unclear which other synergies are beneficial, improve talent retention, and can be encouraged by real estate.





### 2.3 Talent

This paragraph discusses the values of talent in other creative industries, talent in the luxury talent lifecycle, and the workplace on macro, meso and micro level.

### 2.3.1 Talent in other creative industries

The creative industry consists out of twelve industries: advertising, architecture, arts, cuisine, culture, design, fashion, film, gaming, media, music, and performing arts (Wu & Wu, 2016). Bilton & Leary (2002) describes within these industries the division of the organization into 'creatives' and 'suits'. The problem that often occurs, and is also seen in the luxury industry, is the disconnect between both 'camps'. Bilton & Leary (2002) indicates that the 'creatives' values two aspects.

### Values of talent working in creative job positions

- 1. Integrity
  - → Protection of intellectual property.
  - a. The fear of being exploited for ideas.
- 2. Honest communication
  - → Often develop ideas in *information vacuum* (filtered by management).
  - → Too little communication between creative department, organization itself and client

They long for protection of their intellectual property and the fear of being exploited for their ideas (1). (Bilton & Leary, 2002) Furthermore, they often have to develop their ideas in an information vacuum that is disconnected from markets (since this can corrupt artistic inspiration) and are often presented an incorrect representation of markets and audiences that is filtered by management (2). On the 'suits' side, this communication (2) is also valued. However, much energy is expended onto the communication between the creative department, organization itself and the client. Whereby, not enough time is dedicated to assessing the development of the creative ideas, and check if the ideas comply with the desired wishes and outcomes. Creatives inevitably waste time developing innovative ideas that are ultimately useless because they are inappropriate or misdirected in relation to the organization's broader objectives. Furthermore, it is frequently experienced that managerial interventions are postponed until it is too late and have no useful input into the creative process. (Edelkoort, 2017; Bilton & Leary, 2002)



### 2.3.2 Talent in the luxury industry

In order for the luxury industry to ensure future significancy and success it is crucial to retain and attract the right type of talent (Earle, 2022). Having the right skills available at the right time, increases competitive advantage of the organization (Porter, 1985). However, as described in paragraph 2.2, several trends and discourses are impacting the supply (talent pool), attraction, retention, and decision to stay or leave of talent. These four key points are adopted into the *talent lifecycle* of Schiemann (2014) and Crane & Hartwell (2019). All in all, bottlenecks in the talent lifecycle of the luxury industry are indicated where value can be improved for the organization, and thus increase competitive advantage.

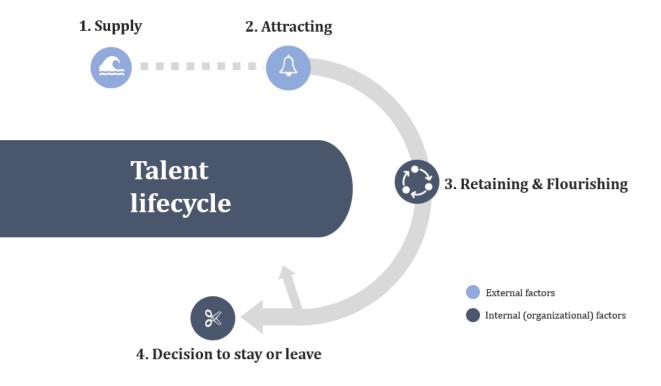


Figure 7: Talent lifecycle in luxury conglomerates. (adopted from; Schiemann, 2014; Crane & Hartwell, 2019)

The following paragraphs discuss what goes right and what goes wrong and right in the talent lifecycle of luxury conglomerates.



### 2.4 The Talent Lifecycle

This chapter integrates talent from the luxury industry into the talent lifecycle from Schiemann (2014) and Crane & Hartwell (2019). Discussed is what goes well in the talent life cycle; where is talent attracted, retained, and flourished. Furthermore, the main bottlenecks are presented; where is talent lost in the cycle. Key takeaways are illustrated at the end of the paragraph.

### 2.4.1 What goes right?



### Retaining & Flourishing

All three groups are part of a family business and are managed as a heritage. Regarding this perspective, the luxury industry is different compared to other industries and heavily relies on brand history, heritage, craftmanship and thus the ability to survive through time. Whereby the real value of a luxury conglomerate is the way they combine corporate steering from the holding itself and offer creative talent to grow within their brands and labels. In this way, operations, logistics, finance, and real estate management are manged central. Additionally, the attached promising brands are provided with the support and management to grow. (Auguste & Gutsatz, 2013)

Luxury conglomerates indicate to be experts in developing and retaining talent in the talent lifecycle. 'It is important to share talent across brands to retain talent. Sometimes a top executive sees that within an individual brand there are no opportunities to grow, and we'd rather have this executive take an assignment in a different maison than lose this person to the competition' (Shipilov & Godart, 2015). In this way, creatives and managers are groomed to fit the conglomerate's image and offer little opportunities for talent to leave the conglomerate by offering opportunities across the various maisons. This 'talent sharing' is possible due to the vast scale of the organization and variation in maisons. Something that other companies struggle with; talented people frequently leave companies in search of new experiences (Chatterjee, 2022).

### 2.4.2 What goes wrong?



### The talent pool

The trends discussed in paragraph 2.2 are impacting the supply of talent for the luxury industry, from an external point of view. McKinsey (2022) and the Boston Consulting Group (2014) indicate a talent shortage in corporate talent and skilled workers for the luxury industry. Specifically, technical managers, regional retail directors, retail sales directors, e-commerce managers, chief technology officers and brand directors are difficult nor impossible to find (Boston Consulting Group, 2014). Nowadays, an even greater competition in tech talent is experienced, whereby tech talent specialized in cybersecurity is becoming a higher priority amongst brands with online retail (McKinsey, 2022). The same goes for specialized 'skilled' workers, 'finding people with industry specific skills is incredibly hard, even at good wages' (Adegeest, 2022). Furthermore, people who do apply are experienced to not be 'work-ready' (Tolhurst, 2021).



This circles back to the *Talent Crunch* (paragraph 2.2) that is expected to take place in 2030 (Korn Ferry, 2018). Fashion forecaster Lidewij Edelkoort (2017) adds another dimension to the educational perspective of the talent crunch. She stresses that fashion students are educated to become *star* catwalk designers. Students are not properly trained to make or construct garments, other products and have a lack knowledge in materials. Edelkoort (2017) blames this causality onto the (fashion) institutes, who are due to budgetary restrictions are getting rid of their ateliers. They are educating students to become single individual star designers whilst being in a world of exchange, changing economies, and a world wherein (young) people want to work together in all the disciplines.

The Boston Consulting Group (2014) sums up these consequences in talent shortage in the following professions: pattern maker, accessories designer, textile specialist. However, the role creative director and designer are indicated to be difficult roles to fill as well (the Boston Consulting Group, 2014). This contradicts to the oversupply in creative individual designers from the fashion institutes. However, is intertwined to the internal factors of the organization, that affect attraction but also the decision to stay or leave at the organization. Paragraph *Retaining & Flourishing* gives answer to this question.



### Attracting

According to the Boston Consulting Group (2014), luxury conglomerates that excel in attracting and recruiting talent, experience revenue growth that is 3.5 times faster than their competitors. They also have profit margins that are twice as large as the competitors who are lagging behind. It is therefore crucial to *attract* and *recruit* the *right* type of talent (Bof, 2022), as indicated in the first steps of the talent lifecycle (figure 8). Rupert (2022), chairman of Richemont, states in an interview that they 'try to hire people with curiosity and empathy'. Curiosity is seen as a starting point for later success, and empathy as a characteristic to take care about the planet and important ESG factors (Environmental Social Governance) in general. Other groups indicate values such as; passing on skills, expertise, being responsibility, and 'most talented' (LVMH, 2021). As well as being creative, courageous, and diverse (Kering, 2021). All these values mirror the vision and identity of the luxury conglomerates, whereby sustainability, industry specific skills and willingness to teach others seem to be of importance.

In line with paragraph 2.2, that shows the changing needs of talent in the luxury industry, a misalignment with these organizational values is seen. With most important demands from workers (paragraph 2.2); higher fulfilment, work-life balance, and higher wages. Apart from attracting talent in a scarce talent pool, it seems that these are missing values with what the organizations offer. A classical phenomenon of decentralized workers needs in response the capitalistic systems. Therefore, luxury companies must prepare their workplaces to respond to these changing values of workers, (as stated in paragraph 2.2) by having a flexible, diverse, and digitalized workplace.





### Retaining & Flourishing

Two major internal problems affecting the talent lifecycle come from the two debates illustrated in paragraph 2.2: a. within maisons b. between maisons in a luxury conglomerate. These two debates and problems are discussed below.

### a. Within maisons

As shown in the paragraph *Talent Pool*, creative roles are difficult to fulfil, whilst there are many graduates every year (McKinsey & Business of Fashion, 2021; Edelkoort, 2017). Nevertheless, a malfunction is experienced in the talent lifecycle that results in high levels of job dissatisfaction of creative talent, that might explain a struggle to find creative talent in an oversaturated talent pool. According to Bonhôte et al. (2022), 3 problems can be identified that cause this rather inattractiveness of creative talent towards major luxury conglomerates. The following paragraphs present each problem.

Problems that hinder the retention and flourishment of creative talent

- 1. Disposability of the designer
- 2. The pressure for production
- 3. The culture clash of executives and creatives

Summation: Three problems within luxury conglomerates that hinder the flourishment and retention of creative talent. (source: Bonhôte et al., 2022)

### 1. Disposability of the designer

Crane (1997) showed this *clash* between the wish for autonomy of creative talent and the rather employee position within the luxury conglomerate. The article indicates how few large conglomerates dominate the market in sales but have little influence on styles. This is a by-product of using the artist as myth and use its image to enhance saleability of the products. An occurrence that is physically seen in figure 1, 2, and in the documentary 'Kingdom of Dreams' (2022); 'Bernard Arnault (LVMH chief), uses young talent to reawaken fading fashion couture houses and becomes the richest man in the world.' Designer John Galliano was one of the new acquired young talent, to reawaken maison Christian Dior. The same goes for the work of Tom Ford for Gucci. Bonhôte et al. (2022) discusses the power of the corporate employee within the conglomerate to make a designer *disposable*. As Tom Ford famously stated, 'After I'm gone, burn the house down'. Which shows the underlying tensions of creatives to having little control over what is happening in their name. After all, it is the brand that is on the label, and the brand that is more reminded than the designer behind it. (Bonhôte et al., 2022)



### 2. Pressure for production and revenue increase

As Blanks (2022) states, there is a huge pressure from shareholders to upscale and increase revenues. This makes executives pressure the creatives to (mass) produce. 'A pressure to make a bag to be produced in 200.000 products, for all demographics.' (Blanks, 2022) This makes commerce takes over from creativity. Nowadays this 'too much of everything' is not only negative for the people who create these products, but also puts too much pressure onto the planet.

### 3. Culture clash of corporates and creatives

The last point relates as well with the excessive production. Corporate talent/executives are often trained in management schools and lack the knowledge of creativity. Miscommunication and misestimation is made in how much they are asking of the creatives, in terms of designs and amount of collections to be brought out. This addiction in seeing new things all the time is originating from the consumer. Which triples down into the company, in keeping up with producing new ideas and products. (Bonhôte et al., 2022)

Edelkoort (2017) shows that many creative people in the industry indicated that they felt that they are suffering *in pain*; 'not being acknowledged, working too hard and not having their name somewhere.' These three struggles are correlated to the three arguments from Bonhôte et al. (2022). Pressure for production and revenue increase (2) is intertwined with the culture clash of corporates and creatives (3), by which a misunderstanding and misestimate is made to pressure creatives for production. 'Working too hard' and 'being squeezed like lemons' are quotes from fashion creatives, regarding their work-related point of view, towards Edelkoort (2017). Furthermore, the disposability of the designer (3) is seen in quotes such as; 'not being acknowledged' and 'not having their name somewhere' regarding the suffering creatives (Edelkoort, 2017).

### b. Between maisons in a luxury conglomerate

Finding the right level of brand synergy or autonomy within major luxury conglomerates is a challenge, as too many synergies can lead to underperformance and jeopardize brand identity and heritage. Giving maisons full financial responsibility can also jeopardize coordination and collaboration with other maisons. (Ijaouane & Kapferer, 2012; Müller-Stewens, Schuler & Lindemann, 2013)



### Decision to stay or leave

The section describes internal factors that impact the decision of talent to leave or stay. Due to the great scale of major luxury conglomerates, they have the advantage in offering this fulfilment at another maison of the conglomerate. (Shipilov & Godart, 2015) As Schiemann (2014) states, a variety of strategies to retain talent and maximize outcomes of the talent investment, should be maintained. However, deeper organizational values, such as the pressure for production of creatives, and how this affects talents decisions to stay, or leave are not discussed.



The reason of specific talent shortages, being external or internal, as well as the position in the talent life cycle are illustrated in the table below.

Talent shortages and positioning the root problem in talent life cycle.

Types of talent	Specific	Roles	Supply	*Educational **Cultural	Bottleneck in talent lifecycle (Schiemann, 2014)
Corporate talent	<ul><li>Managerial talent</li><li>Service talent</li></ul>	<ul><li>Retail directors</li><li>Sales directors</li></ul>	Shortage	External	Attract
		<ul> <li>Technical managers</li> <li>E-commerce managers</li> <li>Chief technology officers</li> </ul>	Shortage	External	Attract
Skilled workers	Tech talent	<ul> <li>Cybersecurity specialists</li> </ul>	Shortage	External	Attract
	Artisan talent	<ul><li>Pattern makers</li><li>Accessories designers</li><li>Textile specialists</li></ul>	Shortage	External *	Attract
Creative talent	<ul> <li>Managerial and artistic talent</li> </ul>	Creative directors	Shortage	Internal**	Retain and flourish
	• Artistic	<ul> <li>Designers</li> </ul>	Shortage	Internal**	Retain and flourish

Table 2; Summation of talent supply, underlying factors, and positioning in the talent life cycle of the luxury industry. (source: Business of Fashion, 2021; the Boston Consulting Group, 2014; McKinsey, 2022)



### KEY TAKEAWAYS: LITERATURE STUDY 2.1-2.4 TALENT

### **Talent Bottlenecks**

- **In general**, there is a shortage in corporate talent, skilled workers, and creative talent.
  - → Shortage in corporate and skilled tech talent originates externally.
    - Demographic changes, educational shortcomings and economic factors are drivers reflecting in the changing needs of talent (The Business of Fashion (2021) & McKinsey (2022), Korn Ferry (2018).
  - → The reason for a shortage in creative talent originates from internal reasons.
    - Specifically, a shortage in artistic talent (with managerial skills), derives from unattractive structures within maisons and between maisons for creatives inside major luxury conglomerates.
- Three debates are circulating and stating to be impacting the decision of talent to leave or stay (talent retention), but also affect job performance and adding value to the organization as a whole.
  - → **(1) Within maisons**; a misalignment between creative job role and executives (Blanks, 2022; Bonhôte et al., 2022; Crane, 1997; Shipilov & Godart, 2015; Morrow, 2018).
  - → **(2) Between maisons and the holding;** a struggle in finding the right level of brand synergy or autonomy (Ijaouane & Kapferer, 2012).
  - → **(3) Between maisons;** finding a balance between synergies with other brands regarding privacy, talent- and information sharing (Auguste & Gutsatz, 2013; Shipilov & Godart, 2015).
- Gap
- → It is unclear for talent within the luxury industry how a workplace looks like that reacts to these debates, trends, and values accordingly.



### 2.5 The workplace as a tool

In order to tackle internal talent problems, as described previously, Van der Voordt & Jensen (2018) show how corporate real estate can provide tools to tackle these issues. As illustrated in figure 9 top two inputs 'move to a new building' and 'new workplace layout' can generate an improved corporate identity as well as more knowledge sharing. Whereby outcomes with a new office layout: 'more innovation' and 'improved image' can possibly give aid for creatives to flourish, whilst attracting corporate and skilled workers. The following paragraph discusses what is known about the luxury workplace on three scales: macro, meso, and micro.

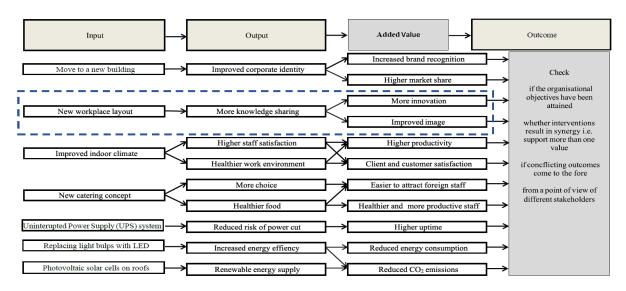


Figure 8: CRE input -> output -> outcome -> added value chains, with in blue box the intervention for this research. (adopted from Van der Voordt & Jensen, 2018)

### 2.5.1 Location specificity of offices in luxury industry

For this section, appendix 3 can be used as a reference. It provides more reference images and information regarding the offices of the top-3 luxury conglomerates.

It should be noted that the top-3 conglomerates operate in a **decentralized manner**, where the brands are working independently of each other, for the same holding (Chen et al., z.d.). This decentralized way of working is seen in, how the main offices of the holding are overall dominated by corporate employees, whereas the head offices of brands contain creative talent, skilled workers and corporate talent as well. This shows how brands are decentralized and have their own corporate talent in-house, whilst also being steered (top-down) from the holding company. The macro scale consists of five different STEEP factors that determine the location choice of a company (Rijn et al., 2021). Important take-aways are that the main headquarters of the top-3 holding companies are in Paris (for LVMH and Kering SA) nor in Geneva for Richemont. The regional offices of the holding for each conglomerate found in: Europe (1), the Americas (New York) (2), Asia (3), and Middle East, India & Africa (4), with an extra office in Asia (mostly in Hong-Kong and Tokyo). (Atlantic Business Center 2019; Chen, z.d.; Richemont, n.d.; LVMH, 2023) The head offices of the maisons are in the country from which the maison originates. Auguste & Gutsatz (2013) elaborate that this choice aligns with the image of luxury maisons; business heritage and the essence of quality and durability that is valued by luxury consumers. The brand history is proof of its power and ability so survive. For this reason, a maison/brand becomes a trusted reference for consumers and should reflect this heritage in location of the headquarters.



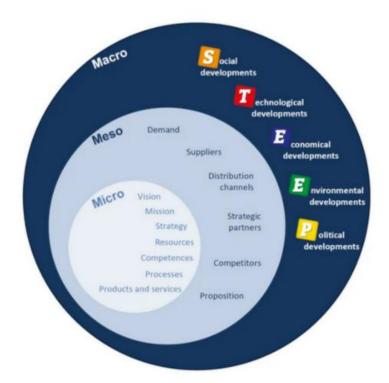


Figure 9: Different scales that are used to choose a business location, and thus impact the workplace. (source: Rijn & van der Burgt, 2021)

### Macro Scale

The STEEP factors resonate in the location choice of the maisons and holdings. Social, environmental, and technological developments show why the headquarters of holding of Richemont is located close to funded (artisan) schools, which positions the office geographically close to talent pools. The same goes is for the production of hard luxury products for their maisons (jewelry, watches, leather goods). These production facilities are located close to these schools and steel production plants (environmental developments). E.g. steel and gold watches are assembled in the canton of Fribourg, and technological developments are founded and tested in Couvet close to the Institut Horlogerie Cartier (at La Chaux-de-Fonds). The impression on the next page is a dedicated institute where artisans create watch dials (Richemont, n.d.), it is located next to a modern manufacturing facility of Cartier. These types of manufacturing facilities are spread throughout France, Switzerland, and Germany. (Cartier, n.d.)

Technological-, and environmental developments are also the reason for luxury maisons to be located in Italy from various maisons of the conglomerate Kering. In the 17th century, Italy was divided into several districts, with each a specialisation in the textile industry and artisan tradition. Powerful families often depended on each other dictated these production lines, whilst an important network of production was spread out through the different makers-regions. (Merlo & Perugini, 2015) According to Djelic & Ainamo (1999) this network can be characterized as the 'flexible embedded network'. This explains the location of the head office of Bottega Veneta (an original Milanese brand) in Milan.

For Kering the headquarters are located in Paris and Milan. Whereby the locations of their head offices of .e.g. Bottega Veneta and Yves Saint Laurent are located in or in the same city from which the brand originates. Political-, social-, and economical developments explain the location of these maisons. The choice was heavily influenced by the decision of sovereign government to attract culture and exert 'soft power' over other nations, as well as social developments that help promote the fashions produced. Specifically, Louis XIV heavily promoted French fashion, luxury goods and moved the production of fashion towards Paris and Versailles. By generating a business climate in favor of textile production, retail and promotion of French fashion. As it was worn by



courtisiers, urban celebrities and fashion professionals. Still today, 'Paris is a city of myths' whereby 'everything made there has a certain air that foreigners cannot give to words' that makes Paris embodied with brand heritage and an important location for luxury fashion retail. (Steele, 2019) According to Djelic & Ainamo (1999) the national ideal type of France is heavily correlated to the network form in that industry; 'the umbrella holding' company. Or in other words 'the luxury fashion market that are branches of conglomerates' according to Crane (1997).

### Meso Scale

Rijn et al., (2021) indicates six factors on which the meso location choice depends on; demand, suppliers, distribution channels, strategic partners, competitors, and proposition. Appendix 3 shows the type of buildings and its interaction with the location. Key takeaways are that the main luxury maisons focus on brand heritage and choose their location accordingly. For example, The Moët & Chandon office is in the Champagne region, the Bulgari office is located close to the main atelier in Florence from which the brand originates and presents its collection twice a year at Milan Fashion week.

A note can be set for the hard luxury brands of Richemont, which appear to be in a *hard* corporate office. This can be traced back to the artisan and technology-based heritage of the brands, whereby brand heritage is not affiliated to a direct location ('the birthplace of the brand') but rather to the specialty of craftmanship that goes into the products, which is not connected to a building type. The location of the head offices of the maisons of Kering SA and LVMH, are mainly located in the heart of Paris or Milan. It shows how, since both are competitors, are located closely to their competition, and thus possible suppliers, distribution channels and strategic partners. The demand for luxury products in both cities is high, due to the historic heritage and image of both cities. Furthermore, fashion week in Paris and Milan is held twice per year to boost demand and increase sales. For Richemont the location of head office of maisons is also close to this demand (head office of Cartier in Paris), as well as being close to distribution channels and suppliers to the corporate office in Geneva, since many other maisons of Richemont are originating from Switzerland.

### Micro scale

The mico scale is dependent on the following factors: vision, mission, strategy, resources, competences, processes, and products & services (van Rijn et al., 2021). As stated above and shown in Appendix 2; brand history is shown and presented throughout architecture, interior and operations within head offices of luxury maisons. A clear division is seen in the type of operations in the holding's office versus the maisons head offices; the holdings mainly consist of corporate talent (and sporadically skilled workers) personnel. The maisons consist of corporate talent, skilled workers, and creative talent. This indicates the decentralized manner in which the holdings and maisons are working from each other (Chen et al., z.d.). Furthermore, the mission in the maisons is more creative and 'empowers imagination', whereby (contemporary) art frequently reflects this philosophy in an office that has been used as the headquarters since the beginning of the brand. For LVMH, the founder Bernard Arnault is keen on opening its maisons towards the public. Consequently, the main office of LVMH in Paris is transformed in a hotel and the largest louis Vuitton store (Cormack, 2022). Other maisons often host (Michelin) dinners, tours, and workshop to display their craftmanship and heritage of the maisons to the public. The micro scale also describes the types of processes in the (office) building, productivity of the workplace, relationship of employee to workplace and the interaction between employees itself. As van Rijn et al., (2021) describes in factors of the microenvironment, Kwon et al. (2016) indicates that the micro-level is important for the relationship quality between employee and supervisor. It is however unclear how this and other employee relationships look like in the workplace of the luxury industry. Further key findings can be found in the next paragraph.





