

Estee Lauder, Levi's executive exits demonstrate blurring lines between personal brands and corporate values

Article

The news: Consumer brands are holding their executives accountable for personal branding decisions that can have a negative halo effect on their reputation and bottom line.

- **Levi's** brand president was forced out based on public pronouncements.
- A top **Estée Lauder Companies** executive was removed after offensive social media posts.

Leaving Levi's: Jennifer Sey, then CMO (and later president) of the Levi's brand advocated for schools to remain open at the onset of the Covid-19 pandemic, but resigned last month after being told by CEO **Chip Bergh** there was no longer a career for her at the storied denim brand.

Sey indicated she turned down a \$1 million exit package to avoid signing a nondisclosure agreement, which Levi's denies.

Sey had long had an outspoken personal style; during the height of the pandemic, Sey used Twitter, op-eds, and local television to speak out against school closures and mask laws affecting children. Her remarks didn't jibe well with Levi's corporate brand, which is known for being progressive on topics such as LGBT rights, immigration, gun control, and voting rights.

"As a top executive, her words and actions effectively undermined the company's health and safety policies, creating confusion and concern among employees," said Ancel Martinez, Levi's director, business and financial communications, to NPR. Sey had received specific instructions from Levi's human resources department in late 2021 about topics she should avoid commenting on publicly, such as the California governor recall election, vaccine regulations, and pharmaceutical company motives.

Ultimately, Sey lost her job as a result of backlash from rank and file personnel—which gets to the heart of whether or not the role of the modern brand leader is to provide quality products and services, or if more is expected than just that. The story has raised major questions about corporations and free expression.

A blemish on a beauty giant: John Demsey, a senior executive of Estée Lauder responsible for the **Clinique** and **Mac** brands, was fired for an Instagram post on his personal account that included what was interpreted by many as a racial slur.

- The company said that Demsey was let go specifically because of his Instagram post, which doesn't reflect Estée Lauder values and caused "widespread offense."
- Demsey will leave the firm and retire on March 4, Estee Lauder said in a regulatory statement on Monday.

Demsey posted a fake children's book cover featuring "Sesame Street" characters on his Instagram account last week that included the N-word with some letters changed with asterisks, per The Wall Street Journal. He deleted the inappropriate message and apologized, explaining he hadn't read the "racist meme" before posting it. Demsey's account typically posts on a prolific basis, likely in an attempt to boost engagement.

Zoom out: 74% of respondents in a recent Redpoint Global study **say** that feeling valued and understood is the most critical element of brand loyalty. When personal brand values are misaligned with those of a company, corporate brands are increasingly trying to make sure that executives' personal values and public posts won't impact the company's bottom line.

The big takeaway: As brands increasingly take positions on social and political issues, those stances can clash with the personal opinions of employees and executives. Companies need to develop executives into compelling brand ambassadors, but the off-the-clock activities of senior leaders will be continually scrutinized by the public, and perceived misbehavior can backfire. It's a fine line that brands and their executives need to walk.