# 2.6 Key Findings of Theoretical Background

The results of the literature study are shown in this overview of O'Mara (1999). This framework for corporate real estate decision making, indicate two aspects that form the corporate real estate strategy, and thus impact the workplace.

Figure I-2 Diagnostic Framework for Corporate Real Estate Decision Making



Figure 10: Input for corporate real estate strategy. (O'Mara, 1999)

#### 1. Strategic environment

The literature study shows that the strategic environment for the luxury industry is defined by its three location specific scales that heavily focus on brand heritage suppliers/drivers of talent and products.

# 2. Organizational demands

Cultural issues between and inside the luxury brands are known in literature. However in-depth studies in structural and cultural demands are unclear, whereby the values and needs of the specific talent working in this industry remains undefined.

Results are insufficient input to define the corporate real estate strategy. For this thesis, the second aspect organizational demands will be researched to fill the gap in generating a corporate real estate strategy. This is described in chapter 5.



# 2.6 Assessment Strengths & Weaknesses

The most important considerations for employees in the luxury industry are illustrated in higher fulfilment, work-life balance, higher wages and learning and development opportunities Business of Fashion and McKinsey (2022). External influences generate a shortage in corporate and skilled tech talent. Real estate can improve this attraction; however not defined in literature how real estate can do this for the luxury industry. This thesis focusses on the internal organizational problems that result in insufficient retention of talent within the conglomerate. By looking at the internal issues in the talent lifecycle; two organizational structures make it unattractive for talent to retain in a luxury conglomerate; culture clash within maisons (Blanks, 2022; Bonhôte et al., 2022; Crane, 1997; Shipilov & Godart, 2015; Morrow, 2018), and island culture between maisons (Ijaouane & Kapferer, 2012). Auguste & Gutsatz, (2013); Shipilov & Godart, (2015) indicate that these conglomerates offer opportunities across the different maisons to retain talent. However, it can be doubted whether this avoids the internal problems instead of solving it. The workplace can act as a tool to increase competitive advantage of the organization (Porter, 1985), and provide instruments to tackle internal organizational issues (Van der Voordt & Jensen, 2018). It is however unclear how the three specific internal organizational problems can be redesigned into the workplace and therefore increase talent retention. It should be researched how the workplace can be adopted for the different types of talent in the luxury industry with the organizational demands and issues therein, to add value and improve the competitiveness of the organization.



# 3. Theoretical Framework

For this thesis the different types of talent are divided into left and right brained. The following section describes the theory behind this terminology, application onto the luxury conglomerate's organization. Furthermore, this chapter discusses the definition for workplace and further literature theories that are used as input for in-depth interviews.

# 3.1 Talent: Key terms & Concepts

Literature studies are proposed for the definition of the key concepts. The key takeaways are presented at the end of the chapter.

### 3.1.1 Left brain, Right brain theory

The popular terminology 'left-brained' and 'right-brained' comes with the assumption that people who use the right side of their brains more are more creative, thoughtful, and subjective. Whereas those who use the left side are more logical, detail-oriented, and analytical. (Novotney, 2013) This assumption is frequently used to refer to personality types, however there is no evidence that one lateralization is preferred over the other with certain type of personalities. Some brain functions, however, do occur on either side of the brain. (Corballis, 2014) Speech is predominantly in the left hemisphere, which controls the right hand, as well as the function of the right brain being for emotional and nonverbal functions. These discoveries together, boosted the stigmatization of left-handed individuals being 'creative' and right-handed individuals being 'analytical'. A belief that gained popularity in the 1980s. (Hines, 1987) Nowadays, brain imaging shows that a creative thought activates a widespread network, favoring neither hemisphere. (Corballis, 2014) The terminology 'left brain, right brain' in this research is therefore used as a tool to communicate one's personality traits, and not linked to the physiological dominance of one side of the brain.

#### 3.1.2 Application onto the luxury industry

Willersdorf, Abtan & Gaissmaier (2014) state that professionals with genuine creativity can combine their right-brain skills with the left-brain demands from the increasingly complex luxury business. Together with the demand for this type of talent, Blanks (2022) frames this differently and questions the industry as a whole. Should professionals with right-brain skills even adopt to the 'left' complex luxury business? Shouldn't the complex luxury business adopt to the right-brain professionals? This all to enable creativity, retain talent and stimulate business success. The question is whether this removal of pressure for creatives to produce; the consumer can subsequently expect less outcome in diverse frequent products, or (on the contrary) expect more since the creative professionals are freer in their production.



### 3.1.3 Left and right brain leaders

Regarding the question who can be categorized in the right and left brain categories, Kumar & Sharma (2016) imply a further elaboration rather than being 'analytical' or 'creative' by personality traits of leadership positions and their relation to left/right brain psychology.

- Left brain The left brain type of leader is involved in the self-motivated behavior; 'top-down control', who is rational, and logical. A 'left-brain world' would result in more bureaucracy, quantity over quality, technology over human interaction and uniformity over individualization. These leaders strive for continuous improvement.
- *Right brain* The right brain type of leader is involved in rapid reaction; 'bottom-up control', who is creative, flexible, and empathic. A 'right-brain world' strives for *innovation* where change, imaginative, value-based thinking, and strategic planning are central in making decisions.

### 3.1.4 Left and right brain workers

In general, for right brain talent, creativity is an individual characteristic, or a process needed in an organization. (Meinel, Maier, Wagner, & Voigt, 2017) For this research, the level of creativity is linked to being right brained. Whereby this level of creativity ('being right brained') is indicated on a personal (individual) scale but also on a professional (needed within the organization) scale. Meinel et al. (2017) indicates that this level of creativity is often correlated to the degree of creative output of the employee. Which can be influenced by the individual, team, and organization itself. It is therefore important to distinguish between the personal level of creativity and the professional level of creativity. Within the luxury industry, the roles can be distinguished in five categories: design & product, operations, manufacturing, distribution, technology & digital, and communications (Boston Consulting Group, 2014).

For this research, right brained talent is described as talent that produces creative output. Left brained talent is not apparent in literature. This talent is often distinguished as 'executives, managers, controlling and service oriented' (Bonhôte et al., 2022); for this study, as talent that produces a service for the luxury conglomerate apart from creative output. As summated below.

#### Left brained talent

Right brained talent

producing a service (conglomerate)

producing creative output (maison)

- → Manufacturing
- → Distribution
- → Technology & Digital
- → Communications
- → Operations

→ Design & Product

Table 3: Definition left and right brained talent in the luxury industry. (source: Mainel et al, 2017; Boston Consulting Group, 2014)



# 3.2 The Workplace: Key terms and concepts

#### 3.2.1 The Workplace on Meso Scale

The main problems occurring from the organizational demands are summated in the figure below, based on the multi-brand luxury strategy (figure 12) from Dabija (2011). Figure 13 indicates the conglomerate being divided into left and right brained talent. Left brained talent is defined as talent who works for the holding and thus provides a service and control to the maisons. Right brained talent is defined as talent working in creative functions and producing creative output for a maison. In figure 13 arrow A indicates the interaction between the holding and the maisons, arrow B indicates the interaction of the maisons with each other. This input will be used to define the interview questions and results.

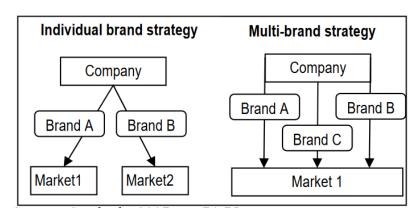


Figure 11: Multibrand luxury strategy (right). (Dabija, 2011)

The luxury conglomerates work in a decentralized manner (Chen et al., z.d.), as seen in the figure above. The maisons (brands) have no interaction with each other and are steered top down from the holding. For this research the multi-brand strategy from Dabija (2011), is adopted into the figure below. In yellow the holding with corresponding departments, where interaction takes place (no boundary between the departments). In contrast to the independent maisons who don't interact and are shown in blue with hard (black) boundaries. This *island culture* is one of the problems (B), together with the interaction between management and creatives (A). The interaction between management and creatives also is internal; at maison and to certain extend at holding level, indicated with C.

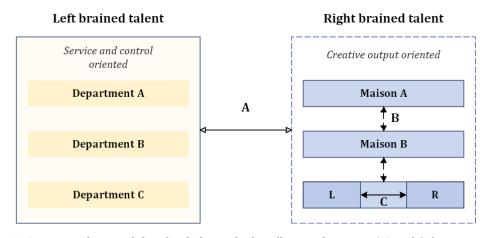


Figure 12; Interaction between left and right brained talent illustrated in arrow A, B and C. (source: author and organization structure based on Dabija, 2011)



# 3.2.2 The Workplace on Micro Scale

Workplace and workplace environment are equivalent terms and can be used interchangeably. Ceylan et al. (2011) discusses how workplace can be divided into **social-organizational work environment** and **the physical work environment** (figure 2), to 'flourish' creative personalities and generate creative performance. For this research, *the workplace* by having a social and physical definition, will be used to also describe the workplace the right brained talent with the desired performance of this type of workers.

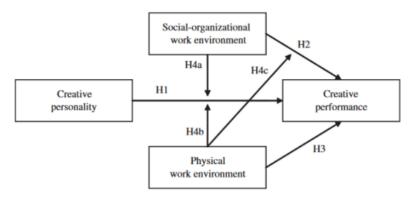


Figure 13; Framework used to define the concept workplace. (source; Ceylan et al., 2011)

The workplace is further defined into three elements based on Niemi & Lindholm (2010). The virtual element is added and the financial element from Niemi & Lindholm (2010) is left out of the equation. For this thesis it is most important to find the underlying patterns that define the optimal workplace for left and right brained talent, without financial restrictions. The expert review will judge the feasibility and practicality of the execution of the advice, with this it is highly possible that the financial element in redesigning the workplace will be discussed.

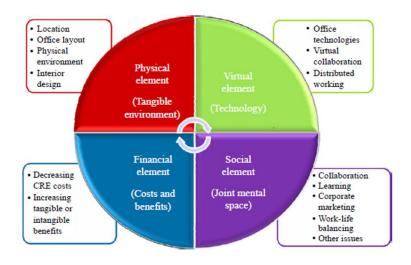


Figure 14; Definition workplace. (source: Niemi & Lindholm, 2010)



The final definition of the workplace for the thesis is shown in the figure below. Each element has two core values resulting from the values as shown in figure 15. A further elaboration on these core values, in-depth review of left/right brain theory is in the following paragraph. The following paragraph illustrates the literature and structure on which the interviews are based.

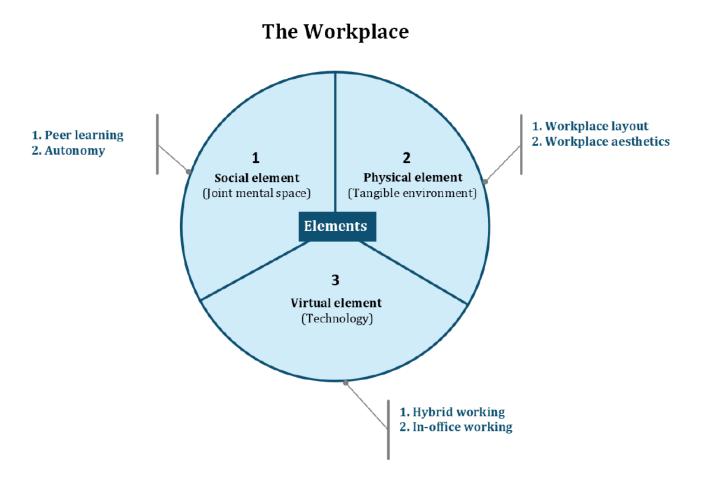


Figure 15: Final definition of the workplace. (source: author)



# 3.3 Literature theories as input for in-depth interviews

For this research, in-depth interviews are used to redesign the optimal workplace for right and left brained talent. More information about the research methodology can be found in chapter 5. The in-depth interviews are divided into two parts: interaction in the workplace (1) and personal preferences (2). The following chapter illustrates the literature that is used as input to define the interview questions.

#### 3.3.1 Part 1: Interaction in the workplace

**Culture** Questions are based on the figure from the previous chapter (see below). The first question goes into arrow B: *island culture* (Ijaouane & Kapferer, 2012). So should the office stimulate a better interaction between maisons and departments. With subtopics such as; common areas, activities, clustering of similar departments of other maisons, no maison specific work areas, and other ideas. The second question goes into arrow A: *culture clash* executives (Blanks, 2022; Bonhôte et al., 2022; Crane, 1997; Shipilov & Godart, 2015; Morrow, 2018). So is this culture clash between management and creatives experienced and how could it be approved from the interviewee point of view. Arrow C, that discusses *culture clash* is only taken into account for employees dedicated to a certain maison or with prominent managerial/creative functions in the holding.

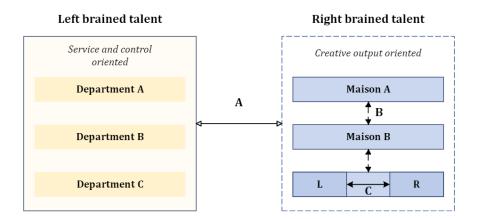


Figure 16; Interaction between left and right brained talent in arrow A, B and C. (organization structure based on Dabija, 2011)

**Interaction** The final question of this part inventories with who the interviewee finds it most important to interact on the work floor. With which departments and maisons, how frequent (daily, weekly, monthly) and the medium of interaction (face to face, hybrid).



### 3.3.2 Part 2: Personal preferences

**Left brain, right brain theory** The popular belief of *left brain, right brain theory* (Novotney, 2013; Corballis, 2014) is used as a tool to communicate the personality traits of the interviewee. The interviewee is shown an image that illustrates this theory. The interviewee is first asked how he or she positions himself or herself on a personal level, outside of work activities. Second, the same question is raised for the conglomerate/maison's work activities, on a professional level. Questions are also posed to relate the interviewee to the workgroup, and if he/she thinks him/her traits are similar or different.

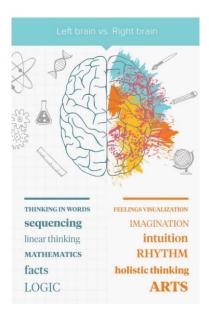


Figure 17: Reference image for in-depth interview. (Healthline, 2022)

**Workplace core values** Interviewee choses per workplace element, the most important core value. Consequently, five reference images are shown of the chosen core value from which the interviewee choses the most preferred and elaborates on his/her choice. Below are the workplace elements summated with corresponding core values (adopted from Niemi & Lindholm, 2010; Ceylan et al., 2011). Corresponding sources of the images can be found by each name of the element in the literature list.



#### Social element

## a. Peer learning

Valuing working together in groups, whereby the group size can variate from small (3 persons) to big groups (+15 persons). Corresponding reference images are shown below, that range on a scale from small groups to big group settings.











large open plan (+24 people) - mutiple tables panels

Big groups

small group (2-4 people) -formal - enclosed spaces

small group (2-4 people) -formal - open space

medium open-plan in big setting (11-24 people) - informal - different set-ups

b. Autonomy

Valuing privacy for the workplace. In a variety of having your own space to enclosed desks is illustrated below.



own space - personal decorations - light



seperate office setting - enclosed dark ambience - little light



single seperate desk - not enclosed - light - views



seperate desk (2 pers) - enclosed (privacy curtains) light - views



wn desk in group setting - not enclosed - light - views



# Physical element

#### a. Workplace layout

Valuing form and practicalities of the workplace. Think about how desks are grouped and the amenities of the workplace (see reference images below).



conference space - light colours -formal - enclosed - little (digital) equipment



storage space - inventory - light colours - playful



flexible panels - shared table -minimalistic - few digital amenities





Maximal emenities

Minimal amenities

## b. Workplace aesthetics

The visual appearance of the workplace is valued. Color palette, materials, design, and decorations (plants, art). Below are examples of reference images in various styles.



formal - light - natural - modern -round shapes



industrial - hipster - high ceiling -brick walls - plants - unfinished look - wooden details



modern - art - clean look - tiled





modern - vibrant - glass - futoristic - playfull

Variety of styles

Variety of styles



#### Virtual element

#### a. Hybrid working

Participant prefers working online, remote, at home, or on-the-go, this variety is illustrated in the office that ranges from high privacy (working at home), to working publicly.



privacy









coworking space - little privacy often choice in quiet and more busy areas

working in cafe little privacy - busy

working 'on the go' (e.g. public transport) - busy/quiet - little privacy Flexible 'busy'

# b. In-office working

Participant prefers working in the office at the designated office location; what you specifically value about working in-office is demonstrated on a small scale (working with a team) and on a large scale (the specific location of the office and its surroundings).







kantine services meeting space - small setting



space - bigger setting community



big setting - networking possibilities



49



# 3.4 Relevant models to interpret findings

#### 3.4.1 Residential images method

Measuring the degree of workplace acceptance is done by the *residential images method* of Jansen et al. (2011). This is primarily used to measure the degree of interest of new housing designs and proposals for residents and investors. For this research the same concept is used, however images related to the workplace are shown instead of residential images. These images are show in the previous paragraph.

#### 3.4.2 Test hypothesis

The results from the chosen workplace core values are used to justify if the hypothesis. The hypothesis that left brain talent, from a professional point of view, will most likely chose; peer learning and workplace layout as core values. Right brain talent, from a professional point of view, will most likely chose; workplace aesthetics and autonomy as core values. Bilton & Leary (2002) shows that creatives values integrity and protection of their ideas. Kumar & Sharma (2016) and Bonhôte et al. (2022) state that corporate/managerial talent (in this research *left brained talent*) values communication, practicality, and uniformity. This research tests if these values also translate in workplace preferences and link to left/right brain lateralization.

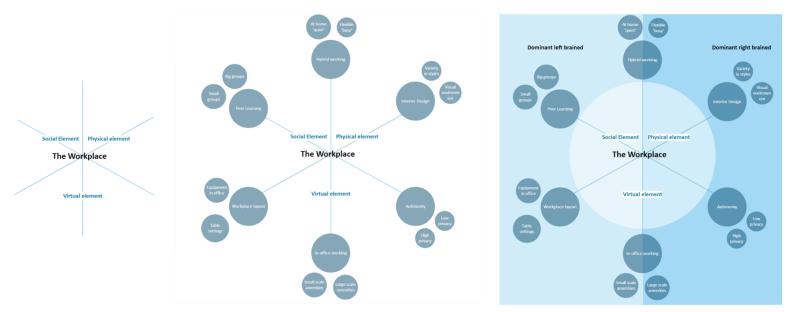


Figure 18; Hypothesis. (source: author)

The test is depicted in the figure above (from left to right), with two opposing core values per element axis. Interviewees with a more left brain will have light blue core values. Interviewees with more right brained tendencies have dark blue core values. How the data is collected and analysed will be discussed in chapter 5.



#### KEY TAKEAWAYS: PARAGRAPH 3 THEORETICAL FRAMEWORK

### **Definition of key terms and concepts**

- **Left brained talent**, talent working for the holding.
  - Hypothesis: strategic advantage in 'climbing the corporate ladder' (Shipilov & Godart, 2015)
    - Core values;
      - **Peer learning**, value working in groups/teams.
        - Size 3 (small groups) -> +15 (big groups)
      - **Workplace layout,** value form and practicalities of the workplace.
        - o Grouping of desks, amenities
- Right brained talent; talent working for the maisons.
  - Hypothesis: strategic advantage in 'being independent and shielding ideas'
     (Blanks et al., 2022)
    - Core values;
      - **Autonomy**, value privacy
        - Own space -> enclosed desks
      - **Workplace aesthetics,** value the visual quality of the work environment
        - o Materials, design, decorations

**The workplace**, Consists out of 3 elements; physical, virtual, and social environment in which work activities take place. (Ceylan et al., 2011; Niemi & Lindholm, 2010) For the research, each of these elements consist out of two core values, ranging from; peer learning, workplace layout, autonomy, workplace aesthetics, in-office working, hybrid working.



# 4. Conceptual Framework

Below in figure 20 is the conceptual framework shown. The whole research is in the context of the luxury industry, this context is indicated in the figures by a blue frame, encompassing the whole model.

The relationship between the two concepts (1 & 2), as well as the follow-up consequences in the right frames 'increased job performance & talent retention' and ultimately 'added value for the organization' is shown. In order to retain adattract the right type of talent, by generating the ultimate workplace for the different and specific types of talent in the luxury industry, the following main research question is proposed.

# What is the optimal workplace for left and right brained talent in the luxury industry?

The conceptual framework illustrates how 'Talent Values & Preferences' (concept 1) is the independent variable, whereby the concepts in light blue are dependent on concept 1. 'The Workplace' (concept 2) is the moderating variable that alters the effect of talent values and preferences onto the increased job performance & talent retention. In other words, an optimal workplace increases the organization's future success by aligning with talent preferences and values. This is labelled as an 'cause-and-effect relationship'. (Bryman, 2012)

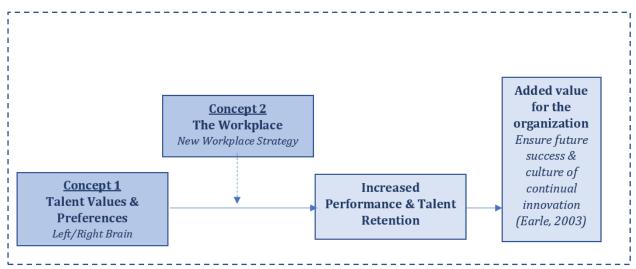


Figure 19; Conceptual Framework. (source; author)



# 5. Methodology

This chapter gives an overview of the methods and techniques used to collect, analyze, and store the data. Furthermore, this chapter evaluates the data collection techniques used and justifies the methodological choices that are made.

# 5.1 Type of study

The purpose of the research is to use existing data from literature and collect qualitative data from employees in the luxury fashion industry to discover what the optimal workplace is for left and right brained talent.

# 5.2 Methods and Techniques

This paragraph discusses the selection criteria for the in-depth interview participants. As well as which participants, their expertise and interview techniques. The research is also based on existing data, the selection of this data and protection of sensitive data is discussed in the last section. Finally, the research methods are evaluated, and theoretical concepts are proposed.

This research follows the explanatory sequential mixed method design, presented by Blaikie and Priest (2019). Firstly, inductive research is conducted to define the concepts used. Secondly, retroductive research is conducted to discover what the underlying patterns are that result in workplace preferences. This is done by qualified and quantified data from in-depth interviews and a follow up expert review. The findings of the retroductive research are empirically generalized to formulate the results.

For this research, participants are selected that are working in the service office of the Benelux for various maisons or for the holding itself. For the expert review, the experts are selected based on their seniority in the corporate real estate department of the headquarters of the holding company.

#### 5.2.1 Qualitative research

The qualitative research is done through a single embedded case study; in one of the top-3 luxury conglomerates. The embedded units are characterized as employees working directly for the holding or employees working for a luxury maison that is acquired by the holding. The figure below illustrates the positioning of the qualitative research in the framework of Yin (2012).

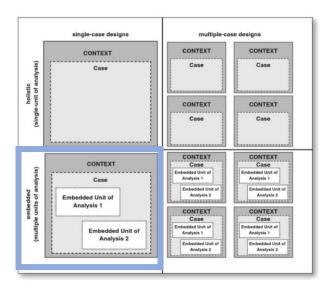


Figure 20; Positioning of research in case study designs (blue frame). (Adapted from: Yin, 2012)



In-depth interviews: Criteria and participants

For the in-depth interviews the professionals where selected based on the following criteria;

- 1. The employee is working for the holding nor a luxury maison of the holding.
- 2. The employee has experience in working physically in the Benelux office.
  - a. This experience must be more than 3 months.
- 3. Or the employee has significant experience in corporate real estate for the specific holding nor its maisons, then 1 + 2 are not applicable.

Eleven professionals where selected and interviewed, as indicated in the table below. They are divided into either holding, or maison x/y. All participants are interviewed according to interview protocol 1 and selected based on criteria 1 + 2. One participant (9) was interviewed according to interview protocol 2 and selected based on criteria 3. This was done to gain more insight into the corporate real estate and workplace strategy from the holding. Consequently, another set of indepth questions was needed than for participants who were interviewed with the main aim to substantiate workplace core values of left/right brained talent.

Interviewee	Embedded unit	Field of expertise	Interview details	Duration
1	Holding	Head of Facilities	5 April 2023	30 min
2	Holding	Chief Financial Officer	7 April 2023	30 min
3	Holding	Human Resources	11 April 2023	40 min
		Director		
4	Holding	Facility Coordinator	20 April 2023	30 min
5	Maison X	Head of CRC	24 April 2023	40 min
6	Maison Y	Brand Director	24 April 2023	40 min
7	Maison X	Event Project Manager	25 April 2023	30 min
8	Holding	Sustainability Coordinator	26 April 2023	30 min
9	Holding	Expert	2 May 2023	40 min
10	Maison Y	Store Design Planning &	3 May 2023	30 min
		Merch Manager		
11	Maison Y	Omni Channel Sales	4 May 2023	30 min
		Coordinator		

Table 4; Details in-depth interviews. (source: author)

**Left brained talent** Is selected by the criteria as outlined before, as well as the level of seniority of the job role. This seniority correlates to the scope of responsibility and thus number of employees who provide feedback. The latter is important in workplace preferences, satisfaction, and interactions in the office. Finally, senior positions are also chosen for their knowledge of the overall strategy and know-how of characteristics of the business. To compare, 1-2 participants are interviewed with lower seniority to compare the views from the senior roles.

**Right brained talent** The same as for left brained talent; criteria and level of seniority is important. Furthermore, multiple brands are interviewed for a better comparison of the brand employees and if there are discrepancies between their values.

Interview approach



**Aim:** learn about the workplace strategy, workplace preferences and underlying patterns for interaction of different types of talent in the luxury industry

The interview approach is based on qualitative interviewing by Moerman (2016), and by the residential image's method by Jansen et al (2011) used to measure the acceptance or rejection of new residential, in this case workplace, designs at first sight. This is done by letting the interviewee pick the most preferred image from each category in 'core values' and explain why they have chosen this image.

**Semi-structured:** Various topic-specific questions are written down ahead of time; however, in practice, the formulation will be relatively free, with room for more in-depth follow-up questions that the interviewer may come up with on the spot. This adds value to the qualitative research to get to the deeper underlying patterns of the topic. Furthermore, a few closed questions are formulated in a 'this or that' style. Whereby the interviewee has to pick between two core values, with little room for elaboration in the choice that was made. This method is chosen to keep the pace of the interview high, and they are able to elaborate on their choice by their preferred image.

**Interview type:** The interview topic is quite specific with a narrow scope. Furthermore, the interview is about personal preferences, processes, and events, it can be seen as an investigative interview.

**Rapport:** To create rapport, it is planned to spend little time in the beginning making small-talk. I expect that this will make the interviewee more at ease, potentially leading to a better qualitative interview. This section is neither recorded nor transcribed.

**Probing:** Aware of various methods of probing. For this the dynamics are played during the interview and steering where needed, if I do not get the desired results. Specifically, in asking questions that are marked as important (indicated with number). This is accomplished by employing Moerman's probing techniques (2016). When multiple answers contradict each other, follow up questions are proposed, and answers are critically evaluated.

**Interview behaviour:** In the interview, there is a professional-student relationship. Despite this, the researcher is relatively outside of the work processes of the employees. As a result, the professional experiences are approached as a being a 'naive outsider'.

Keywords: Qualitative research - Semi-structured - Investigative interview - Probing techniques deployed

Expert review: Criteria and Participants



The other set of primary data is collected through an expert review. This expert review consist of two specialists in the real estate department of the holding company. These experts are selected based on their expertise in workplace/corporate real estate (criteria 3).

Interviewee	Embedded unit	Field of expertise	Interview details	Duration
9	Holding	Expert	8 June 2023	40 min
<del>12</del>	Holding	Workplace strategist	<del>tba</del>	<del>tba</del>

Table 5; Details expert review. (source: author)

Interviewee 9 is interviewed prior to discuss the current strategy and views for the future strategy. The participant has multiple years of experience at the holding company at the lead real estate team. This expertise should aid in refining the final strategy. Participant 12 was in hindsight not available for the discussion. However, participant 3 also provided review of the results. Therefore, the expert review is formulated with input from participant 3 and 9. During the conversations, the following main question was answered: *Would the given advice (workplace strategy 5.0) work in practice?* This reflection is added onto chapter 6, to refine and give nuances to the proposed strategy.

#### 5.2.1 Existing data

The case study materials are selected based on studies in or to one of the top 3 luxury conglomerates, links to the creative industries or similar organizational structures of holding & brands. This are the following materials with a selection of important sources;

1. General information regarding right/left brain psychology, workplace strategy and talent retention/attraction.

Corballis M.C. (2014) Left Brain, Right Brain: Facts and Fantasies. PLoS Biol 12(1): e1001767. https://doi.org/10.1371/journal.pbio.1001767

O'Mara, M. A. (1999). *Strategy and Place: Managing Corporate Real Estate and Facilities for Competitive Advantage*. Simon and Schuster.

2. Reports from consultancy firms, books and academic articles regarding the luxury industry (and top 3 holdings), trends and debates. Books and academic articles are either written by professionals from the industry or in-depth literature studies from researchers.

Auguste, G., & Gutsatz, M. (2013, March 28). Luxury Talent Management: Leading and Managing a Luxury Brand (2013th ed.). Palgrave Macmillan.

Ijaouane, V., & Kapferer, J. (2012). Developing Luxury Brands Within Luxury Groups – Synergies Without Dilution? *Marketing Review St. Gallen*. https://doi.org/10.1007/s11621-012-0107-8

McKinsey. (2022). The State of Fashion 2023. Retrieved December 28, 2022, from https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion

- 3. News articles and audio fragments with journalists and documentary makers.

  Blanks, T. (2022, November 7). The BoF Podcast | The Genesis of the Modern Luxury Fashion Industry. *The Business of Fashion*.
  - https://www.businessoffashion.com/podcasts/luxury/kingdom-of-dreams-modern-luxury-fashion-industry-bernard-arnault-francois-pinault-lvmh-kering/
- 4. Reports from the studied conglomerate itself. This source has concerns regarding privacy; information that can harm the strategic position of the organization and is therefore presented anonymous (paragraph 7). This workplace strategy is further elaborated by an expert of the holding (interviewee 9).



# 5.3 Data collection & Analysis

# 5.3.1 Processing and analyzing

The semi-structured interviews consist quantitative data (core values) and qualitative data (attitudes and normative standards & values). The quantitative data is processed in excel. Whereby spider diagrams are made from the resulting core values, and tables from the chosen image per core value (per participant). For the qualitative data, summaries are made after each interview. The summaries are categorized per topic. This is done to see what common topics, ideas, and patterns emerge from each theme. The examined themes per interview protocol are described below.

Topics, data types for semi-structured interview protocol 1

Interviewee 1,2,3,4,5,6,7,8,10,11

#### 1. Interaction

a. Open questions (semi-structured) to discuss the interaction and discussions found in literature; interaction between maisons, inside maison/holding, and between maison and holding.

#### 2. Core values

- a. Self-estimation in being left/right brained for profession and on a personal level (quantitative data).
- b. Closed questions to choose 3 core values based on descriptions (quantitative data).
- c. Residential images technique (Jansen et al, 2011) is used to choose a most preferred workplace image per core value (quantitative data). There is space to give additional information and discuss elements of images, which do appeal or do not and why.
- d. Open questions (semi-structured) to further discuss workplace preferences; views on hybrid working, and (brand) integrity.

Topics, data types for semi-structured interview protocol 2

#### Interviewee 9

- 1. Current
  - a. Open questions (semi-structured) to discuss the current workplace strategy and to get a better understanding of the holding's real estate. (qualitative data)

#### 2. Future

a. Open questions (semi-structured) to discuss the future and improvements of the workplace strategy. (qualitative data)

Topics, data types for unstructured interview protocol 3

#### Interviewee 9, 12

- 1. Workplace strategy 5.0
  - a. Reflection from expert review onto the new design and advice of workplace strategy 5.0 (qualitative data).

All data is recorded, and if recorded through teams, it is also transcribed. Afterwards the data is summarized per interviewee.



# 5.4 Data plan

The following types of data are applicable to all 3 types of interviews/protocols. See table below for more elaboration on storage, dataset and protection.

#### 5.3.1 GDPR Principles

European legislature that stresses the importance of transparent, protective, and secured data. As well as the obligation to provide information. (TU Delft, 2021) The following paragraph shows how the research complies to the GDPR principles. The following datasets are generated by the qualitative research (see table b).

Type of data	Dataset	Storage	Accessible to	Protection
Unprocessed	<ul> <li>Consent forms</li> <li>Interview         records in audio         file</li> <li>Interview         transcripts</li> </ul>	<ul><li>SURF Drive</li><li>Project storage TU Delft</li></ul>	• PI	• At folder level: VeraCrypt + KeePass
Processed	<ul> <li>Excel sheets (quantitative data)</li> <li>Interview summaries in word (qualitative data)</li> </ul>	<ul> <li>SURF Drive</li> <li>Project storage TU Delft</li> </ul>	<ul> <li>PI</li> <li>Project supervisors</li> <li>Head of MBE department*</li> </ul>	• At folder level: VeraCrypt + KeePass

Table 6; Datasets and storage. (source: author)

The interviews from the in-depth interviews and the expert review are recorded in an audio file, which is per interview summarized in a word document. The collected data (audio files, printouts, and interview summaries, consent forms) are stored at SURF drive and project storage of the TU Delft. The data is only accessible by the following authorized individuals; the project supervisors, and the PI. In addition, the data is encrypted at folder level with the use of VeraCrypt and KeePass.

All participants are asked to sign an informed consent for study participation and data processing. Informed consents are digital and stored securely, by the same use of encryption, and data storage spaces that are described above (SURF drive and project storage of the TU Delft). For this research, sensitive personal data is processed; opinions on the workplace, position in company, as well as the sound recordings that are made of the interviews. This sensitive personal data is anonymized. Informed consents for the interviews include the consent of recording the interview, and a summarization of the interview is made to anonymize the data.

Unprocessed data is safely stored, as described above, since this personal data includes information about identifiable natural persons. Unprocessed data is anonymized, this is the processed data used for the research. The data used in the research can therefore not be traced back to identify the persons who took part in the interview(s), since not anonymizing the data can harm the positions of the participants.

The anonymous data (processed data) from the interviews will be shared with others.

<sup>\*</sup>In case PI and supervisors are not available



This consists of generalized quantitative data (excel sheets) and the transcribed qualitative data in interview summaries. These interview summaries and excel sheets, will be shared with the project supervisors. In case the PI and/or the project supervisor(s) leave the TU Delft or are unavailable, then the Head of the Department of Management in the Built Environment of the Faculty of Architecture at the TU Delft, will have access to this data. Only personal data is collected that is necessary for the research. Quantitative questions put the personal data into categories and therefore does not collect the information precisely.

In case the interviewee adds in spoken word personal data, the PI decides whether this information is too personal and should not be included in the shared data. Furthermore, by categorizing personal data in quantitative questions, the generated data is more anonymized and GDPR coherent (TU Delft, 2021). Even though the data will be fully anonymized, the participants will be asked for their consent for data sharing.

The same goes for qualitative interview questions. Participants are asked for their consent for data sharing, and the consent for recording the interview in an audio file that will be transcribed into a summary and anonymized for further use in the research. Personal data in the form of audio files and printouts is kept no longer than is necessary for the intended purpose. Once the research is published, the data is no longer relevant and will be deleted ten years after the research is published, in case research evidence is needed to support the findings. During the research, the audio files will be stored on SURF drive and protected with VeraCrypt and KeePass, the same goes for the interview summaries, consent forms and printouts.

### 5.3.2 Fair principles

Data for the research will be anonymized or aggregated, all other non-personal data will be uploaded to 4TU.ResearchData with public access. This research data and codes needed to reproduce research findings are shared in accordance with the FAIR principles. The data is shared on a findable and accessible database (4TU.Research.Data), is interoperable and reusable due to using open file formats, added README files and other documentation explain how data is organized and was created in the first place.

This (meta) data, as Shenton (2004) describes will be in-depth elaborated to enhance transferability of the topic; 'can findings of one study be applied to other situations'. For this, the context should be clear; administrative metadata, descriptive metadata, and structural metadata (Wilkinson et al., 2016) will therefore be included in the study. Keep in mind that for administrative metadata, the project collaborators are relevant to mention. However, due to anonymization of the project (and interviewees) there is a probability that the internship company and the researched maison will be anonymized. Since the outcomes could contain organization sensitive information and can possibly harm the position of the company

#### 5.5 Method Evaluation

#### 5.5.1 Techniques

Because the research topic is new, qualitative interviews provide a more in-depth understanding of the participants' perceptions, motivations, and emotions than quantitative research. Furthermore, the semi-structured interviews with quantitative questions allow for the comparison of results across interviewees. In comparison to an unstructured interview method, it is thus the preferred method for generalizing the results.



For the quantitative section of the interview, the residential images method by Jansen et al. (2011) is used to assess the level of workplace acceptance. This method is fitting since it developed to test submarkets or niche markets in the housing industry. For this study it is used to test this niche market/interest in workplace preferences. Moreover, the interest in a certain reference image relates to the underlying values of the participants in the workplace. In the interview, it is therefore asked why this interest is generated. Therefore 'why' questions are posed to unveil the underlying values of the interviewees. This technique of simultaneously asking 'why' questions to previously given answers is stated by Jansen et al. (2011) as a way of discovering underlying values that respondents hold that generate his/her (dis)interest.

### 5.5.2 Representation of data

The Benelux office has a high representation of a two maison and three smaller maisons. This imbalance poses (ethical) implications in how representative the sample group is of the other service offices of the group. However, interviewing higher officials with overview of the group and maisons, as well as brand representatives with experience in other service offices should aid in battling this discrepancy. Still, it should be noted that the final advice is mainly formulated from the perspective of the Benelux service office.

Furthermore, personal factual data (profession, work field) can have major effect on the categorization of workplace values. This should be considered in the review of the data. Possibly, bigger differences are seen in overlapping preferences of respondents in the same team/department in contrast to those with more dominant left or right brain lateralization.

# 5.6 Theoretical Concepts

# 5.6.1 Research Scope

Research is focused on 'service offices' from luxury conglomerate. This are 20 service offices globally with main characteristic that representatives from the holding and several maisons are under the same roof with predominantly service oriented functions. The scope of the research is the service office in the Benelux, with around 400 employees from the holding and five maisons. Interviewees are conducted with talent from the luxury conglomerate's Benelux service office and experts from the holding's headquarters.

# 5.6.2 Dissemination and Audiences

The study is aimed at organizations that want to better understand employees' preferences and needs for their future work environment and thus align their real estate resources in the future. The research can be beneficial for the organization itself, other organizations with similar brandholding structures, consultants, and the creative industry. Bilton & Leary (2002) describe the dependence of the creative industries into 'creatives' and 'suits'. The problem of a disconnect between both 'camps', is often seen in these industries (Morrow, 2018; Othman & Khalil, 2018; Wu & Wu, 2016).

An increased understanding of both camps should initiate a better environment with their preferences in the workplace. Additionally, how the workplace can foster a breeding ground in connecting these two camps, and if this is needed. The goal of this study is not to make recommendations to these parties, but rather to answer the research questions proposed.





# 6.Results

An overview of the result chapter with paragraphs is shown in the figure below. The output of the chapter is Workplace Strategy 5.0 with new advice and design. The input for this is the current workplace strategy of the luxury conglomerate (workplace strategy 4.0), external information (literature study, trends & discussions, and own personality), and internal information (in-depth interviews and expert review). Each paragraph is dedicated to one research question. The corresponding research questions are presented below.

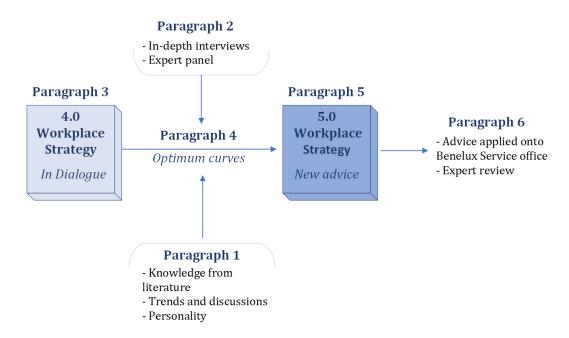


Figure 21: Structure chapter 6. (source: author)

#### Paragraph 1 (External)

What is the strategic environment and organizational demands of the luxury conglomerate?

#### Paragraph 2 (Internal)

What is the current workplace strategy and what are the workplace core values of left/right brained talent?

#### **Paragraph 3** (Workplace 4.0)

How does left/right brained talent react onto the current workplace strategy and service office(s)?

#### Paragraph 4 (Optimum Curves)

What is the new optimum for the service office(s)?

## **Paragraph 5** (Workplace 5.0)

How can workplace strategy 4.0 be re-envisioned to align with the values of left/right brained talent?

#### **Paragraph 6** (Implementation & Control)

Would the given advice work in practice?



# **6.1 External Information:** Strategic Environment & Organizational Demands

This chapter answers RQ1: What is the strategic environment and organizational demands of the luxury conglomerate? The information is summarized into *the diagnostic framework for corporate* real estate decision making (O'Mara, 1999) from paragraph 2.4.



Figure 22: Input for corporate real estate strategy. (O'Mara, 1999)

# 6.1.1 Strategic Environment

The literature study shows that the strategic environment for the luxury industry is defined by its three location specific scales that heavily focus on brand heritage suppliers/drivers of talent and products. The strategic environment is divided into industry forces and environmental constraints & opportunities.

#### **Industry forces**

**Brand heritage** The dominance (intensity of customers) from a certain maison in the region translates into the balance of maisons in the regional offices (interview; 6). Headquarters of maisons are located in country of origin, since brand heritage is crucial as well as talent/schooling is often located/stimulated close by (Auguste & Gutsatz, 2013). The following three strategic factors are important for luxury maisons that are part of conglomerates: customer relationship proximity, organizational self-reliance, business agility as preferable alternative (Berghaus, Bossard & Baehni, 2015). Whereby the maisons are somewhat restrained by corporate directives or strategic plans tuned to the corporate strategy. (Lai, 2022).

**Competitors** According to Ijaouane and Kapferer (2012), the luxury industry is led by a few major conglomerates: LVMH, Kering, and Richemont. These conglomerates continue to dominate the industry (Deloitte, 2021; McKinsey, 2022). All competitors follow the multi-brand model, decentralized, supported by vertical integration<sup>2</sup>. (Auguste & Gutsatz, 2013; Chen et al., z.d.; Lai, 2022).

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<sup>&</sup>lt;sup>2</sup> Vertical integration is the control of the entire value chain, from product design to manufacturing and selling to the end-user. This model improves and ensures total control over the conglomerate's brand images. (Auguste & Gutsatz, 2013; Lai, 2022)



**LVMH** (Moët Hennessy Louis Vuitton SE) is one of the world's leading luxury conglomerates. Louis Vuitton, the world's leading fashion and leather manufacturer, and Mot Hennessy, the world's leading wine producer, announced a merger in 1987 to form LVMH, a large luxury goods production and sales group. It owns 75 prestigious brands across six industries, including Celine, Christian Dior, Fendi, Givenchy, Loewe, Louis Vuitton, and Hennessy. LVMH is also involved in a variety of industries, including fashion and leather goods, wines and spirits, watches and jewelry, cosmetics, and perfumes, and so on.

*Key strengths*: the only conglomerate present in all luxury sectors, high level of brand recognition and value (14.86 U.S. dollars in 2021). Group strategy is to emphasize on diverse product segmentation. Champagne and wine, cosmetics and fragrances, fashion leather goods, jewelry and watches, and business areas such as boutique retail and media are examples of products. (Lai, 2022)

**Kering** was founded in 1963 and has since grown to become one of the top luxury conglomerates in the world. The group manages the development of a number of well-known fashion, leather goods, and jewelry houses. Kering owns 13 well-known brands, including Gucci, Saint Laurent, Bottega Veneta, Balenciaga, and Alexander McQueen. With the purchase of Gucci in 1999, the company entered the luxury sector and market. The Gucci Group acquired the Yves Saint Laurent brand; other significant brands, such as Bottega Veneta and Balenciaga, followed soon after. (Xin et al., 2020).

*Key strengths*: high variety in product lines in both hard and soft luxury. Think about leather goods, shoes, ready-to-wear, watches, jewelry. Group strategy is to emphasize on diverse product segmentation. Furthermore, Kering's financial performance is consistent across brand houses. In total, it generated 17,645.2 million euros in revenue and 3,244.8 million euros in net profit in 2021. (Lai, 2022)

**Richemont** was founded during the 1940s by Anton Rupert. With significant investments in tobacco, luxury goods, spirits and wine, diamond mining and gold, and financial services, the Richemont Group is formed by the investment in Rothmans International. Richemont now manufactures and sells watches, jewelry, leather goods, clothing, pens, and accessories. Richemont has 15 subsidiaries, including Cartier, IWC, Van Cleef & Arpels, and Chloe, among others. Richemont Group is involved in fewer fields than LVMH and Kering. The Richemont Group specializes in hard luxury.

Key strengths: Richemont has a global footprint, with sales spread across major markets. It has sales and markets all over the world, including Europe, Asia Pacific, the Americas, Japan, the Middle East, and Africa. Richemont is a global luxury goods conglomerate with prestigious brands. LVMH and Richemont have different perspectives and intentions regarding their brands' product strategies. LVMH allows most of its brands to freely expand; from one area, it could enter jewelry, fashion, and other fields. As long as the product category it enters is consistent with the cultural positioning and segmentation of the brand. This strategy could maximize the use of brand resources while meeting the diverse needs of consumers while also bringing LVMH profits. The Richemont Group, on the other hand, rejected this approach, insisting that the brand focus on its core business, making it a top brand in this market and area. As a result, while Richemont does not have as many categories as LVMH, it has the potential to become a strong and perpetual competitor to LVMH. (Lai, 2022)



#### **Environmental Constraints and Opportunities**

**Technologies**, for producing hard luxury, are available in the region of the headquarters of the maisons. This goes back to the reliance on brand heritage; a long history of producing this product from a certain region, this message symbolizes quality and craftmanship that the maisons use in their marketing. (Dion & Mazzalovo, 2016; DeFanti, Bird & Caldwell, 2014; Halwani, 2019; Steele, 2019)

The Fourth Industrial Revolution (The rise of ChatGDPT & Artificial Intelligence – Ross & Maynard (2021) states that the meaning of work will change as technology matures. From a built environment perspective; the next industrial revolution will progress from 'smart buildings' and 'smart cities' to the development of self-aware, intelligent, and conscious urban infrastructure. From a work and educational perspective Butler-Adam (2018) sketches 2 views of this development. The luxury industry, with its service-oriented offices (e.g. customer service, marketing, merchandising), as well as creative functions can be harmed. All these functions can be replaced by AI. (Butler-Young, 2023)

- 1. Optimistic; Based on current trends, optimistic predictions suggest that over the next three years, half a million more jobs will be created than lost. Visible in the demand for computer/technology-oriented talent that is needed today.
- 2. Pessimistic; AI will replace more jobs than it will create, with more than half of today's jobs being automated within the next 35 years.
  - a. Implication; AI can be used to achieve positive goals (sustainable, decent work, affordable energy etc.).
  - b. Implication; Students studying basic and applied sciences must understand the world's political and social natures, as well as the foundations on which AI is built.

Two major AI developments (Butler-Adam, 2018)

**Political** Some governments have enacted specific legislation to prevent or limit the amount of pollution that a business should produce. Additionally, the use sustainable raw materials and their recycling are added into the equation. This would raise the cost of doing business. The increase in value added tax (VAT) would have an impact on the luxury conglomerate's sales in terms of pollution and environmental friendliness. When the VAT is raised, customers have less disposable income to spend, which may affect sales and customer purchasing behavior of luxury goods. (Lai, 2022)

'Made in Europe' A trend in moving towards a new strategy/framework that moves the production and sourcing of goods/materials inside of Europe 'Made in Europe' (European Commission, 2020) can aid in decreasing costs and mitigation of future costs regarding sustainability and transparency in VAT and other tariffs. As stated by EU legislative initiative, "Creating purchase incentives for green products by lowering the VAT rate must be the subject of the coalition's fiscal talks and, in the end, their goal." (Koidl, 2022)

The moral compensation for climate changes The trend is also seen in the moral obligation for compensation from damage/losses of climate change in developing countries (European Parliamentary Research Service (EPRS), 2022). The costs regarding this compensation will likely be at the polluters and/or institutional end. Therefore, mitigation towards in-Europe sustainable/circular strategies will physically *pay off*.

**The Age of the Amateur** Dutch trend forecaster Li Eldelkoort's presents her in her manifesto a decade that is marked by its high level of artisans and enabled resilience. She states that due to the rise of robots and artificial intelligence a lot of human labour is being replaced. Having meaningful work becomes a privilege. That's why people will unite in small/local maker



industries, where they collectively produce and are independent from major polluting industries. Furthermore, - *ecology equals economy* - is a phrase that resonates through the new decade and should be rediscovered by organizations and nations. (The Business of Fashion, 2017)

**Fashion House** A physical adoption of 'the age of the amateur', 'moral compensation for climate change' mixed with 'Made in Europe' is presented in 'Fashion House' of The Berlage (n.d.). A reenvisioned fashion house that stresses the relocation of manufacturing and design centres of the fashion industry towards specialized European regions, to achieve self-sufficiency. Locations to allocate material sourcing in Europe, as well as generating a regulatory body to certify small and medium-sized enterprises ('the maker communities'). (The Berlage, n.d.)

**The Red Thread** Berlin, Valencia, Marseilles, Rotterdam, and Zurich are emerging new fashion capitals to challenge the traditional 'big four' of London, Milan, New York, and Paris. The Red Thread is an urban corridor that promotes the exchange of products, services, and expertise between cities in order to collaboratively introduce a paradigm shift away from the traditional big four. That have historically been intertwined with unsustainable practices ranging from resource overexploitation to exploitative labor practices. (The Berlage, n.d.)

**Social** The conglomerates are made up of people from various backgrounds and walks of life, and with customers from all over the world, it is facing global trends and perspectives. Service offices from the conglomerate in various geographical regions show segmentation for different geographical consumers. It assists in meeting the needs and preferences of customers while taking their backgrounds into account. The conglomerate targets high-income customers and creates brand images in accordance with the social identity theory. (Auguste & Gutsatz, 2013; Choi, 2014; Lai, 2022) Customers not only buy the product; they buy a status symbol and story. (Salehzadeh, & Pool, 2017) Specifically young consumers are important for the maisons future relevance and future success (d'Arpizio & Levato, 2014. Emotional attachment has strongest impact on brand loyalty (Hwang & Kandampully, 2012). Attracting and having therefore young talent in the organization is crucial for future significancy (Earle, 2022).

The following trends and debates are taken into account (from paragraph 2.2) that further impact the social environmental constraints.

**The talent crunch** A talent supply gap is expected in 2030 (Korn Ferry, 2018), coming forth from a global crisis from the following aspects: demographics (older generations leaving the workforce, too little young generations to take over), education (too little qualified graduates), professional (new and specific job roles), culture (changing needs and expectations). (Serenko, 2022; The business of fashion & McKinsey, 2022)

**The great resignation & cost of living crisis** Workers want better pay, more fulfilment, and a better work-life balance. Luxury businesses must prepare their workplaces to be flexible, diverse, and digitalized. (Serenko, 2022; The business of fashion & McKinsey, 2022)



#### 6.1.2 Organizational demands

Cultural issues between and inside the luxury brands are known in literature. However in-depth studies in structural and cultural demands are unclear, whereby the values and needs of the specific talent remains undefined.

#### Structural demands

**Organizational structure** As described previously, all conglomerates follow the multi-brand strategy (decentralized) supported by vertical integration, illustrated in figure below (Auguste & Gutsatz, 2013; Chen et al., z.d.; Lai, 2022).

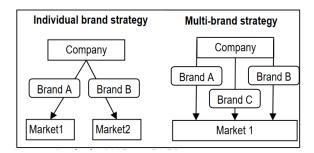


Figure 23: Multibrand luxury strategy (right). (Dabija, 2011)

The organization of Richemont consists of the holding company with three divisions which gather the various brands (Jewelry Maisons, Special Watchmaking Maisons (SWM), Other Businesses). The holding controls the coordination between brands. It provides them with centralized services (finance, legal, logistics, manufacturing, marketing, real estate, etc.) and regional services throughout the world (after-sales, human resources, logistics, real estate, etc.) (Donzé, 2018) LVMH follows a similar structure with division into; wine & spirits, fashion & leather goods, perfumes & cosmetics, selective retailing (Ding, Lang & Yao, 2023). Kering follows this model as well, and similar multi-brand approach that enables maisons to be independent at creative level. Kering has the same division as LVMH with an extra division of watches & jewellery. (Donzé, 2018)

#### Cultural demands

Cultural debates three debates are circulating in the luxury industry that influence talent retention and job performance. See figure below.

**Arrow (A) 'Island culture'** Finding the right level of brand synergy or autonomy within major luxury conglomerates is a challenge. A high number of synergies can lead to underperformance and jeopardize brand identity and heritage. Giving maisons complete financial responsibility can put coordination and collaboration with other maisons at risk. (Ijaouane and Kapferer, 2012) Müller-Stewens, Schuler & Lindemann (2013) argue that for e.g. for Richemont, these synergies are pursued step-by-step. Across the maisons, similar watch components, market positioning, and market entry are coordinated at the same time. This leads to significant efficiency gains through joint control and management of all brand distribution platforms.



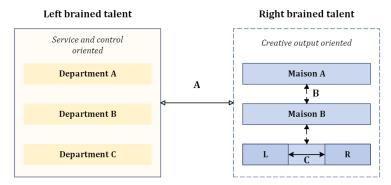


Figure 24; Interaction between left and right brained talent in arrow A and B. (organization structure based on: Dabija, 2011).

**Arrow (B) 'Synergies intra-maison'** Collaboration between maisons. Auguste & Gutsatz, (2013); Shipilov & Godart, (2015) indicate that conglomerates offer opportunities across the different maisons to retain talent. So, there is this interaction between the maisons in exchanging talent. These synergies also appear on two other other levels, according to Ijaouane & Kapferer (2012);

- **Shared centralized services**, for centralized support functions (for operations affecting the entire brand).
- **Support platforms**, regional support functions (for operations affecting the brand in a specific area).

The latter represents an opportunity for brands to successfully combine centralization's efficiency with the need for local responsiveness. Logistics (including cross-docking), warehousing, human resources, information technology, and media buying are the primary sources of efficiency in regional support functions. (Ijaouane, & Kapferer, 2012)

Synergies are described as, the ability to share costs in functions that are not inherent to the luxury product, by e.g., sharing support activities from the holding itself. However, offer opportunities for talent across maisons (Auguste & Gutsatz, 2013; Shipilov & Godart, 2015), and information sharing can also be seen as a synergy. It is however unclear which other synergies are beneficial, boost talent retention and can be incentivized by real estate.

**Arrow (A) and (C) 'Culture clash'** In the luxury industry and other creative industries, there is a communication, culture, and struggle between creative job roles and executives (Blanks, 2022; Bonhôte et al., 2022; Crane, 1997; Shipilov & Godart, 2015; Morrow, 2018). Bilton and Leary (2002) demonstrate the division between the two camps. It is important to note that for this problem, creatives are described as employees with creative job roles and do not directly refer to the employee's creative personality.



#### KEY TAKEAWAYS: 6.1 EXTERNAL FROM LITERATURE STUDY

# RQ1: What is the strategic environment and organizational demands of the luxury conglomerate?

- **Strategic Environment** Three competitors (LVMH, Richemont, Kering) that have each their specialty and key strengths, furthermore brand heritage in location of HQ of maisons is crucial. Major technological, social and political shifts have can translate into uncertainty in consumer and talent attraction.
  - → Industry Forces
    - Maisons flourish through brand identity, competitors all follow the same multi-brand model, decentralized and supported by vertical integration (Auguste & Gutsatz, 2013; Chen et al., z.d., Lai, 2022). LVMH and Kering; emphasis in variety in products, Richemont; specialty in hard luxury. LVMH and Richemont are major competitors. (Xin et al., 2020; Lai, 2022)
  - → Environmental Constraints and Opportunities.
    - Fourth industrial revolution, 'Made in Europe', the Talent Crunch and 'Age of the Amateur'. Most trends overlap in common view; from globalization to localization. With a contrast in a shortage in talent versus the rise of artificial intelligence that possibly leads to a decline in demand for talent (due to automatization).
- **Organizational Demands** Holding offers coordination, centralized and regional services. Furthermore, three debates are impacting talent retention and job performance.
  - → Structural demands
    - Holding controls coordination between brands, provides them with centralized and regional services. Top 3 conglomerates divide group in specialties, such as; fashion & leather goods, jewelry maisons etc. (Donzé, 2018)
  - → Cultural demands
    - Three debates in luxury industry are influencing talent retention and job performance: island culture (between maisons and holding) (Ijaouane and Kapferer, 2012), synergies intra-maison (between maisons) (Auguste & Gutsatz,, 2013; Shipilov & Godart, 2015) culture clash (within maisons) (Blanks, 2022; Bonhôte et al., 2022; Crane, 1997; Shipilov & Godart, 2015; Morrow, 2018).



# **6.2 Internal Information:** In-Depth Interviews

The following paragraph first discusses the global portfolio and workplace strategy of the holding. With application of left/right brain theory onto the global portfolio. Secondly, the results from the Benelux office are categorized in preferences per brain lateralization, interaction between the two groups and overlapping values. Input from the Benelux interviewees and from the expert on group level are used. Finally, insights are proposed regarding hybrid working from a perspective of the interviewees from the Benelux office. References to the interviewees are given with a number, as illustrated in table 2 (paragraph 5.2).

### 2.2.1 Global Portfolio of the Luxury Conglomerate

More than 35.000 employees worldwide are working in design, manufacturing, distribution, retail and central and regional functions. The portfolio of the conglomerate consists of the following 5 main typologies (as summated below).

Amount	Type	Location
2.300	Single brand boutiques	Globally
20	Customer Service Centers	Europe, Middle East, Asia, North
		America, Australia
60	Manufacturing Locations	Switzerland, France, Germany,
		Italy, UK
40	Warehouses	Europe, Asia, North America,
		Central America
130 (in total)	Office Locations	Globally
45	Holding specific	
64	Maison specific	
20	Holding & Maison (mixed)	

Table 7; Portfolio luxury conglomerate. (source: interviewee 9 and author)

Whereby the research focusses on the offices of the holding. The offices can be further distilled into offices of the holding, service offices with holding & maisons, and offices of the maisons (figure 18). The Benelux service office is researched for this thesis. The office employs 400 people from the holding and five maisons who all primarily perform service-oriented functions. There are 20 service offices worldwide.

The workplace 4.0 strategy of the holding applies onto all workplaces in the summated typologies. For example, manufacturing and warehouse functions consist out of 20% office space; also, these areas are adopted to the workplace 4.0 strategy (9). For this thesis the typology 'office' is researched with herein a variation in offices from headquarters of the holding, local service offices and headquarters of the maison. From these three types of offices, the service office (specifically the service office in the Benelux) is researched, as illustrated in blue in the figure below.

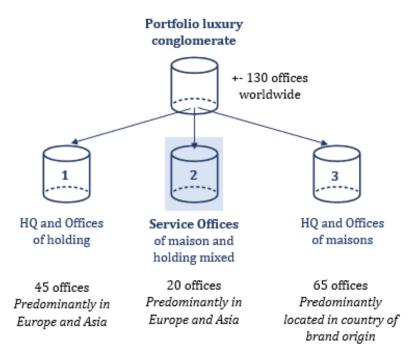


Figure 25; Service offices from luxury conglomerate as scope of thesis (source; author).

For more information (macro, meso and micro attributes) and more reference images regarding the headquarters and offices of holding (office 1) and maison (office 3), see appendix 3. The three types of offices with main functions and goals are described below.

**1.The headquarters and offices of the luxury conglomerate** are predominantly in Europa and Asia. The headquarters are located on the edge of the city and have a modern, natural look, that resonates in the neutral interior design.



Figure 26; Holding Headquarters LVMH in Paris (L) (Wikipedia, 2013), Holding Headquarters Richemont in Geneva (R), (Porro Spa, n.d.)

The main aim of the office is control and strategy formulation (6). Functions such as; HR, IP, Legal, Marketing services, Finance, Manufacturing, CSR, Real Estate, Logistics, Security, Health & Safety, IT, are located in these offices.



**2.The service offices where maison and holding is mixed.** This are around 20 offices in Europe and Asia. Similarly, to the previous typology, the service offices are also neutral in interior design, however are more centrally located in major city centers.



Figure 27; Service office Richemont in Benelux (L) (M+ R Interior Architecture, n.d.), Service office Richemont Benelux interior (M) (M + R Interior Architecture, n.d.), Service office Kering London (R) (Retail Design Blog, 2012)

The main aim of the office is the execution and implementation of the worldwide strategy into the local markets (6). This is on one side the strategy from the holding and on the other side the strategy from the maisons. The holding employees are working in service-oriented functions such as; HR, IT, sustainability, facilities, security health & safety, finance. However, warehouse and customer relation centers can be allocated in these offices. The maison representation fluctuates from time to time (3,6,9) and is heavily correlated to the local consumption of a certain brand and organizational powers from the maison. This centralization; maisons predominantly located in their country of origin versus decentralization; maisons scattered over various locations. Currently, the Benelux office is decentralized (3). As illustrated in the following quote.

(Regarding the two main maisons in the office) "Those are the two biggest brands in the market here that are represented. The other brands no longer have their head offices here." ... "Other brands were here (Benelux office), but due to some reason, reorganization, it is steered from another country, but a representative from the brand is here to carry it out. But not a whole department." ... "It comes and goes, with reorganizations and structures, that is what you see; centralized, decentralized."

(3) Human Resources Director of Benelux and Nordics from luxury conglomerate



**3.The headquarters and offices of the maisons** are predominantly located in the country from which the brand/maison origins. The interior of these offices is branded in maison specific color schemes, materials, images of products/inspiration and a heavy focus on brand heritage. It is important to convey the look and feel of the brand to the employees.



Figure 28; YSL Headquarters (L) (Halard, 2019), YSL Headquarters interior (M) (Halard, 2019), Cartier Headquarters (R) (Yatzer, 2022)

Similarly, to office type 1, for the holding, the main aim of the office is to make designs and generate the central strategy. Corporate talent from the maison, skilled workers and creative talent is situated in these offices. It shares the same basic corporate functions; finance, supply chain & logistics, organization. However also marketing, creation & design with e.g. design teams, and ready-to-wear ateliers.



### 2.2.2 Global Portfolio: Left brain, Right brain theory

Interviews (2,6,9) indicated that talent from the holding and maison can be labelled based on left brain, right brain theory on a global scale (as indicated in yellow and blue in the figure below). This input is connected to the findings from the literature study that define left and right brained talent. Core values for left and right brained talent in general from the interviews are similar to the findings in literature. Further in-depth interviews with talent showed the discrepancies and nuances for the specific office location (the 'Service Office', see figure below) are further traced back to job operation, being a brand or holding representative and personality. The input of the participants clearly indicated the perimeter on which they operate; an office with variation in maisons and supporting functions from the holding. This is further described in section 2.2.3.

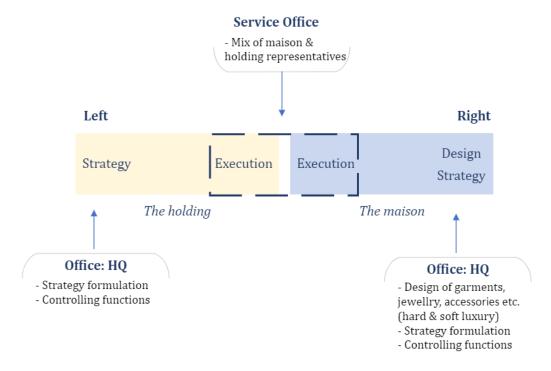


Figure 29: Left, Right brain talent as holding and maisons. (Source: Author)

"The creativity is more happening in the headquarters; the marketing team, architecture team, we have more the execution of the central strategy. Everything is designed or made centrally, so for here we have the execution, and implementation to make sure that we relay the worldwide strategy into the local market."

(6) Brand Director of Netherlands and Nordics (from maison x)



**Right brained talent** in this global scale is connected to the level of creativity that is correlated to the degree of creative output of the employee (Meinel et al., 2017). In this case, the maisons are centralized in their own headquarters, without presence of the holding nor other maisons. This is in the country of the brands origin (Paris, Milan, Schaffhausen, London etc. The designs and brand strategies are made there. (6, 9) An important note should be set that creative talent is apparent in the holding headquarters as well, however way less dominant than in the maisons headquarters in terms of creative output of the employee.

"The designers, they are always working in the headquarters of the maison. Surely, they discuss with others (they travel), but they don't want a huge open space with all designers from everyone in the same spot; it wouldn't work."

(9) Expert

**Core values:** Integrity and protection of ideas is from a personal perspective, as a 'creative' (Bilton & Leary, 2002) input for this workplace decision. From a conglomerate perspective; a high number of synergies can jeopardize brand identity and heritage (Ijaouane & Kapferer, 2012); borders are blurred that make the maison unique. And after all, they are competitors and fishing from the same pond (2). As interviewee 8 adds; "The competitive factor is good for business, it results in grow." All in all, the end right spectrum resonates heritage, autonomy, and integrity. Values that align with the creative (right brain) personality traits (Bilton & Leary, 2002).

Right Brain: Integrity – Autonomy – Protection of ideas – Brand Heritage

Left brained talent is on this global scale connected to the definition of Kumar & Sharma (2016); left brained talent engages in self-motivated behavior; 'top-down control', who is rational, logical and strives for continuous improvement. In this case, the holding operates in this top-down behavior. The top 3 conglomerates (LVMH, Richemont, Kering) follow the multi-brand decentralized, supported by vertical integration (Auguste & Gutsatz, 2013; Chen et al., z.d.; Lai, 2022) indicate their control over the multi-brands (maisons). For this talent is needed that is rational, logical and 'top-down'. Therefore, left brained talent is predominantly situated in the holding headquarters who focus on strategy and control. An important note should be set that all maisons, due to the decentralized model, have their own management and control. A level of left brained talent in the maison headquarters is of course apparent, however more profound in the holding headquarters.

**Core values:** Communication, practicality, and uniformity is from a personal perspective, according to Kumar & Sharma (2016) and Bonhôte et al. (2022) values from a left brained personality. This typologized left brained talent from the holding is characterized as the 'binding factor' (2) of the maisons, whereby the holding is leveraged in service functions by the maisons (5). This indicates roles that are practical, analytical, and controlling from the holding headquarters. The left spectrum resonates communication, practicality, and uniformity for control. Values that align with the left-brain personality traits (Kumar & Sharma, 2016; Bonhôte et al., 2022).

Left Brain: Communication – Practicality – Uniformity – Controlling



### 2.2.3 Benelux Office: Left brain, Right brain theory

As seen in figure 29, the Benelux office is positioned in the perimeter of the holding and maisons. In other words, where left and right brained talent meets each other. This paragraph indicates that talent operating in the Service office is oriented at execution and communication; both types of talent values peer learning and in-office working. The table below indicates this preference in a dominant coloring of the top 3 rows (indicated in green). These top 3 rows are, as described previously, the more dominant left brained core values from the hypothesis. Peer learning (1, 2, 3, 5, 6, 7, 8, 11) is seen as a very important characteristic of the workplace (see table below), as well as in-office working (1,4,8,5,6,7,11). Note: participant 9 is not interviewed for this section.

		<b>Left Brained Talent</b> (Holding)			Right Brained Talent (Maisons)					
Participant	1	2	3	4	88	5	6	7	10	11 _
Peer learning										
In-office working										
Workplace layout										
Autonomy										
Workplace aesthetics										
Hybrid working										

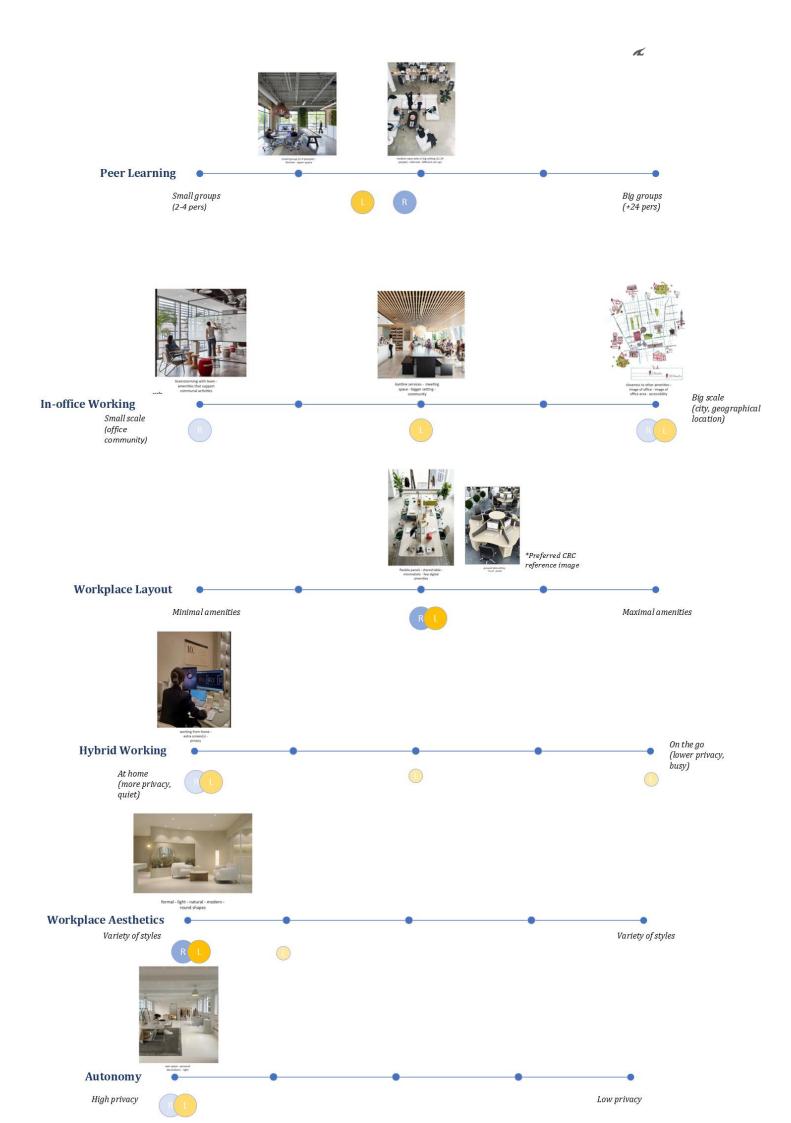
*Table 8; Left brained, right brained core-values from participants. (Source: author)* 

Values that overlap with the hypothesis are indicated in green boxes. This shows that left brained talent has very scattered outcomes; both left and right brained according to the selected core values. Furthermore, that right brained talent has selected more left brained core values than right brained values. It can aim at multiple implications; the selected talent has therefore not creative enough positions, creative talent has different core values in general, or there is no connection between the specific core values and left/right brained talent. Participants 8 and 10 are aligned with the hypothesis.

	<b>Left Brained Talent</b>			Right Brained Talent				t		
Participant	1	2	3	4	88	5	6	7	10	11
Peer learning										
In-office working										
Workplace layout				Hypoth	esis					
Autonomy						Hypoth	esis			
Workplace aesthetics						J 1				
Hybrid working										

Table 9; Left brained, right brained core-values from participants with hypothesis. (Source: author)

Workplace core values overlap and differences – Sliders from reference images put on a scale. Summated from the numbers in the table. These are illustrated on the following page. Overall both types prefer working in small to medium group sizes; 4-10 persons. In-office working is important for right brained talent to be with the team, whereas left brained prefers more the big communal spaces. Both value the central location of the service office. The preferred style of both lateralization's overlaps with the style of the current office. In qualitative questions, right brained talent adds preference for expression of brand heritage in the interior design as well. No reference image was presented to illustrate this statement.





**Left brained talent** – Left brained talent can be categorized as the *sea* in which the different brands are situated on *islands*. The holding (left brained talent) strives for collaboration, is open and sees itself as the 'binding factor' of the maisons (2, 4, 8). As seen in the figure (and table); a gravitation towards peer learning, as most important aspect of the workplace. This talent prefers to work in-office with their team, meet different people from the holding and maisons.

# Peer learning O,8 O,2 Workplace layout Now Participant 3 Participant 4 Participant 8 Hybrid working Workplace aesthetics Autonomy

## LEFT BRAINED: TALENT FROM LUXURY CONGLOMERATE

Figure 30; Spider diagram of core values of left brained talent in Benelux service office. (Source: author)

Talent judges themselves to need left or both in brain lateralization for their position, and in general judges their team to be also left and/or both similar to them. (1,2,3,4,8) Talent that judges 'both' states that this mix is needed; left for control, to comply to regulations and formalities from the position. Right for interaction and generating creative business solutions (being pragmatic). (1,3) No clear relationship is seen between the chosen core values that are labelled as left/right and the estimation of the interviewee to be left/right/both. The latter is indicated in the last row of the table below.

Interviewee	Outside the position	Dependency position	for the	Judgement of team	Lateralization according to core values
1	Right	Both		Both	Left
2	Right	Left		Left	Left
3	Left	Both		Both	Right
4	Left	Left		Left	Right
8	Right	Right		Right	Left

Table 10; Self-estimation in left/right brain dependency by participants from holding and lateralization according to core values. (Source: author)



**The workplace** – The open character reflects into the workplace characteristics as well. An open space that serves small (2-4 people) and medium-sized groups (11-24 people) (1,2,3,8). Regarding how the workplace looks is predominantly; formal, light, natural, modern and with natural (round) shapes (1,3,8). A preference to uniformity of the office appearance as a whole (1,2). Furthermore, a more vibrant, warm, and inviting appearance for the social oriented department of HR (3) with e.g., a couch and personal art pieces. Important to note is that personalizing the workplace in terms of values, personal ornaments (photos etc.) is very important for the workplace (3,8) as a whole and is not apparent enough in the office. (3)

	<b>Left Brained Talent</b> (Holding)				R	<b>ight Bra</b> (Ma	i <b>ned T</b> iisons)	<b>Talent</b>		
Participant	1	2	3	4	8	5	6	7	10	11
Peer learning	2	2	3		3	3	3	3		2
In-office working	3			3/5	5	1	5	5		1
Workplace layout		3			3	3*	3			
Hybrid working		1/5	1/3						1	
Workplace aesthetics	1		1	2				1	4	1
Autonomy				1					1	

Table 11; Left brained, right brained core-values with preferred reference image, from participants. (Source: author) \*CRC reference image

"My ideal situation would be that the office and the office design is standard; modernchic, as it is here. With as many spaces as possible that we can share."

(1) Head of Facilities Benelux & Nordics from luxury conglomerate

The latter is of importance for both the holding and the maisons. Not enough attention in terms of social/informal activities and workplace design/functionalities is paid to the 'sense of belonging' to the team and/or specific maison (2,3,5,7). More informal meetings (1,2,3,4,5,7,8) and opportunities to personalize and/or 'brand' the space (5,7). The last mentioned goes against the flex desk policy of the luxury conglomerate. A friction between personalization/branding versus uniformity (due to flex desk policy and easier maintenance) is seen between the statements of the human resources director and head of facilities. This discussion resonates through the office spaces of the brands as well; branding as a way to show brand heritage and attract/retain talent (5) versus the policy of the office and workplace strategy 4.0.

"That is what I find a difficult job; to make the individual feel at home, that it is their workplace, whilst it's a flexible working environment." ... "Maybe it's generational; Gen Z has less struggle in doing so, but I think it is inherited human to create your own space."

(3) Human Resources Director Benelux & Nordics from luxury conglomerate

"Flex desks takes away your personality." ... "Statement of replacement-ness. This is today your place, but not tomorrow."

(3) Human Resources Director Benelux & Nordics from luxury conglomerate



**Right** – For right brained talent, confidentiality (1,2,3,4,5,6,8,9,10), and an environment that resonates brand identity/heritage is very important (5,9,11). Furthermore, as seen in the previous table with the hypothesis, few participants aligned with the hypothesis core values. Specifically, autonomy and hybrid working are valued little by the participants. The participant (10) that aligned with the core values stated to be personally right brained and needed this lateralization also for the position.

# Peer learning O,6 Workplace layout Negraticipant 7 Participant 10 Workplace aesthetics O,2 O,2 One-office working

### RIGHT BRAINED: TALENT FROM MAISONS

Figure 31; Spider diagram of core values of right brained talent in Benelux service office. (Source: author)

Talent from the maisons is scattered, with main gravitation on the left side of the spider diagram. The participant who is divided into right brain lateralization (10), does not have a function specific team in-office. This can explain the preference for autonomy and working from home. In contrast to the previous comparison of left brained talent (previous table), the right brained talent judges themselves and team to be more right brained as well.

Interviewee	Outside the position	Dependency position	for	the	Judgement of team	Lateralization according to core values
5	Right	Both			Both	Left
6	Right	Both			Left*, Right**	Left
7	Both	Right			Right	Left
10	Right	Right			N/A***	Right
11	Right	Left			Right	Left

Table 12; Self-estimation in left/right brain dependency by participants from maison and lateralization according to core values. (Source: author)

<sup>\*</sup>Sales/commercial \*\*Marketing \*\*\*Single team



The workplace – Right brain lateralization might not be dominant in core value, but it does appear in the workplace preference for integrity. Almost all participants (1,2,3,4,5,6,8,9,10) find this of great importance. The maisons are competitors over clientele, therefore working in the same space, can harm their strategic position (2). However, interviewee 6,10,11 are working in the same space with some for different maisons. For meetings with sensitive information, they retreat to the meeting spaces. In the common space they are careful what they share. (6) Furthermore, collaborating with the smaller maisons generates a improved position against major maisons of the conglomerate. These smaller maisons are therefore easier placed on the same floor, since they share certain resources, and strategies to collaborate. (6,11) Interviewee 11 states that these collaborations can be leveraged more, this is further elaborated the following section: collaboration.

"I think in developing the relationship/strategy and leverage the size of the group it is good to be under the same roof. Then you need some sort of confidentiality per brand, so we don't share everything. But if you want to share you are very close."

	<b>Left Brained Talent</b> (Holding)				R	i <b>ght Bra</b> (Ma	ined T iisons)	alent		
Participant	1	2	3	4	8	5	6	7	10	11
Peer learning	2	2	3		3	3	3	3		2
In-office working	3			3/5	5	1	5	5		1
Workplace layout		3			3	3*	3			
Hybrid working		1/5	1/3						1	
Workplace aesthetics	1		1	2				1	4	1
Autonomy				1					1	

Table 13; Table 6; Left brained, right brained core-values with preferred reference image, from participants. (Source: author) \*CRC reference image

"For us, we would like to keep this identity. And this starts with the office. For me it is important we keep this specificity. You walk into the office and see (maison x), the team, values."

(5) Head of CRC Europe from maison x

Brand identity in the workplace is very important for the major maison (with bigger office space), than for the smaller maisons. Each brand has its own way of working and identity. It is important to have an office environment that enables this learning of the brand and connects the employees to the team and maison, generate 'sense of belonging'. (5) The smaller brands also state to value this identity, however due to the shared office space this doesn't need to be very dominant. It is more important to have a sufficient amount of meeting spaces where teams/maisons can have disclosed meetings/talks from the shared office. In case the smaller maison departments grow bigger, it is advised to generate 'silos'; separated office spaces for the maisons. (11) The same has happened for the major maison in the office; the maison currently has a separate floor and prefers this over a shared space with other maisons (5).

"We have flex places, and someone of (maison z) also sits with our team, which is good. But when you are going to get bigger teams, I would leave it in silos."

(11) Omni Channel Sales Coordinator from Maison

81



### 2.2.4 Benelux Office: Interaction

As the expert remarks; "The Benelux office is special", aiming at the perimeter of the office in its functions; a place where holding and maisons meet. Synergy within the Benelux office is threefold and follows the same types of synergies as formulated from the literature study in paragraph 2. The following three synergies are summated from all interviewees.

- 1. Within the maison (intra-maison) or holding itself (intra-holding)
- 2. Between maison (r) and holding (l)
- 3. Between maisons (inter-maisons)
- (1) Experienced as most important synergy (11) and most naturally. More attention could be paid to expert-to-expert meetings from other locations and positions within the holding and maison (1,2,3,8,7,10,11). For left brained talent, a manual/standardization of for example hard and soft services could be valuable (2) however a certain level of protection of ideas is important as well (1). Although not as apparent, due to the nature of the job, as for right brained talent in the maisons.
- (2) Misalignment between creative (right) and executive (left) roles as described by Blanks, (2022); Bonhôte et al., (2022); Crane, (1997); Shipilov & Godart, (2015); Morrow, (2018) is something that is not experienced in the Benelux office. (2, 6, 9, 10) Possibly this is more apparent in the headquarters of the maisons (2,6).

"No conflict between creative and logical functions; rather competition between different maisons, (the holding) is the binding factor therein."

(2) Chief Financial Officer Benelux & Nordics from luxury conglomerate

However, interaction between the maison and holding is something that should be stimulated (1,2,3,4,5,7,8,9,10,11).

"It is divided per department, per maison. Most don't know each other, and this also doesn't give a group feeling. So, I think when you are a group, you should feel that."

- (8) Sustainability Coordinator Europe of luxury conglomerate
- (3) Not working together as maisons, more collaboration on professional level (7,10) and more expert-to-expert meetings inter-maison is something that should be stimulated.

(regarding expert-to-expert interaction inter-maison) "That would be super. Very interesting and nice to have that connection and possibly help each other. We are in the same position so we could help each other with contacts or network."

(7) Event Project Manager from maison x

The alignment in watch maisons aims at sharing resources by collaborating on a professional level in e.g. negotiations and projects (6,10). However, this can be leveraged more (7,10).



(being separate on islands as maisons) "Let me give you an example. There is a new shop opening with at least 4-5 (holding x) brands, each one of us sends a professional photographer just to capture their own corner. I don't see the reason. Why we don't have a dedicated photographer who just captures the whole store, and everybody shares the pictures? So, we just don't really communicate."

(10) Store Design Planning & Merch Manager from maison y

### 2.2.5 Benelux Office: Overlapping Values and Preferences

As described previously, peer learning (1, 2, 3, 5, 6, 7, 8, 11) and in-office working (1,4,8,5,6,7,11) is very important for almost all the interviewees. Personalization of the workplace is also valued. This ranges from brining family photos, to having a designated place in the office. The head of facilities is allowed to give brand freedom to brand their space (9). However, a new branded department, takes this a whole 'self-designed space' with different type of tables, chairs, lighting. Coherence in the office, and a flexibility to react to change in level of brand representatives decreases. Important to note is that the office follows a flex working strategy, however employees tend to sit in the same spot (7,8,10,11), and always in the same area as their team (1,3,4,5,6,7,8,10,11).

"We should find the balance between work environment (formal) with a touch of (maison x) identity and team identity."

(5) Head of CRC Europe from Maison x

Furthermore, activities within the maison/holding, as well as for the whole office are very important and is something that should be stimulated more. Suggestions are given for more meeting places such as; football tables, ping pong, coffee machines, breakout spaces, gym, restaurant and formal spaces for work (1). As well as activities; lunch, drinks, mystery coffee, blind date, where different maisons and functions can participate. This to stimulate the 'sense of belonging' (1,2,3,4,7,8), attract/retain talent (2,3), and grow on a professional level as well by expanding your network (4). Keep in mind that a certain population is not working in-office (in boutiques, interacting with clients), they also should be included to bond over this type of activities (2).

(Regarding connecting through informal meeting opportunities) "Also, by activities, for example the volunteering activities always do very well, because then you have different departments who with each other are going to do an activity. So that helps always in connecting with each other. With drinks, people tend to stay with their own department; the people they know."

(4) Facility Coordinator from luxury conglomerate



### 2.2.6 Benelux Office: Hybrid Working

Hybrid working is a polarizing topic, that ranges from preferring to work in-office, towards a hybrid output oriented working model. Specifically, managers value the in-office visibility (2,5,6), as well as talent that works in teams and interacts with other departments in-office values the sociality of working in-office but need a few days at home for concentration work (4,7,8,11).

(Regarding hybrid working) 'When I arrived it was only one day per week, that is almost nothing. That was a mistake. I changed it back to 3 days to the office."

(6) Brand Director of Netherlands and Nordics from maison y

Employee without specific function-specific team members, prefers working from home. To be obligated to work in-office 3 days per week obstructs this freedom to do so. (10) According to the HR Director of the luxury conglomerate, the current polity of working 3 days in-office does not align with the values of (young) talent/applicants, who want to work when, where they want and for what they need. They value freedom in doing the work and in working parttime. The HR Director states that output-oriented working with a trust in the employee to do so. As well as (specifically for the position) travelling to boutiques and being in the field should be a focus for the future and is more important than being obligated to be in-office. The HR Director states that 'people think that you have a connection with people, they are more loyal, than working from home for example.' ... 'I don't think that, I think you should trust people more, focus on output, satisfaction.'

"You don't work to survive anymore." (About younger generations) "Work for what you need (regarding income), want time to travel/do something else, prefer working parttime because you want to do other things and also work when it fits you."

(3) Human Resources Director Benelux & Nordics from luxury conglomerate

### 2.2.7 Global Workplace Strategy 4.0: In-Short

The luxury conglomerate implemented around 2008 the 'Workplace 4.0 Strategy'. No previous workplace strategies where implemented. Around 2008 the offices, specifically Benelux office, consisted of very 'old-fashioned' rigid structures of sperate office spaces (silos) and interior design. (9) A boost with new employees and a willingness of the employees to change stimulated the generation of the Workplace 4.0 Strategy. The strategy focusses on all office space (including office space in manufacturing locations, the headquarters of the holding). This strategy aims at decreasing the amount of closed office spaces and generate a variety of workplaces that through Activity Based Working and a Flex Desk Policy are enabled for sharing and higher efficiency of the workplaces. (9) Aftermath of the COVID-19 enabled the '60-40 Policy' whereby talent is obligated to be 3 days per week in-office and 2 days at home. New improvements are aimed at more hospitality and a tool to reserve/book a desk. (1,9) Plans to move to a new Workplace '5.0' Strategy are not made nor planned, see quote below. A dialogue with the current Workplace 4.0 and employees of the Benelux office is made in the following paragraph.

"Globally we just improve, but with small changes. We add elements to the Workplace 4.0, but that it (the strategy) changes is not planned for now. Not even discussed for the future, it is only optimalization of the strategy."

(9) Expert



### KEY TAKEAWAYS: 6.2 INTERNAL FROM INTERVIEWS

# RQ2: What is the current workplace strategy and what are the workplace core value of left/right brained talent?

- Workplace strategy 4.0 aims to reduce closed office spaces and create a variety of
  workplaces through Activity Based Working and Flex Desk Policy. A new improvement of
  the strategy is the 60-40 policy. With for the future more hospitality and a tool to book a
  desk.
- **In general**, there is a lack of space, due to a high occupancy rate, in the Benelux office.
  - Demand for more informal and brand-specific meeting spaces that have a warm character, and a brand/team representation in office appearance.
  - Demand for more (informal) activities inter and intra maison.
  - Demand for more expert meet opportunities (talent who does the same job for another maison), in terms of planned activities; not in the physical office space (in proximity), this affects brand integrity.
- Left brained talent core values:
  - → Peer Learning In-Office working + Uniformity
    - Demand to generate 'sense of belonging' (2,4,5,8) through activities.
- **Right brained** talent core values:
  - → Peer Learning In-Office working + Brand identity
    - Demand from autonomous right brained talent for freedom; no 60/40 rule and own workplace (10), and for brand specific meeting spaces (5,7).
    - Demand for branded, personalized, and own office space/floors (5,9).

### Future oriented bottlenecks

- → How to cope with fluctuations in brand representatives in these service offices (which are mix of brands and holding functions) in a sustainable way
  - Branded furniture, interior design ornaments etc.
- → How to cope with 'working when & wherever you want' + output-oriented working (trend) and having a personalized office space (trend) in terms of office space efficiency.



### 6.3 Workplace Strategy 4.0: In Dialogue

The luxury conglomerate has drawn up guidelines for a successful implementation of the workplace strategy made by the group real estate, architecture & construction team. This policy document 'Workplace 4.0 Guidelines Book' from 2018 is analyzed and summated in the following section. With Q, Question, is referred to the current workplace strategy 4.0. With A, Answer, is referred to the interviewees and the according interviewee number in brackets.

**Goal** The main objective is to develop workspaces that best support the staff in their

activities and attract the best talent, to ultimately improve performance.

**Trends** 'The way we work is changing.' With the following five main trends as input;

emergence of new technologies, arrival of millennials in the workforce, shared

economy, profound change in mindsets, importance of wellbeing.

**Objectives** The strategy should reinforce as follows; help work together, communicate easy,

learn from each other, reinforce the sense of community and leverage synergies.

This is summarized in the following three objectives: 1. attractiveness, 2.

efficiency, 3. optimalization.

**Means** The main mean of the strategy is increasing a variety in workspaces, by

implementing 'work different areas'<sup>3</sup>, instead of the current closed office spaces. The previous three objectives are summated with each means in how to achieve

that.

### 6.3.1 Attractiveness: Attract and retain new talent

**Q:** Provide interesting and innovative spaces.

**A:** This is not interesting and innovative enough for (young) talent (3, 5). Want an increased sense that we belong to a certain team or/and maison (1,2,3,5,7,8).

- By maison specific images, attributes, interior design, visible values, and artwork (5).
- By department specific images, visible values (3, 5).
- By always having a place to work in-office (3,4,5,7,8), that you can personalize yourself with attributes, images (3, 5).

**Q**: 60/40 rule, with 3 days in-office and 2 days from home.

**A:** That we/I can work anywhere and whenever we/I want, with a focus on output instead of an in-office obligation (3, 10). This specifically helps in attracting new young talent (3). Others state that this trend is separate from wishes of young talent but rather depends on the life(style) of the employee disregarding age (5,6).

**A:** In-office connection is important, at least a few days per week in office. (5,6,8)

-

<sup>&</sup>lt;sup>3</sup> The Workplace 4.0 Guidelines Book describes the following spaces as *'Working different areas'*: informal collaboration space, touchdown space, coworking lounge, library/quiet space, team zone, stepped seating.



→ Freedom is most important for (young) talent, as well as for the managers. The 60/40 should be replaced for tailor-made solution per team; whereby flexibility is kept to work hybrid or prefer to work inoffice. Output oriented working is a tool to reflect on the productivity/quality of the tailor-made policy of the team regarding in-office, hybrid working.

### 6.3.2 Efficiency: Adapt workplaces to employee needs and priorities

**Q:** Reinforce exchanges, flexibility and sharing

**A:** Exchange and sharing is valuable for team and intra maison interactions (2,3,5,7).

• Be guaranteed of a place to work, close to other team members.

**A:** Exchange and sharing is very sensitive inter maisons (1,2,3,4,5,6,7,8).

- Maisons, specifically departments from maisons with sensitive information, cannot be mixed and/or merged (1).
- Nuance in SWM: these can be mixed and/or merged with similar positions from other maisons (6).
  - Activities related to brand strategy (commercial, image) not possible (6).

**A:** Exchange and sharing is valuable to a certain extend inter maisons and with the holding itself (1,2,3,4,5,6,7,8)

- For functional expertise inter maisons (3,5,6,7,8).
- For service/support from the holding towards the maisons (1,2,3,4,5,6,7,8).
- For personal connections, informal, and sense of belonging (1,2,3,4,5,6,7,8).
- For professional connections, for job opportunities, climbing the corporate ladder (4, 7, 8).

**A:** The workplace does not support and stimulate these interactions sufficiently on its own; (informal) activities do (1,2,3,4,5,7,8).

- Activities, inter/intra maisons/holding from different scales that are more informal should be a new means in achieving higher efficiency. (6)
- Spaces are needed to support this (5,7,8).

**A:** All in all, the flexible office strategy does not align with the employee, holding and maison needs and priorities.

→ The strategy 'sit wherever you want', and a capacity of 1.3 people per desk goes against the need for privacy of maisons, and the need to be guaranteed of a place to work. The uniformity of the office that comes with the flexible office strategy, goes against the personal expression of uniqueness of maisons and employees.



**Q:** No silos (closed office spaces)

**A:** Silos for privacy reasons are valuable, in a flexible perspective for; online/sensitive calls and (team) discussions, in a non-flexible perspective for; information sensitive functions and departments. Keep in mind that activities should be implemented to stimulate interaction from silos to the office as a whole.

- Flexible use:
  - More safe spaces (5)
  - More informal team spaces (2,5,11)
  - Possible alternative for phone booths
- Nonflexible use:
  - Closed office for maisons
  - Closed office for other information sensitive departments and functions

### 6.3.3 Optimalisation: Streamline the use of areas

**Q:** Best use of space; not about reducing the amount of space but reallocating the use of space for more qualitative work settings.

**A:** This *Activity based working* strategy has similar bottlenecks to the flexible office strategy.

- Employees tend to work close to team in flexible office (,3,4,5,6,7,8,10,11).
- Privacy concerns for maisons (1,2,3,4,5,6,7,8,10,11).
- Currently high occupancy rate that suppresses the jargon of 'sitting where you want that matches the type of work you are doing', into 'sitting where there is a place available' (3,4,5,6,7,8).
- → The qualitative work setting 'Working Differently' category that is implemented on the place of the closed office space should be allocated. Instead of 'Working Different areas', more spaces for privacy for the maisons and more informal spaces and opportunities to meet each other inter maisons and holding itself should be implemented.



### KEY TAKEAWAYS 6.3 FROM INTERVIEWS

## RQ3: How does left/right brained talent react onto the current workplace strategy and service office?

- Attractiveness Provided spaces are not interesting and innovative enough, predominantly for right brained talent. An increased sense and representation (in the physical and social element), that talent belongs to a certain team and/or maison is needed.
  - (60/40 rule) Freedom should be given to teams to make tailor-made solutions to work in-office/hybrid. Output oriented working is herein a tool to measure productivity/quality and reflect on the teams' way of working.
- **Efficiency** The flexible office strategy does not align with the needs and priorities of employees and maisons. The strategy has a capacity of 1.3 people per desk and a uniformity of the office that contradicts the personal expression, uniqueness of maisons and personnel, privacy concerns and need to be guaranteed of a workplace close to the team.
- Optimalization The Activity Based Working strategy suffers from the same bottlenecks
  as the flexible office strategy, such as employees preferring to work close to their
  colleagues, privacy concerns for right brained talent, and a high occupancy rate. To
  address these issues, the qualitative work setting 'Working Differently' category should
  be allocated, with more spaces for privacy and informal meeting spaces.



### **6.4 New Optimum:** Curves and Analysis

The graph below consists out of 3 underlying optimal curves that represent, productivity, location, and sustainability. Indicated is that the current service office with workplace strategy 4.0 is not in optimal. Input from interviews, trends, and literature indicates that the service offices, specifically the Benelux service office, requires alterations to the current workplace strategy 4.0. To tackle the misalignments as described above and improve on the following 3 aspects; identity, location, sustainability that result in the new optimum below. This new optimum is reached by the design of 'Service Offices 5.0' which is equivalent to the new proposed Workplace Strategy 5.0 in the following paragraph 6.5.

# Identity versus location High Current HQ maisons High identity Future: flexible in brand and team identity with more locations Service offices 5.0 Low Current HQ holding Low identity One location Mutiple locations

### Figure 32; The new optimum in identity, location, and sustainability. (Source: author)

The aim of the Workplace Strategy 5.0 is to allow brands and teams to be more flexible in expressing their identity. To go against the sense of replacement-ness for employees, and maisons that are part of the fashion group. Which is something that occurs with the current workplace strategy 4.0. Flex desks, Clean Desk Policy boost the sense of 'this is today your workplace, but not tomorrow' (interview 3). A greater optimum is found in clustering teams and major maisons whereby employees who gravitate towards working in-office have a designated desk that allows for personalization. This in-office working is stimulated by the deployment of 'Skill Offices' that allows for developing personal, professional skills and stimulate learning and leadership between employees of various seniority levels. Together with offering housing solutions in close proximity to the skill offices. Consequently, 'The Family (= employees)' has a trouble-free decision to exchange between office locations and work intensively in-office.

Furthermore, a greater emphasis is made on the common denominator of the maisons and holding; family heritage. The same factor that is for the clientele of major importance in sympathizing with the brands; they originate from a family business and embody a timelessness identity. (d'Arpizio & Levato, 2014) This same identity of craftmanship, heritage and history of maisons and holding should resonate trough the new Skill Offices to increase the sense of belonging of employees and visitors.

The following paragraph will dissect the presented optimum curve into the three underlying factors and curves that go from major to small scale applied onto the service offices of the luxury conglomerate. The sub paragraphs are: 6.4.1 Location Optimum, 6.4.2 Identity Optimum, 6.4.3 Sustainability Optimum.



### 6.4.1 Location Optimum

The new proposed strategy offers more locations to increase the productivity of employees. These locations originate from the aim to offer output-oriented working and skill development (leadership & learning). For output-oriented working, more freedom should be given to the employee to work when and wherever, whereby working hybrid is one of these solutions to increase productivity. For skill development, more personalized solutions should be given to work in-office and develop these skills in-person. Such as in office (in)formal activities and housing solutions in close proximity of the office. This results in the proposal of Skill Offices (type 1) & Satellite offices (type 2) to increase productivity by offering more freedom and flexibility for the employee. These two means are described in the Workplace Strategy 5.0 (paragraph 6.5).

### Productivity versus location in service offices High Output oriented working Service offices 5.0 Skill development Future: more (leadership & learning) locations to increase productivity **Productivity** Current service offices 4.0 Fully working Working Activity based working from home in office Flexible office stratey Service offices pre 4.0 strategy Low Location One location Multiple locations

### *Figure 33; The new optimum in location. (Source: author)*

Managers value visibility in the office (6). It can however be stated that productivity and talent retention, decreases when this is executed forcefully on the employees. This discourse resonates throughout the organization; visibility of employees is required, which some interviewees label as old-fashioned. The argument is that it is important for talent retention and attraction to offer working when and wherever you want, as long as your output is aligned with work required expectations. Otherwise, specifically young talent is not enticed to join the organization. To add onto this, interviewees claim that it is not only young talent who values this way of working, but it is rather a decision about someone's 'way of life' disregarding age. Employees who live in the suburbs, for example, with families, prefer working from home or/and others view the office as an escape and/or a quiet environment if they live in a busy environment (with e.g. roommates). Being a member of a team adds another dimension to the equation. Talent who is not directly working in a team is less eager to go to the office and prefers to work hybrid, if working conditions at home allow to do so. A final note for the future of the office operations is connected to a preferability of some departments (specifically, HR teams) to work in the field. This includes travelling to boutiques in the region that the office operates in. A possibility for hybrid and outputoriented working is therefore in favor of this way of working.

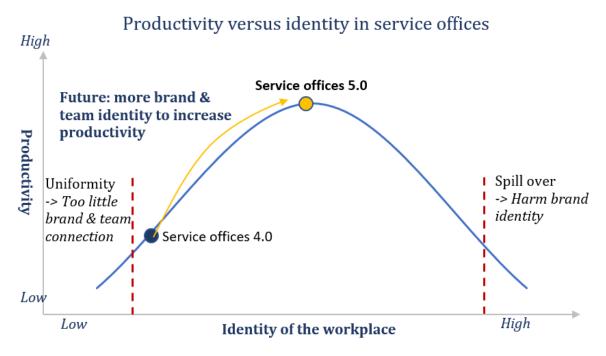


A balance between working in-office and fully from home should be reimagined. The current service offices offer ABW and flex working. However, it can be stated that, due to over occupation, employees predominantly sit at the same desk or/and at the designated team space. A new optimal is found in higher flexibility and freedom that results in higher productivity. This new optimal shifts away from ABW and flex working and toward personalized office space in Skill Offices, as well as hybrid working solutions for communities on the go or individuals who prefer to work from home (Satellite Offices).

Both means; Skill Offices & Satellite Offices with output-oriented working and skill development are discussed in chapter 6.5.

### 6.4.2 Identity Optimum

Greater emphasis on brand, team identity to increase the productivity of the employees. Use team values, personalization of workplace and expressions of family heritage for maisons and holding. Almost all interviewees value workplace identity, such as personalization of desks, displaying values and team images, or branding the workplace to resonate with a specific brand heritage. The sense of belonging, connection to the maison/team/holding, and gaining a deeper understanding of the maison are the primary motivators. Currently, the character of the service office is uniform, with minimal decorations of maison and/or teams. In the service office, general imagery of the maisons and group is shown. Interviewees, on the other hand, value this expression of identity. According to Van Der Voordt (2004), adaptability is related to the perceived effect of employee productivity. Giving the department or unit its own identity through color and personal/collective characteristics creates the impression of a group territory.



*Figure 34: The new optimum in identity. (Source: author)* 



An increase in the identity of an organizational unit's workplace (holding department and specifically maison) can, on the other hand, stimulate connectivity to the maison, holding, and/or team, which indirectly boosts productivity. According to Auguste and Gutsatz (2013), talent needs to acknowledge the DNA and heritage of each brand because it is critical to the maison's success. 'Companies live and die - luxury brands survive' (Auguste & Gutsatz, 2013). This success factor should thus be reflected in the workplace, for maisons and for the holding. Both holding and maisons are family businesses, this common denominator provides identity and learning of the business heritage.

Achieving more identity and productivity is done through the Customization Index. This means is described in paragraph 6.5.

### 6.4.3 Sustainability Optimum

The level of the previous described identity correlates with sustainability. Little identity results in little engagement that harms social sustainability (SocSus). Whereby too much identity harms material circularity (MC), environmental (EnvSus) & economic sustainability (EconSus). Too much identity and its negative sustainability effects relates to the fluctuation in brand representatives and offering branded spaces and ornaments that are too location specific. The maison representation changes over time (interviewee 3,6,9) and is strongly related to local consumption of a specific brand and organizational powers from the maison. This centralization, with maisons primarily located in their country of origin, versus decentralization, with maisons scattered across multiple locations. Nowadays the Benelux office is more decentralized (interviewee 3). This fluctuation of maison representation in the office, whereby a maison has a location-specific branded space results in this in-efficiency of sustainability. Ornaments of the maison cannot be exchanged with the other office locations and have to be replaced to match with the new maison brand expression. Think about branded (in color, print etc.) carpets, flooring, major armatures, and artefacts (desks, couches, art etc.).

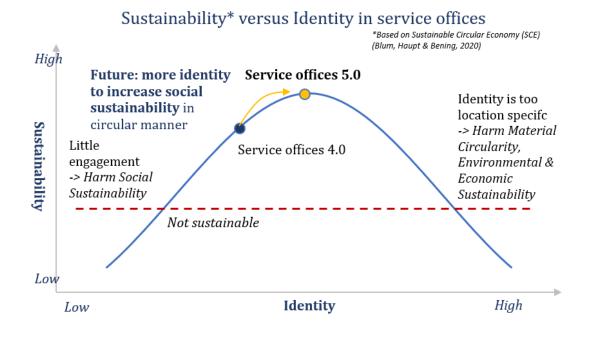


Figure 35: New optimum in sustainability. (Source: author)



Fluctuations in brand representatives who value identity result in branded office amenities, furniture, and decor that are useful when a brand has high representation but are ineffective when the brand relocates to another office or their headquarters (centralization). Because they value this expression for connection to the maison, non-branded furniture and the freedom to do so can lead to maisons branding their own space independently. This brand freedom reduces the office's coherence and flexibility in responding to changes in the level of brand representatives in a sustainable manner. Currently, brand freedom in interior design reduces sustainability and possibly the ability to respond to future changes. Too many branded objects are created that are too location specific due to reorganizations. Interior design coherence with limited brand freedom increases sustainability and futureproofing.

The proposed customization index functions as a tool/means to address this issue, as illustrated in paragraph 6.5.

### **KEY TAKEAWAYS 6.4**

### **RQ4:** What is the new optimum for the service office(s)?

The Benelux service office is not optimal in (1) identity, (2) location, and (3) sustainability. Input from interviews, trends and literature suggest improvements these three aspects, leading to the design of Workplace Strategy 5.0'.

- (1) Location Increase productivity by offering more freedom, flexibility, and skill development (leadership & learning) for employees. This shifts away from ABW and CDP and towards personalized office space in Skill Offices and Satellite Offices for hybrid working solutions for communities on the go or individuals who prefer to work from home.
- **(2) Identity** Increase in brand, team identity, personalization of workplace, and expressions of brand heritage to boost productivity. Talent needs to acknowledge the DNA and heritage of each of the family businesses (brands and holding), which is critical to the maison and holding success. This success factor should be reflected in the workplace, for maisons but also for the holding itself.
- (3) Sustainability Freedom for brands in interior design reduces sustainability<sup>4</sup> and the ability to respond to changes in the level of brand representatives, while limited brand freedom increases (social) sustainability<sup>4</sup> and futureproofing.

The following paragraphs describes 4 means/tools in 'Workplace Strategy 5.0' to reach the proposed optimum.

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<sup>&</sup>lt;sup>4</sup> Material Circularity, Environmental Sustainability, Economic Sustainability (Blum, Haupt & Bening, 2020)



### **6.5 Workplace Strategy 5.0:** New Advice

In cursive are the new workplace strategy 5.0 improvements adopted into the lines of the workplace strategy 4.0. The numbers of the objectives and means are connected; each mean results in the corresponding objective.

### Goal

The main objective is to develop workspaces that best support the staff in *developing their skills*, their activities and *retaining* the best talent, to ultimately improve performance.

### **Trends**

'Why we work and how we work is changing.'

With the following five main trends as input; emergence of AI, 4<sup>th</sup> industrial revolution, the talent crunch, from globalization to localization (Made in Europe, Age of the Amateur), and from talent attraction to talent retention.

### **Objective**

- 1. Increase productivity by enabling workplaces to resonate brand, team, and group identity whilst being circular.
- 2. Increase productivity by close knit (type 1) and fluid (type 2) office locations.
- 3. Increase productivity by designing workplaces harmonious to left and right brain preferences.
- 4. React to possible new definitions of the office.

### **Means**

- 1. Customization Index
- 2. Skill offices (type 1) & Satellite offices (type 2)
- 3. Left and Right brain design advice
- 4. Suggestions for future amenities & functions of the office

### 6.5.1 Misalignments with 4.0

The previous paragraph sates that the current strategy does not align with trends/debates (paragraph 1) and the wishes/needs of talent in the service office (paragraph 3). In short, the workplace 4.0 strategy is not the optimal workplace for left and right brained talent in the luxury industry.

This paragraph provides input for a new workplace '5.0' strategy, that tackles the two most important bottlenecks that makes the current workplace strategy *old fashioned* and illustrates hereby how the optimal workplace for left and right brained talent should look like, as well as a renewed function of the service offices adapted to future trends and input from talent.

### MAIN MISALIGNMENTS WITH CURRENT STRATEGY

Fluctuations in brand representatives who value identity.

Versus

Sustainability and efficiency in branded (interior) architecture.

A need for freedom<sup>5</sup> and output-oriented working.

Versus

Personalized office space and teambuilding.

\_

<sup>&</sup>lt;sup>5</sup> To work when/wherever



### 6.5.2 Means: Customization Index

The customization index aids in being flexible in brand identity. It scales the elements down to what level brands can customize and/or bring themselves (indicated in blue, in table below). As indicated in the table below, the holding offers a basic package that is neutral and effortless to combine with the customization 'add-ons' of the different brands. This package of the holding complies to the regulation of the country in which the office is located. Think about sufficient light sources, distance between windows and air circulation/filtration. As indicated, the holding is responsible for this compliance Furthermore, the basic package also suffices to the standard health & work policies set by the organization, think e.g. about ergonomics. Important to note is that personalization and identity should be displayed on holding and maison level. Think about presentation of team values, photos etc. to increase the sense of belonging to the organization.

As stated in paragraph 3; the service offices are positioned at the place where right brained talent (representatives from maisons) work alongside left brained talent (representatives from the holding). The new strategy consists out of a basic package (functional body) with branded fittings that are flexible and repurposed; the customization index. The analogy of a watch, or car can be used to explain. The case/bezel as basic package from the holding, and different straps/bracelets for each brand to put their stamp on the workplace. Or a functional chassis of a car with different bodies on top. Both need each other and need their identity to come out in order to work. Crucial is the marriage of both parts; the lugs (watch strap connectors) or mounts to attach chassis and body. The image below illustrates the new strategy in this analogy.

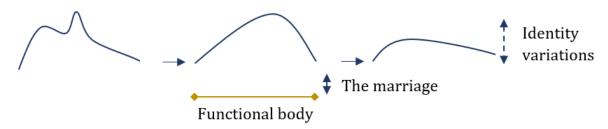


Figure 36; Service offices as a marriage of left and right brained talent. (Source; author)

### **Sustainability**

The basic package is interchangeable with different departments from the office and other office locations. This increases the duration, and usage of the elements; that increases the economic (EconSus) and environmental sustainability (EnvSus). Furthermore, limiting maisons to the level of customization as illustrated below, enables exchange of customization tools between the locations of the maisons where maison representatives are present. The latter also increases reuse and therefore material circularity (MC) the tool.



**Customization Index** 

Customization Index				
	Territory	Elements	Holding Basic package: 'Functio nal body'	Maisons Customi zation: 'Identity variation s'
Site	Common*	Location		
		Access		
		Functions		
Building	Common*	Windows		
3		Doors		
		Openings		
		Outdoor spaces		
		Supporting structure		
Rooms	Common*	Transitional space		
		Technical space		
		Common breakout		
		Open office space		
		Wet spaces		
Rooms	Dedicated to	Breakout space		
	maison	Transitional space		
		Team/meeting space		
	**************************************	Wet spaces		
Interior design:	Within	Wallpaper		
Rigid objects	dedicated to	Flooring		
	maison	Lighting fixtures		
	spaces	Sunlight fixtures		
		Major and/or in-built light solutions		
Interior design:	Within	Rugs		
Loose objects,	dedicated to	Drapery (curtains)		
major	maison	Furniture (desks, tables,		
major	spaces	chairs, sofas)		
	spaces	Plants and fixtures		
		Shelves		
		Technology (screens,		
		keyboards, IT demands)		
Non physicality's	Within	Activities		
Activities	maison,	Informal; lunch, drinks,		
	holding and	mystery coffee etc.		
	overachieving	Formal; workshops, townhall		
Non physicality's	Within	meetings etc.  Platform and IT amenities to		
Digital	maison,	present culture, activities, and		
2-8-mi	holding and	events		
	overachieving			
Interior design:	Within	Decorative light fixtures		
Loose objects,	dedicated to	(hanging and standing)		
small	maison	Art pieces		



Books, photos, other furniture	
(e.g. football table) and	
accessories/objects than can	
be easy taken away.	

Table 14; Customization Index. (Source: Author)

### Non physicality's: Digital & Activities

Point towards the demand from the interviewees for more interaction and learning about the maisons. It is important to include these nonphysical elements into the basic package and customization of the maisons. Without these non-physical elements, other elements such as breakout spaces and team spaces are not optimal. A breakout space alone does not reach connectivity alone, for this the non-physical elements are needed as well.

### **Interior design;** Loose objects major & small

For the interior design a renewed focus should be on collaborating with:

- 1. Local artisans
- 2. Family businesses
- 3. Upcycling of local material stream

All in all, to support other family businesses, similar to the structure and history of the holding and maisons itself. Keep in mind that these three requirements result in a locality and variation in supplier per geographical region, which generates an office interior that is location specific. The aim is specifically to reuse the materials already present in the region. To have little pollution of moving materials, exploitation of resources and increase transparency. If the service office is relocating; the interior design should be adequately reused in the region by other organizations/upcycling streams. Specifically, if the relocation distance is at such a length that it is not sustainable to relocate the interior design objects. Hence why for maisons, customization is possible with small lose objects rather than major location specific objects. Relocation of maisons is more frequent than relocation of the complete service office.

<sup>\*</sup>Or used by holding. Breakout spaces include kitchen.



### 6.5.3 Means; Skill Offices & Satellite Offices

The figure below illustrates in blue the ongoing/past trends, with in green the upcoming trends. In bold text is depicted how the blue trends are reversed 'antithetical' in the future. The transformation of current service offices into skill offices responds to these changes in a future-proof way.

The skill offices are the service offices with reimagined purpose; a great focus on developing skills such as leadership and personal development. Whereby the skill office fungates on a variation of the 'Red Thread' and/or other localisation policies to achieve self-suffifiency in specialized (European) regions. The skill office is a therefore a place where craftmanship serves in upcycling & repurposing of products and materials. Whereby connectivity with audience (clients, personnell, artists, regions) is boosted by a renewed focus on the family business. The interior resonates and tells the story of the various families that maison and holdings consists of. As well as the current family, in achievements of personell and values of the business. Transparency and openess to public of the skill office should boost displaying this credability of craftmanship and heritage. As well as openess to (local) aritisans to connect with the region.

This paragraph further displays the skill offices (1) and satellite offices (2) as being the next step of service offices (1) and hybrid working (2).

### Service Offices Skill Offices Diverging & Lateral People Converging Classic office structure Hybrid office structure New office structure AI Developments **Human Skill** - Personality & Leadership Increase in personnel Decrease in personnel Talent Retention - Family & Craftsmanship Aim for globalisation Aim for localisation - In (e.g. European) specialized regions to achieve self-sufficiency High production Low & slower production - Upclycling & closing

### Making strategy 5.0 robust to upcoming trends and discourses

Figure 37: Strategy 5.0 adopted to upcoming trends and discourses. (figure: author)

waste loops



The high level of interaction and its intensity of interviewees to their team/department and other maisons, show that the employees should be in-office or closely connected elsewhere. All employees state that in-office and peer learning are most important values of the workplace. Whereby employees that value hybrid working, have this preference due to that it is aligned with their preferred lifestyle (disregarding age).

To react to the future trends; the upcoming talent crunch, an emphasis should be made to talent retention rather than talent attraction in the luxury industry. (Butler-Young, 2023a) According to Bulter-Young (2023a) luxury companies will need to place a greater emphasis on providing opportunities such as educational subsidies and training programs, incorporating flexibility into all job functions, providing consistent face-to-face leadership, and assisting their workforce in recognizing long-term growth opportunities within the organization. The rise of AI with a possible  $4^{th}$  industrial revolution might push the employee to work more in-office. (Ross, 2021) Positions that can be done from a distance (hybrid) with little personal interaction are the type of jobs that can possibly be replaced in the future for automatization. Together with possible new support functions for the automatization. The following positions will change according to Bulter-Young, (2023c);

- Customer engagement; customer service, support for online interactions and clienteling
- White collar jobs; data analysis, legal, finance, media, and content creation

From the following the amount and nature of how jobs are performed changes;

Marketing, copywriting, merchandising, design, and content creation

A simple equation indicates that the  $4^{th}$  industrial revolution will have greater impact on the talent lifecycle that the talent crunch expected in 2030.

- The talent crunch; worldwide deficit of 85 million people in the workforce (The Business of Fashion (2021) & McKinsey (2022).
- Rise of AI (4th industrial revolution); replaces worldwide 300 million jobs (Bulter-Young, 2023c).

Adapting the workplace to align with newfound focus onto education, training, flexibility, face-to-face leadership, and long-term growth opportunities (Bulter-Young, 2023c), that result from the rise of AI is more dominant than the upcoming talent crunch. It is however unclear if both can be crossed out against each other, and thus if similar job positions will be replaced as the one where a talent crunch will appear. Still, a focus on talent retention should not be out of focus to ensure future significancy, success, and an organizational culture of continual innovation (Earle, 2003).





Type 2: Satellite Office

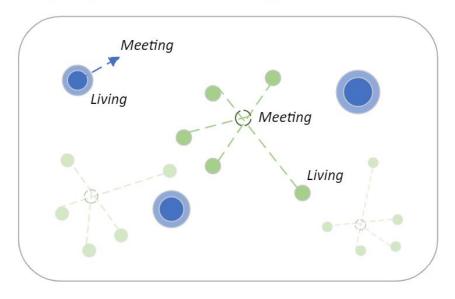


Figure 378; Skill Offices & Satellite Offices. (Source; author)

The human scale, interaction, and skills regains momentum. As Edelkoort (The Business of Fashion, 2017) states; 'having meaningful work becomes a privilege.' The office should therefore become even more a space to share skills, network and provide the artisan/human scale. Think about a high intensity of activities, trainings, social events. Whereby 'the office' is no longer a rigid structure but a construct where people meet in the following two outliers;

- → Skill office. As illustrated in blue, this is for development of skills and network. For teams and departments that need to work in close proximity to each other or employees that simply favor in-office working. The office space is rigid, highly personalized per employee/team, brander per maison (see customization index above), and with focus on improving skills, connection and network. Possibly offering housing solutions so that employees are close to work, and stimulated to be in-office (light blue ring).
- → Satellite. As illustrated in green above, this is to make a community of the hybrid/in the field working employees. For teams that work in far proximity of each other. With high amount of relocations/traveling to boutiques or/and living in different areas. Due to the autonomy of the job, travel reasons or personal preferences in working from home the proximity is high and varied. The office is a periodical intensive meeting point where the team connects and aligns face-to-face. Think about a shared space for a few days, usage of flex meeting spaces (informal and formal) and multiple-day excursions for team building.



### 6.5.4 Means; Left and Right brained talent design advice

Both types of talent are in demand of (in)formal meeting spaces, teambuilding spaces. As well as activities and learning skills face-to-face in-office. This section presents the hard and soft margins in terms of space usage by right and left brained talent. As well as the floorplan and impression of the types of spaces. Keep in mind that the latter are an impression, whereby to be in compliance with the customization index, the interior design should be uniform with branding as illustrated in table 10.

### Hard and soft margins

The figure below indicates the type of spaces that are needed for each brain lateralization, that ranges from low to high integrity levels.

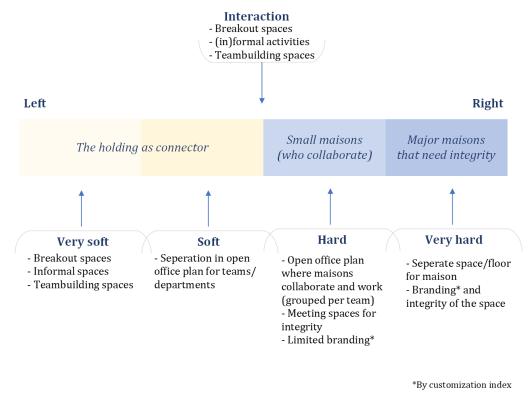


Figure 39; Spaces and territory from low to high integrity needs. (Source; author)

Each margin has corresponding persona, which is illustrated in the figure below. Important to note is that talent from the holding has 'soft' boundaries and ranges from being able to work anywhere trough the office (light yellow) towards working in close proximity to their team (dark yellow). The same goes for talent from the maisons. Small maisons (light blue) can be situated close to each other with limited brand expression, whereas major maisons (dark blue) should be located on the same floor/area with major brand expression.



### Persona's per integrity cluster

Left	The holding of the holding of the holding of the holding	as connector  Talent Holding (managerial)	Small maisons (who collaborate) Talent Small Maisons	Major maisons that need integrity  Talent Major Maisons	Right
About the Cluster	- Works in team, however needs space to work by themselves Low level of privacy for the position, so is able to work throughtout location in quiet space.	- Values working in team (periodically independent), and in the same room as team - Has leading/ managerial role. - Mediocre level of privacy needed.	- Works for relatively small represented brand in certain office location Can be situated with other small brands, to strive for collaboration.	- Works for relatively major represented brand in certain office location Cannot be situated with other brands in office Exchange with other experts from other brands is valuable Values brand-only meeting spaces	
Core Value(s)	- Uniformity of office space & meeting opportunities across holding and maisons	- Personality of team space with displayed values - Attractiveness for team to work in- office.	- Less aim for heritage of the brand - Value interaction with team and other brands	- Heritage & interaction within the brand, team space with values - Creative positions: value autonomy & independent working	-

Figuur 40; Persona's left to right brained (Source: author)

The table below shows for each population its core values and floorplan specifications. The population ranges from left brained (as the holding itself), to right brained that varies from small maisons to major/dominant maisons. This variation is related to the number of representatives from a certain maison in the office. A high level of representatives results in a more dominant maison that needs to be separated for brand integrity. As experienced in the Benelux office, the smaller brands cooperate in sharing their resources. They thrive in a space with other brand representatives whilst sharing a group of desks dedicated to their team and maison. Hence a distinction in the right brained talent nor maisons. This distinction is also indicated in the figure above; 'small maisons' and 'major maisons'.

Cluster	Left Brained	Right Brained (small)	Right Brained
name			(dominant)
Populatio	<ul> <li>Talent working for</li> </ul>	<ul> <li>Talent working</li> </ul>	<ul> <li>Talent working</li> </ul>
n	the holding.	for maisons that	for maisons that
		are low in office	are high in office
		representation.	representation.
		<ul> <li>Can be clustered</li> </ul>	<ul> <li>Cannot be</li> </ul>
		in the same	clustered in the
		office space, due	same space with
		to collaboration	other maisons.

Jessica Kuurstra Thesis



alignments with other maisons. Core Communication Integrity values **Practicality** Autonomy Uniformity Protection of ideas All: peer Controlling **Brand Heritage** learning & in-office working **Specialty** Can be mixed with other Can be mixed with Can be mixed with departments and maisons. holding, and maisons holding, however. however teams should be that are in collaborating prefers be to placed together. streams, however autonomous own private meeting spaces space. Cannot be mixed should be placed for with other maisons. maisons to meet discretely. Floorplan\* Functi Functi Functi Team x, y Meeting Meeting onal onal onal Team Space space space space Space **Amenities** Meeting Meeting Breakout Breakout Breakout space space Meeting Meeting Meeting space space space Team Space Team x, y, z space Maison x Functional Functional Functional Enclosed Open Meeting space For multiple teams of For multiple teams For specific team disregarding maison single maison Functional space Floorplan\* Functi Functi Functi Team x, y Meeting Meeting onal onal onal Team Team Space space Maison v space disregarding Space Open and Meeting Meeting Breakout Breakout Breakout space closed Meeting Meeting Meeting spaces Team Space Team x, y, z space Maison x disregarding mo Functional Functional Functional Enclosed Open Brand integrity Openness



### Impressio n



Mix with 1+3 impression.

Use of customization index: Basic circular package



Collaborative

setting per maison.

Use of customization index: Basic circular package + Branding per team (member) space



(3)

table

Mix with 1+3 impression. Medium open plan, informal and formal spaces.

Use of customization index: Basic circular package + Branding throughout floorplan

Table 15; Left and Right brained talent design advice. (Source; author)



### 6.5.5 Means; Suggestions for future amenities & functions of the service office(s)

As discussed, 'why we work and how we work in changing', with trends as emergence of AI, 4th industrial revolutions, the talent crunch, from globalization to localization and from talent attraction to talent retention, that are overlapping. It can be questioned whether the ability of man goes down while the ability of AI goes up. Working in office brings a new meaning to tackle job insecurity by improving skills and leadership. This is also discussed in section 6.4.4; Skill Offices. A shift in functions and its quantities in the office can be impacted by these trends. Customer engagement roles (customer service, online support), as well as marketing, copywriting, merchandising, design, and content creation, may see a shift in the number of available jobs as well as how those jobs are performed, according to Butler-Young (2023b). This will impact the job landscape of the service office, and reason to go to the office.

Furthermore, the rise of AI and localization go hand in hand. The industry 4.0 is a process that transforms mass production to mass customization. Whereby it is possible to meet the various needs of each consumer per product whilst costs remain similar to those of standard mass production. (David et al., 2022) The Berlage (n.d.) weaves this customization in the development of the 'red thread'. An alternative future for the fashion industry that interweaves five centers in Europe together. Moving away from resource over-extraction and exploitative labor conditions by dispersing manufacturing and design centers into interconnected, specialized European regions. An automated and handcraft manufacturing process, with the possibility to construct a garment fit-for-person by automotive in-house technology. As well as a great shift towards repair, alteration, recycling, and reuse facilities in-house to increase the lifespan of products. This moves the supply chains from agile nations towards at location solutions and services. (The Berlage, n.d.) The service offices of the luxury conglomerate should adopt towards this new point of view. New amenities and functions include:

- Less office space for vulnerable jobs to automation. Possible more space for atomization supporting functions.
- More job insecurity and a decrease in human skill and ability. A shift in underlying reason to go to the office.
  - $\rightarrow$  Go to the office to learn and develop skills.
  - ightarrow Face-to-face contact with leaders for development of agility in an insecure job market.
- A renewed emphasis on localization whilst being interactive and functional on a variation of the 'red thread'.
  - → Collaboration with local artisans/craftsman.
  - → Openness to public for transparency.
  - $\rightarrow$  Exchange in raw materials/recycling streams, local sourcing and emphasis repair and alteration.
  - → In-house automotive fit-for-person technologies.

As David et al. (2022) describes, a shift from mass production to mass customization. This might lead to a different role of the creative 'right brained' talent in the luxury conglomerate. As consumers and creative technologies are able to take on this role. It is however unclear in how far culture, ability and overall future developments impact the role of the designer in the maison. After all, the essence of luxury maisons is its distinction in its iconic design with brand heritage. The essence of quality and durability that is valued by consumers, can on the one hand be impacted by the impact that consumers have on the production process of the products; it can become more transparent. However, can also provide strength in the luxury group as a whole since quality and durability are factors that hard luxury brands provide in contrast to the fast fashion brands.



### KEY TAKEAWAYS 6.5: WORKPLACE STRATEGY 5.0

RQ5: How can workplace strategy 4.0 be re-envisioned to align with the values of left/right brained talent?

- **The main goal** is to create workspaces that best support employees in developing their skills, activities, and retaining the best talent, ultimately improving performance.
- Achieving the main goal by the following means and objectives.
  - Customization index to increase productivity by allowing workplaces to resonate with their brand, team, and group identities while remaining sustainable in social, material and economical way (Blum, Haupt & Bening, 2020).
  - Skill offices (1) & Satellite offices (2) to increase productivity by close knit and fluid office locations.
    - (1) Focus on improving skills, building new (young) leaders, connection, and network by being stimulated to be in-office and offer housing solutions in close proximity to the office.
      - Skill office is a place where craftmanship serves in upcycling and repurposing of products and materials, while connecting by transparency and openness with audiences through a renewed focus on family business.
    - (2) Focus on making a community for hybrid employees who prefer to work from home or/and in the field. The office is a periodical intensive meeting points where the team aligns face-to-face.
      - Usage of shared space for few days flex meeting spaces (informal and formal) and multiple day excursions. All are outsourced.
  - Left and right brain architectural design advice for service offices (reimagined to; skill offices) to increase productivity by designing workplaces harmonious to left and right brain preferences.
    - See table 11 (paragraph 6.4.5)
  - Suggestions for future amenities & functions of the office to react to possible new definitions of the office.
    - Shift in functions and its quantities in service offices (new: skill offices) due to AI.
    - Shift towards locality (instead of globality) in local collaboration streams (artisans, proximity to raw materials, transparency/openness to public).
- Proposed solutions should tackle the bottlenecks of Workplace 4.0:
  - (1) the need for freedom (work when/wherever) and output-oriented working versus personalized office space and teambuilding.
  - (2) fluctuations in brand representatives who value identity versus sustainable and efficiency in branded (interior) architecture.



### 6.6 Implementation & Control

### 6.6.1 Implementation for Benelux service office

Give brands and teams more freedom in expression their identity. To counteract the sense of replacement for employees and maisons in the fashion group. Flex desks and a Clean Desk Policy contribute to the feeling that 'this is today your workplace, but not tomorrow' (interview 3). Clustering teams and major maisons achieve a higher optimum by providing employees who prefer to work in-office with a designated desk that allows for personalization. The office should encourage the development of personal and professional skills, as well as the stimulation of learning and leadership among employees of various seniority levels. In addition to providing housing options close to the skill office in the Benelux.





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Figure 41: Reference Images office interior (source: author)

In addition, a greater emphasis is placed on the common denominator of the maisons and holdings: family heritage. The same factor that is important for the clientele in sympathizing with the brands; they are a family business and embody a timeless identity. As a result, 'The Family (= employees)' can easily switch between office locations and work intensively in-office. This same identity of craftmanship, heritage, and history of maisons and holdings should reverberate through the new Skill Office to increase employees' and visitors' sense of belonging. The latter is illustrated in the reference images above and below.



### **Suggestions**

- (1) Define the regional specialization of the Benelux skill office. To find out how the service office can fungate on the 'Red Thread' or a variation of this. It should be defined what the skill office can exchange in products, services, and expertise in the urban corridor.
- (2) Define which spaces can be used for multiple purposes. Think about generating a quiet workplace in the breakout space (off-peak hours). Since team working places of employees tend to be busy (online meetings/interactions), whereby the need for a quiet space is important for focus work from time to time. Repurposing underused spaces for various types of work (and sound/privacy levels) is therefore important.

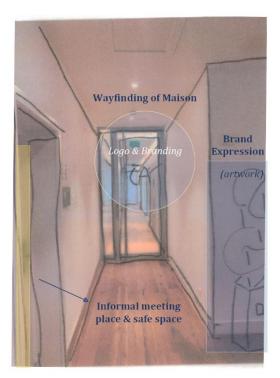


Figure 382: Reference image interior (source: author)

### **Talent preferences**

Regarding the researched talent. The persona's offer solution to the type of office space that matches to each character. Ranging from holding to major maisons the office design ranges as well from closed office space to flex working space with sufficient meeting spaces. This has to do with the fact that talent from the holding preferably works in teams; therefore the closed office space with each space an designated team. Small maisons can be placed in flex working space with other maisons however, closed office space is also possible to either mix various small maisons with employees or to generate silos for the various small maisons. Keep in mind that interaction is important between the small maisons. Flex office space is suited to the major maisons with own e.g. floor and high interaction with team. However, frequent (online) meetings require sufficient meeting spaces nor private places.



### 6.6.2 Control Question

There is a desire (from top-down) for talent to spend more time in the office. So, the proposed strategy is in line with that and thus very interesting/relevant. However, two points are difficult to implement: manufacturing and short-stay housing solutions.

**Manufacturing** is difficult to allocate in the skill offices. Since this is very specified per geographical region. Furthermore, manufacturing is connected to the maisons and not to the holding. This is a challenge for the skill offices which are predominantly managed or owned by the holding. After-sales can be located in various regions, this could be an option for the Benelux Office. (participant 9)

**Overnight stay as a temporary housing solution** It is difficult to arrange short-term housing, primarily due to legislature. The temporary housing solution is taxed to the employer (WKR) when combined with the 30% ruling. A short-term stay of at least two weeks is required for registration at the townhall. However, this should only be used when an employee arrives from abroad and is awaiting/looking for housing and should not be used to cover for a day due to commuting. (participant 3)

Talent should spend more time in the office. However, two points of the proposed strategy 5.0 are difficult to implement: manufacturing and short-stay housing solutions.

### KEY TAKEAWAYS 6.6: IMPLEMENTATION & CONTROL (from experts)

RQ6: Would the given advice work in practice?

- Proposed strategy 5.0 is aligned with the current organizational (top-down)
  developments and vision, regarding more intensive in-office policies. However, some
  critical notes regarding:
  - o **Manufacturing**, due to location-specific skilled talent, this is specialized per region. Difficult to (de)locate in skill offices.
    - After-Sales is possible to intensify in renewed skill offices
  - Overnight stay as temporary housing solution is difficult to arrange due to legislature and taxation.
    - Possibly only able to tackle from an top-down governmental perspective.

<sup>\*</sup>Geographical area is widened for anonymization

# 7. Discussion

# **7.1 Summary from existing data** (Literature Study)

Hypothesis is that right brained talent prefers autonomy and interior design; left brained talent values peer learning and workplace layout. Coming forth, for right brained talent, from a professional dependence on creative, holistic thinking with strategic advantages in being unique/autonomous. (Bilton & Leary, 2022; Kumar & Sharma, 2016) And for left brained talent from a professional dependence on analytical and logical thinking, with strategic advantage in climbing the corporate ladder. (Shipilov & Godart, 2015; Kumar & Sharma, 2016).

Three debates are impacting talent retention and job performance; (debate 1) misalignment between creative job roles and executives (Blanks, 2022; Bonhôte et al., 2022; Crane, 1997; Shipilov & Godart, 2015; Morrow, 2018), (debate 2) struggle in finding the right level of brand synergy or autonomy (Ijaouane & Kapferer, 2012), (debate 3) finding a balance between synergies with other brands regarding privacy, talent- and information sharing (Auguste & Gutsatz, 2013; Shipilov & Godart, 2015).

The current strategy has the main aim to decrease the closed office spaces, by increasing the variety of spaces (working differently). This higher efficiency of desk and office space sharing is enabled trough Activity Based Working (ABW) and Clean Desk Policy (CDP)

Furthermore, existing data indicated that the current workplace strategy is generated to adopt to two main previous trends and developments; (1) aim for globalization with pressure for production, (2) increase in amount of talent. However, the strategy is insufficient to react to future trends and developments; (1) aim for localization with pressure for less production, (2) decrease in amount of talent. (The Business of Fashion, 2021; McKinsey, 2022; Koidl, 2022; European Parliamentary Research Service, 2022; Butler-Young, 2023) A new strategy should also incorporate this future perspective, as well as the user perspective to align with its employees; this dimension is currently insufficient.

### **7.2 Summary from empirical data** (Workplace Strategy 5.0 Advice)

The outcomes of this research have provided insight into the workplace preferences of left and right brained talent in the luxury industry. Interviews indicated that left brained talent values uniformity whereas right brained talent values brand identity. Both types of talent value peer learning and in-office working. The main goal of Workplace 5.0 is to create workspaces that support employees in developing their skills, activities, and retaining the best talent. This can be achieved through a set of four means.

- (1) Implementing the Customization Index to increase productivity by allowing workplaces to resonate with their brand, team, and group identities while remaining sustainable (Blum, Haupt & Bening, 2020). Increasing social sustainability, material circularity and environment & economic sustainability by generating architecture and interior design that is customizable to certain extend by brands or/and the holding.
- (2) Implement skill offices and satellite offices, to increase productivity by close knit and fluid office locations. Skill offices focus on improving skills, building new (young) leaders, connection, and network by being stimulated to be in-office and offer housing solutions in close proximity to the office. Satellite offices create a community for hybrid employees who prefer to work from



home or in the field. The satellite office is a periodical intensive flex-meeting place where the team can align face-to-face.

- (3) Left and right brain architectural design advice for service offices (service offices are reimagined to; skill offices) to increase productivity by designing workplaces harmonious to left and right brain preferences. Whereby the left brained talent fungates as connector, and right brained talent favors high levels of integrity as the maison grows in representation, dominance and increasing levels of brand expression.
- (4) Suggestions for future amenities & functions of the office to react to possible new definitions of the office. These are as follows; more space for automatization supporting functions, a shift in underlying reason to go to the office; go to the office to increase human skills, and a renewed emphasis on locality whilst being interactive and functional on a variation of 'the Red Thread'. And/or other localisation policies to achieve self-suffifiency in specialized (European) regions. To shift away from unsustainable practices ranging from resource overexploitation to exploitative labor practices that are connected to the (former) aim for globalization from the luxury industry (Berlage, n.d.).

Solutions should tackle the bottlenecks of Workplace 4.0, such as the need for freedom and output-oriented working versus personalized office space and teambuilding, whilst keeping in mind future trends and discourses.

# **7.3 Implications** (dialogue existing & empirical data)

Empirical data indicated that both right and left brained talent value peer learning and working in-office. The hypothesis that right brained talent prefers autonomy over peer learning is therefore rejected; peer learning is stated to be more important. However, results should be interpreted with caution due to the limitations of the current research (see section 7.4). Furthermore, the hypothesis that left brained talent has a strategic advantage in climbing the corporate ladder whilst right brained talent has a strategic dependency on being unique/autonomous, illustrates the empirical gravitation of interviewed talent towards a preference for peer learning. It indicates that the service office is predominantly with operational / left brained talent, also from the maisons. The creative functions are predominantly situated in the maison headquarters. However, qualitative data indicates that for maisons the competitive advantage in the service offices, translates into the need for shielding ideas and preference for autonomy and privacy in the workplace. This is with main aim to stimulate teambuilding, sympathizing of brand heritage, protecting sensitive information (clients), and less due to shielding creative output. This is mainly the case for major maisons, and less for the smaller maisons.

The three debates impacting talent retention and job performance are to a certain extent confirmed in the service office, however, the empirical study brings important nuance to the literature study as follows;

(debate 1) Misalignments between creatives and executives is more apparent in the headquarters of the maison.

(debate 2) Finding the right level of brand synergy or autonomy is a struggle and is visible in the main bottleneck of strategy 4.0. Strategy 5.0 offers the customization index, that provides solutions to finding the right level in personalization the office space for maisons.

(debate 3) Finding a balance with other maisons regarding privacy and talent remains relevant in the empirical study. Stated that maisons could collaborate more on professional level and



organize more expert-to-expert meeting opportunities inter-maison. Furthermore, left/right brained design advice in the proposed workplace strategy 5.0 offers solutions regarding privacy inter-maison.

### 7.4 Limitations

In short, the in-depth interviews used for this result are conducted from experts from a single office location of the luxury conglomerate. This service office has a focus on execution/operations rather than generating designs and therefore having dominant right brained functions. It is beyond the scope of the study to also investigate talent from other types of offices, locations, and other luxury conglomerates; however, this impacts the generalizability of the results.

In the quantitative questions, right brained talent has selected more left brained core values than right brained values. This can point towards the following limitations: the selected talent does not encompass enough and intensive creative positions in the office, right brained talent has different core values in general, or there is no relationship between specific core values and left/right brained talent. However, in-depth qualitative analysis resulted in the need for integrity and personalizing the workplace that was predominantly apparent for right brained talent. It can however be questioned whether integrity has more correlation to the maison than to its right brained employees. As well as if integrity is also important for left brained talent, however due to the strategy of collaboration from their employer (the holding) they use it less.

### 7.5 Recommendations

Future studies are needed to establish the relationship between workplace core values and right/left brain theory, as well as the translation in workplace preferences. Specifically, studies that investigate talent working in the maison headquarters to generate a greater spectrum of right brained talent and their workplace preferences.

A further focus on the implementation of (service) offices from this organization nor others, onto the upcoming trends and policy documents, is valuable. This is twofold:

- (1) From globalization to localization. How to integrate and (de)construct (luxury) conglomerates into 'Made in Europe' and on the 'Red Thread'? This also applies to other geographical regions outside the European Union with similar policies.
- (2) From talent increase to talent decrease. How to cope with the changing work environment from a real estate standpoint, whereby the work/job landscape is impacted by the rise in ability of technology and the possible decrease in ability of human skills?

Future studies should take into account a wider variety of talent, offices and a greater variation in research methods. By using quantitative data (e.g. questionnaires) to investigate the needs and wishes of a greater population of talent, to validate the results of this and other research more profound. Furthermore, include a wider variety of offices by include, maison headquarters, and office spaces in manufacturing locations. In addition, a comparative study of the Benelux service office to another service office in another location, nor from another luxury conglomerate could be very valuable.

The same goes for a wider scope in general, to compare the results to another luxury conglomerate nor branch that follows similar holding-band structures. Think about the automotive-, beauty-, food-, tech- industries. With holding companies such as; Volkswagen AG, L'Oréal, Unilever and Alphabet Inc. (holding of o.a. Android, Google, YouTube), and investigate if talent values similar left/right brained workplace preferences with integrity from the brands and the holding as the binding factor therein.



# 8. Conclusion

This research is aimed to identify the optimal workplace of left and right brained in the luxury industry.

The main research question for this thesis is as follows: *What is the optimal workplace for left and right brained talent in the luxury industry?* 

Interview summaries were made of talent working in a service office in the Benelux from a major luxury conglomerate. The outcomes of talent working for the holding itself (left brained talent) and for various maisons (right brained talent) were compared. The results showed that for quantitative questions, the different types of talent value similar core values in the workplace; peer learning and in-office working. Qualitative questions showed that left brained talent perceives itself as the binding factor of the organization, with strong sense for collaboration towards other departments and maisons. On the contrary, right brained talent values integrity and identity, expressions of brand heritage. In the formal workplace right brained talent is closed and private towards other maisons, however has an open attitude to the holding.

However, the overlap in similar workplace core values of right and left brained talent can correlate to the gravitation to the employees of the service office towards executive job roles. As designer roles of the maisons are predominantly in the maisons headquarters. Moreover, the qualitative disparity between left and right brained talent correlates more to the nature of each organization, with its job specificities rather than the talent itself from a personal perspective. Furthermore, left brained talent suggests that they value integrity and protect ideas as well; it is simply less apparent in their position.

The research has shown that right brained functions value integrity, and identity that is encouraged by their organization. Left brained functions value these aspects as well, but they are used less for the position. For both types of talent, the ideal workplace should align with these core values, along with peer learning and in-office working. The improved workplace strategy aligns with these core values as well as with the identified bottlenecks from the current workplace strategy 4.0. The bottlenecks are twofold; (1) Fluctuations in brand representatives who value identity versus being a sustainable and efficient office that responds to these fluctuations in brand representatives in a circular way. (2) There is a need for flexibility (working when and where you want) and output-oriented work versus personalizing the office space and accomplishing teambuilding in-person.

Workplace 5.0 proposes the following means and objectives in creating workspaces that best support employees in developing their skills, activities, and retaining the best talent, to ultimately improving performance. The means are as follows; (1) A customization index to increase productivity by allowing workplace to resonate with their brand, team and group identities increasing sustainability. (2) Deploying skill and satellite offices to increase productivity by close knit and fluid office locations. (3) Designing workplaces harmonious to left and right brain preferences. (4) React to possible new definitions of the office, that include more space for automation, and renewed emphasis on locality while being interactive and functional on a variation of 'the Red Thread'.

Future studies are needed to establish this relationship and translation in workplace preferences of left and right brained talent more in-depth. Specifically, studies that investigate talent working in the maison headquarters to generate a greater spectrum of right brained talent and their workplace preferences. As well as talent from various office locations and organizations that follow similar holding-brand structures as those in the luxury industry. To draw better comparisons and suggestions in designing their optimal workplace.



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# **Appendix 1: [Interview Protocol]**

# Introduction

Good morning/afternoon, thank you very much for participating in this interview.

- ☐ Fill in consent form (or afterwards) -> print-out (toestemmings formulier)
- □ Double-check consent for recording the interview -> in spoken word

The aim of the research is to design the optimal workplace for different types of talent in the luxury industry, and (if needed) foster better communication between these types. With this interview I would like to get to know what your optimal workplace looks like. Firstly, we discuss how you position yourself in the organization with your personal workplace preferences. Secondly, we look into the interaction on the workplace and preferences therein. Het doel van dit onderzoek is het ontwerpen van de optimale werkplek voor verschillende typen talent in de luxury industry, en (waar nodig) bevorderen van een betere communicatie tussen deze typen. Met dit interview zou ik graag willen weten hoe uw optimale werkplek eruitziet. In het interview hebben we het eerst over hoe u uzelf positioneert in de organisatie met persoonlijke werkplek voorkeuren. Ten tweede, zal de interactie op de werkplek met voorkeuren hierin worden besproken.

### Personal (short introduction)

- 1. Could you tell something about yourself and what your position is in (company X)? *Kunt u iets over zichzelf vertellen en wat uw positie is in (naam bedrijf)?* 
  - How long have you worked at (company X)?

# Part 1 – Interaction in the workplace

### **Culture**

(Company X) has a major portfolio of different maisons, in this office that is seen in e.g. having departments of (maison), (maison) and (maison) all under one roof. For designing the optimal workplace I'm interested in the interaction between these maisons and departments and if this should be stimulated or not, and how.

(Bedrijf X) heeft een groot portfolio in verschillende maisons, in dit kantoor is dat bijvoorbeeld te zien in de verschillende afdelingen van (maison), (maison) en (maison) allemaal onder een dak. Voor het ontwerpen van de optimale werkplek ben ik geïnteresseerd in hoe deze verschillende maisons en afdelingen samenwerken, en of een betere interactie nodig is en hoe dit kan worden gestimuleerd.

- 1. **(office location X)** Do you think that (location office) should stimulate a better interaction between the maisons/departments?

  Denkt u dat (locatie kantoor) een beter interactie moet bevorderen tussen de maisons/(bedrijf X) afdelingen?
  - topics to discuss:



- more common areas (meer gemeenschappelijke ruimtes)
- more common activities (meer gemeenschappelijke activiteiten)
- less maison specific work areas (minder maison-specifieke werkplekken) -> stimulate learning
- other ideas (andere ideeën)
- Would this be valuable for you/ (company X) in general?
- Why not interact?
- How do you think this (stimulate interaction) can be improved?
- 2. **(restructure for company X)** Another viewpoint on a wider view to stimulate interaction. Is by more extensive putting similar departments of other maisons in the same location/office. Think about e.g. marketing department /designers from all maisons in the same office location, to stimulate learning and idea and information exchange.

Een andere manier om deze interactie te benaderen, is vanuit een groter oogpunt; door meer intensief dezelfde afdelingen van verschillende maisons bij elkaar te zetten in hetzelfde kantoor. Denk aan bijvoorbeeld de marketing afdeling / ontwerpers van alle maisons in dezelfde kantoor locatie, om ideeën, informatie uitwisseling en van elkaar te leren.

- What is your view on this? / Would this improve your daily practices/productivity/learning? (Wat is uw mening hierin? / Zou dit uw professionele activiteiten/productiviteit verbeteren?)
- Other thoughts

Check answers: information/idea exchange, privacy, islands, common areas, common activities, problem, brand heritage, productivity.

### Interaction

- 1. With whom do you find most important to interact on the work floor? (Met welke afdelingen/functies gaat u het meeste om op de werkvloer?) (Wie zijn het belangrijkst?)
  - Which departments / functions
  - How frequent (daily, weekly, monthly)
  - How do you interact (face to face, hybrid)

### (for my own notes)

Department / functions	Intensity 1-Daily 2-Weekly 3-Montlhy	Medium 1-Face to face 2-Hybrid 3-Other

Note: ask further about interaction with the holding and other brands (maisons)



# Part 2 - Left or right brained?

### *Left brain, right brain theory (image 1)*

The workplace design is party based on the left brain, right brain psychology. Whereby being 'left brained' is being described as more analytical/logical and 'right brained' as being more creative.

Het ontwerp van de werkplek is deels gebaseerd op de links/rechts brein psychologie. Waarbij 'links breinig' is omschreven als analytisch/logisch nadenken en 'rechts breinig' als meer creatief.

- 2. **(personal)** If you look at this image, where would you position yourself on a personal level?
  - Als u naar deze illustratie kijkt, waar zou u uzelf plaatsen op een persoonlijk niveau?
- 3. **(professional)** Where would you position yourself on a professional level? What side do you need more for your position at (company X)?

Waar zou u uzelf plaatsen op een professioneel niveau? Welke kant heeft u meer nodig voor uw positie bij (bedrijf X)?

- And in your team?Is dit anders dan uw team?
  - Is the team more left/right, and are you yourself the opposite/the same of your team?
    - Is het team waarin u werkt meer links/rechts en sluit u daarbij aan of bent u het tegengestelde?
- 4. So, could you say that for your profession, you can relate more to/position yourself left/right brained?

Dus voor uw werk kunt u zich meer vinden in deze () groep?

Check answers: professional/for my work, personal, creative, analytical/logical

# Part 3 – Optimal workplace

For this research there are three elements used to define the workplace (image 3).

### This or that: elements

- 1. Each element consists of two core values (which are opposites of each other). I would like to ask you which of the two you find most important in your workplace. So, pick one of the two values.
  - (Voor dit onderzoek is de definitie van de werkplek opgedeeld in 3 elementen, met elk 2 kernwaarden. Het volgende onderdeel gaat wat sneller, elke keer zijn er twee kernwaarden en mijn vraag is welke van de twee u het meest belangrijk vindt voor uw werkplek. U mag maar 1 van de twee kiezen.)
- Social: Peer learning or autonomy



- Peer learning is valuing working together in groups, whereby the group size can variate from small (-3 pers) to big groups (+15 pers).
- Autonomy is valuing privacy for your workplace. In a variety of having your own space to enclosed desks.
- Physical: Workplace layout or workplace aesthetics
  - Workplace layout is focussed on the form and practicalities of the workplace. Think about how desks are grouped and the amenities of the workplace.
  - Workplace aesthetics is valuing how the workplace *looks*. In terms of colour use, materials, design, decorations (plants, art).
- Virtual: Hybrid working or in-office working
  - Hybrid working for this research is that you prefer working online; remote, at home, on-the-go.
  - o In-office working is that you prefer working in the office, at the designated office location.

### Pick one image: core values (scales)

- 2. Choose one image that you prefer most, and give in short a reason why you picked it. (Kies de foto die je het leukst vindt, en geef een korte reden waarom je het hebt gekozen.)
- Social element
  - o Peer learning or autonomy
- Physical element
  - o Workplace layout or workplace aesthetics
- Virtual element
  - Hybrid working or in-office working

# Part 4 – Function specific questions

Only to be asked with managerial, creative functions (1) or/and CRC department (2).

'Alternative question' - For o.a. creative positions, and management

In literature I frequently red about a misalignment between management and creative functions. In terms of how both see each other and communicational issues.

In literatuur las ik veel over de misalignment tussen management en creatieve functies. Met name hoe beiden elkaar zien/inschatten, en communicatieproblemen?

- 1. Does this sound familiar? Do you agree?
  - Yes / middle: Do you think this should be improved? / (how?)
     No: Was this apparent in the past / (how was it solved?)

'Alternative question' - For service-oriented employees (CRC department)



2. Choose one image that you prefer most, and give in short a reason why you picked it. (Kies de foto die je het meest aanspreekt, en geef een korte reden waarom je het hebt gekozen.)

# Closing interview questions

We talked about being left/right brained on a professional level but also on a personal level. (We hadden het over het meer links/rechts (analytisch/creatief) zijn op een professioneel niveau maar ook op een persoonlijk niveau.)

1. What do you think is more important in designing your optimal workplace? What you value personally or professionally (or both)?

(Wat denkt u dat het meest belangrijk is in het ontwerpen van uw optimale werkplek? -> dus uw persoonlijke voorkeuren of professionele voorkeuren?)

Check answers: personal, professional, preferences, both

These were all my questions. Thank you for participating in this interview. Do you have anything you would like to add yourself?

- ☐ Fill in consent form (formality) -> print-out
- ☐ I will send you a summary of the interview with key-points, for approval as feedback.



# **Appendix 2: [Interview Protocol CREM Expert]**

### Introduction

Good morning/afternoon, thank you very much for participating in this interview.

- ☐ Fill in consent form (or afterwards) -> print-out (toestemmings formulier)
- □ Double-check consent for recording the interview -> in spoken word

The aim of the research is to design the optimal workplace for different types of talent in the luxury industry, and (if needed) foster better communication between these types. With the outcomes I would like to reflect on the workplace strategy 4.0 and give design advice.

### Personal (short introduction)

- 5. Could you tell something about yourself and what your position is in (company X)?
  - How long have you worked at (company X)?

# Main interview questions

### Current strategy: Workplace 4.0 and Personal Hypothesis

Office (location x) can be categorized as a 'regional office', with strategy execution. Then there are the major headquarters of the holding and brands where strategies are formulated. Are there more categories?

- 1. Towards which (types) of offices is the workplace strategy 4.0 aimed at?
  - What are the office types:
    - HQ (holding and maison)
    - Centralized support per region
    - Manufacturing (merged/or maison specific?)
    - Warehouse (merged/or maison specific?)
    - Customer service (merged/or maison specific?)
    - Campus (merged/or maison specific?)
- 2. How often are new workplace strategies formulated?
- 3. Trends that are impacting the workplace, according to you?
  - Trends that are taken into account for workplace 4.0?
    - Trends for new strategy?
- 4. What are the main points of improvement for workplace strategy 4.0?

From the interviews I heard that formerly in the office of (location x), there were many more brands/maisons situated, and that nowadays only two are left. Could you tell me why sometimes this brand representation fluctuates in these regional offices? Is there a specific reason?



- 1. Is this due to the creation of SWM (musketeers), that more sharing is possible, and you don't need separate offices/office spaces?
  - There is this trend in individualisation of brands (blanding) also going to reflect back to the separation of the SWM? -> and into more private office spaces?
    - 'Blanding<sup>6</sup>' of Burberry logo

### **Future: Workplace 5.0**

As I understand, for the brands, the strategies and ideas are made in the headquarters. Whereby regional offices (such as the one in X) implements/adopts the strategy in the local market.

- 1. Do you think the same should be done for the workplace strategy, since the workplace 4.0 seem to be very generalized?
  - That each office has their own local strategy?
    - How was a strategy made for (e.g. the office in location x) and how is this implemented?
  - Trends of future? Improvement of workplace strategy 4.0?

For my research I investigate left/right brain theory and apply this onto the workplace. For this I am mainly looking at two debates.

- Between the maison (right brained) and holding (left brained) as a whole.
  - Where are the hard and soft boundaries? (in terms of mixing departments in the office)
  - O What are their preferences, and how do they differ?
- In maisons between the left and right brained talent. (between executives and creatives)
  - Where are the hard and soft boundaries? (in terms of mixing departments, collaboration and workplace wishes)

# Left brained talent Service and control oriented Department A Department B Department C Right brained talent Creative output oriented Maison A Maison B Creative output oriented L Right brained talent

<sup>&</sup>lt;sup>6</sup> Indication of corporate homogenization



# Closing interview questions

**Expert review participation** -> know candidates and/or him/herself? (real estate, strategy team in holding HQ)

**Designer role** -> know a designer/creative candidate that can be interviewed (difficult to find in office in location x)

These were all my questions. Thank you for participating in this interview. Do you have anything you would like to add yourself?

- ☐ Fill in consent form (formality) -> print-out
- ☐ I will send you a summary of the interview with key-points, for approval as feedback.

# **Appendix 3 –** Workplace of headquarters holding and maison(s) on macro, meso and micro level of top 3 fashion conglomerates.

Details regarding the regional service offices, see paragraph 6.2.

Conglomerate

Macro Level
(GlobalData, 2023)

Location(s) of holding and head offices of dominant maisons.

Meso Level

Type of building and interaction with location.

Micro Level

Types of departments in building, and important attributes within building.

LVMH Moët Hennessy-Louis Vuitton SE

Headquarters holding

### Headquarters holding

- Paris, Avenue Montaigne
- (New headquarters from 2022 in Milan, NSS Magazine, 2021)
- Other sub-headquarters in New York and Hong Kong

### **Headquarters holding**

### Meso attributes

### Paris

• Paris office is located above Louis Vuitton department store.

### Milan

- Milan office is located next to Prada head offices.
- Lease for 10 years
- Situated within Olympic Winter Games village of 2026

### **Headquarters holding**

### **Departments (for both offices)**

- Talent from holding
- Corporate talent
- Skilled workers

### Micro attributes

### Paris

• Design inspired by 'interactive living space'

### Milan

- For 170 Italian LVMH employees
- Flexible office design



Headquarters LVMH in Paris, Wikipedia (2013)



Inside LVMH Paris (Cardineau, 2020)





New headquarters LVMH in Milan, NSS Magazine (2021)

### **Head offices maisons**

- Paris, Pont Neuf\* (Louis Vuitton)
- Épernay, Avenue de Champagne (Moët & Chandon)
- Rome, Via dei condotti (Bulgari)
- Paris, Avenue des Champs-Élysées (Guerlain)

\*Currently transformed into hotel and largest Louis Vuitton store (Cormack, 2022), office of Louis Vuitton is in holding headquarters.

### **Head offices maisons**

### Meso attributes

Moët & Chandon office

- In Champagne region.
- Specialized activities/departments such as wine cellular specialist and tour guides.

### Bulgari office

 Located close to Bulgari atelier in Florence, where Bulgari presents twice a year its collections at Milan Fashion week.

### Guerlain office

• Located above flagship store in Paris.

### **Head offices maisons**

### **Departments**

- Corporate talent
- Skilled workers
- Creative talent

### Micro attributes

 Some offices are open to visitors, by giving workshops, tours, and restaurants. Arnault (2021) expresses that he aims to show the craftmanship of the brands.

LVMH Moët
HennessyLouis Vuitton
SE

Head offices maisons



Head office Moët & Chandon, Avvenice (n.d.)



Bulgari head office in Rome, Wikipedia (2016)



Guerlain head office in Paris, Atelier Germain (n.d.)



Interior Guerlain head office, Atelier Germain (n.d.)

# Kering SA Headquarters holding

### **Headquarters holding**

- Paris, Rue de Sèvres
- Milan, Via Mecenate

### **Headquarters holding**

### Meso attributes

• Located in Chapel in heart of Paris.



Kering - 40, rue de Såung - Main Courtyard - 6Thierry Decago

Kering headquarters in Paris, Depagne (n.d.)

### **Headquarters holding**

### **Departments**

- Talent from holding
- Corporate talent\*
- \* Milan: Finance, International Audit, Communications, Institutional relations, Human Resources, Information Technology, Real Estate, General Services & Security, Construction, Travel Retail, Ecommerce (Atlantic Business Center, 2019)

### Micro attributes

### Paris

- Contemporary art displayed that reflects the history of religious art.
- Open for public on weekends.
- Slogan of 'empowering imagination'.



Inside Kering headquarters in Paris, Depagne (n.d.)

# **Head offices maisons**

- Florence, Via Don Lorenzo Perosi (Gucci)
- Paris, Place Vendôme (Boucheron)
- Milan, Privata Ercole Marelli, design office (Bottega Veneta)
- New York, 5th avenue, corporate office (Bottega Veneta)
- Paris, Rue de Bellechasse (Yves Saint Laurent)

### **Head offices maisons**

### **Meso attributes**

Bottega Veneta

- Design team, read-to-wear atelier (Salibian, 2019)
- Close to Milan Fashion show location

### Yves Saint Laurent

• Workers were first spread out over Paris in different locations, since 2013 the CEO of Yves Saint Laurent brought them together in this building. (Halard, 2019)



Bottega Veneta head office, Salibian (2019)

### **Head offices maisons**

### **Departments**

- Corporate talent\*
- Skilled workers
- Creative talent

### Micro attributes

- \*Only design team and ready-to-wear atelier in Bottega Veneta office in Milan. (Salibian, 2019)
- 400 Paris based employees (Yves Saint Laurent), such as; head designer and skilled workers (design atelier).



Skilled workers in Bottega Veneta head office, Salibian (2019)

# Kering SA Head offices maisons



Yves Saint Laurent head office in Paris, Halard (2019)



Personal space used and designed by YSL head designer Anthony Vaccarello inside head office (Halard, 2019)

# Compagnie Financière Richemont SA Headquarters holding

### **Headquarters holding**

- Geneva, Bellevue (Global, Europe)
- Amsterdam (Benelux, Nordics)
- New York (Americas)
- Hong Kong SAR (Asia Pacific)
- Tokyo (Japan)
- Dubai (Middle East, India & Africa)

### Headquarters holding and service office in Amsterdam

### Meso attributes

Geneva

Located at edge of Geneva city.

### Amsterdam

- Located in historic Dutch bank structure, within city centre.
- Customer service is located herin. According to Richemont (n.d.), Amsterdam is international oriented and offers talent that grasp languages such as German, Italian and English.



Headquarters of Richemont in Geneva, Forum (n.d.)

### Headquarters holding

### Departments of global headquarters

- Talent from holding
- Corporate talent\*\*

### Departments of regional service offices

- Talent from maisons and holding
- Corporate talent
- Skilled workers\*\*\*
- Creative talent\*\*\*

\*\*\*Control and support are given by the maisons by the following functions, located in the headquarters of Richemont; HR, IP, Legal, Marketing services, Finance, Manufacturing, CSR, Real Estate, Logistics, Security, Health & Safety, IT (Richemont, n.d.).

\*\*\*Distribution, with watch- and jewellery making is located in regional headquarters, whereby skilled workers are required. Regional headquarters also include customer service over the designated regions.

\*\*\*\*Creative talent is representative to a certain extend from the maisons, in e.g. marketing, store planning & design functions.

### Micro attributes

- Main aim is strategy and capital allocation
- Office is only used for corporate purposes
- Richemont funds 7 (metier) schools to allocate specialized talent for skilled workers (Richemont, n.d.)
- 360 working places in Geneva.
- Headquarters (and regional headquarters) are self-owned.



Benelux, Nordics service office in Amsterdam, M + R Interior Architecture (n.d.)



Inside corporate headquarters in Geneva, Porro Spa (n.d.)



Inside regional headquarters in Amsterdam, M + R Interior Architecture (n.d.)

# Compagnie Financière Richemont SA

# Head offices maisons

### **Head offices maisons**

- Paris, Rue Boissy d'Anglas (Cartier)
- Paris, Place Vendome (Van Cleef & Arpels)
- London, Ariel Way (Net-A-Porter)
- La Côte-aux-Fées & Plan-Les-Ouates, Switzerland (Paiget)
- Writing instruments: Hamburg, Leather goods: Florence, Watches: Le Locle & Villeret, Switzerland (Montblanc)
- Paris, Avenue Percier (Chloe)

### **Head offices maisons**

### Meso attributes

Cartier

• Located in heart of 'golden triangle' of Paris Located in other global top player cities (Tokyo, New York, Hong Kong)



Head offices of Cartier in Paris, Ricardo Bofill Taller de Arquitectura (2017)

### **Head offices Maisons**

### Departments\*

- Corporate talent
- Creative talent

### Departments\*\*

- Corporate talent
- Creative talent
- Skilled workers

\*Head offices of Cartier in Paris consist of; finance, marketing, supply chain & logistics, creation & design, organisation.

\*\*The creation and manufacting of these jewellery and watches is done throughout France, Switzerland and Germany, with each manufactor specified in a production chain. E.g. steel and gold watches are assembled in the canton of Fribourg, whereas the latest technology is tested and found in Couvet (Cartier, n.d.)

### Micro attributes

- Main aim is strategy and capital allocation
- Office is only used for corporate purposes Richemont funds also 7 (artisan) schools, to train skilled workers.



# Technology tested for watches of Cartier, in Couvet, Buijsrogge (2020)



Cartier headquarters in Tokyo, Yatzer (2022)

# Appendix 4 - Problematization: Trends and Discourses impacting the current RE Strategy

### Corporalisation of luxury

A timeline of CRE

