

Companion Website Chapter 14

Discussion Points for Box 14.1 Shifting roles in the fashion industry

What does the future look like for each department within the fashion industry?

What roles will become obsolete and which will develop?

How can organisations keep up with these changing needs?

When is the right time to introduce or change roles?

Discussion points for Box 14.2 Women on the board – a continuing diversity challenge

How many female CEO's can you think of in the fashion industry today?

Given the dominance of women in the industry at a lower level where do all the women go when we get to the top?

What is impacting this and why does it continue to be a challenge?

Additional Material on Performance Management

Performance planning can be supported using the **SMART** model:

Specific: to the job role and skills of individual employees.

Measurable: what will success look like and how will it be measured?

Achievable: with good work ethic and effort goals should be attainable yet stretching.

Relevant: goals should be in line with the company's overall vision and strategy.

Timely: goals should have time frames for completion.

There are various other **tools used to support, analyse and review performance of individuals** within an organisation that are developed and owned by the HR department.

Appraisals or Performance reviews have been the primary tool for fashion organisations. They are a managed process based on a meeting between the line manager and individual. They review the progress an individual has in achieving a set of previously prescribed objectives and further goals are then set for the future. They have been used as an annual approach to allow for individuals to work on longer term aims and goals. The appraisal meeting allows both parties to discuss performance, share feedback and agree measurable objectives and action plans.

Organisations such as Google, Netflix and Deloitte have challenged the norms of annual appraisals opting now for frequent performance meetings and immediate, continuous feedback. The pace of change in the industries they operate in are so fast that objectives become outdated, and so an annual review becomes a flawed approach. This way allows organisations to ensure that the focus of the workforce is where it needs to be and helps to

counteract the disruption that the technological revolution is causing to organisations. It also supports a changing workforce where the younger generations are looking for reassurance and opportunities to develop new skills. This approach is being seen as the new approach and many fashion organisations are developing their programmes in this way.

PDP's (Personal Development Plans) are a well-used performance management tool that is much more focused on the future and is developed in house by HR teams. The aim is to bring a positive forward focused discussion about the individuals potential and growth opportunities, driven by them, without the distraction of reviewing past performance or pay related matters. From it goals are agreed and less formal meetings are held throughout the year to check on progress. By using a combination of continuous feedback, along with a strength-based focus, an organisation can deliver better performance and have stronger engagement in the workplace.

The **360-degree review** was first introduced by Ward (1997) to enable line managers to give multi sourced feedback to individuals of how they are performing in the organisation. It allows the individual to see how they are seen from all levels of the business including senior leaders, peers, subordinates and external customers in a confidential and safe way. This method has developed working with technology to provide quicker data and easier analytics to provide clearer feedback to individuals. HR play an important part in delivering the feedback to individuals, which can at times be difficult for individuals to hear. Without the right skills and training, this can create difficult situations to manage. Positioning feedback to an individual can make them demotivated and disengaged if approached in the wrong way. Managed in the right way it is a powerful tool in enabling someone to recognise and plan the right development actions to support their personal growth.

Performance management needs to be clear to the individual on the outcomes and the measures of success (such as improved skills, or completion of a project). It also should be fair in relation to others in the organisation, to ensure employees are motivated by the goals they are being set and have clarity on what an acceptable result will be.

CASE STUDY – INTEGRATING NEW PRACTICE INTO PERFORMANCE MANAGEMENT PROCESSES

A large multi brand retailer developed a leadership framework that codified the traits and behaviours needed for Senior Executives within the business. This was developed out of it becoming increasingly challenging to find and keep Senior Executives who were a strong cultural fit.

After designing this framework, there was a need to integrate it into all aspects of the employee lifecycle to embed it within the practices of the organisation – this included the areas of attraction, recruitment, onboarding, development and performance management.

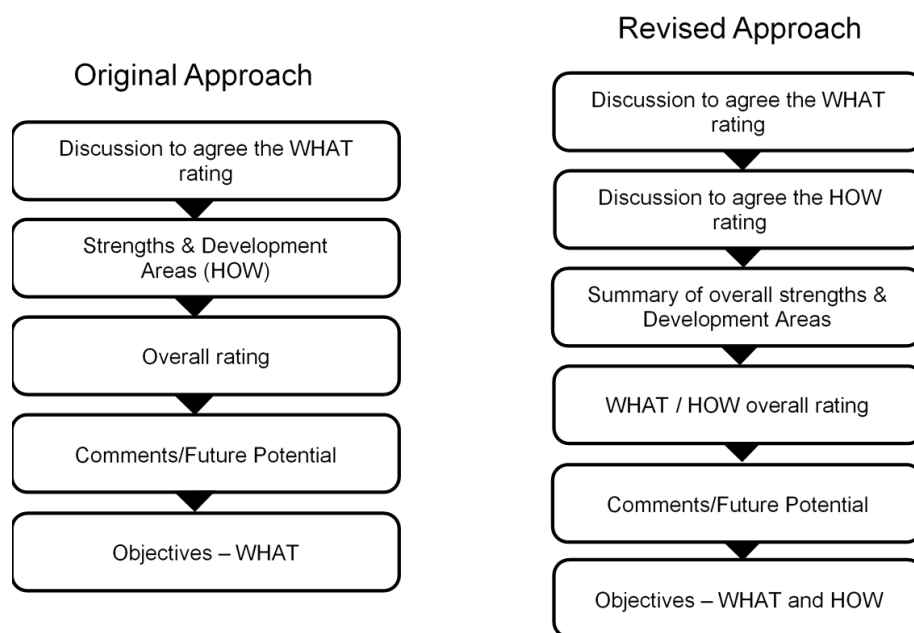
The performance management approach in the organisation had traditionally focused on objectives with very little focus on the how, often leading to results being delivered at whatever cost and with inconsistent behaviours that at times did not support the culture and values of the business. With this new framework's introduction, there was an

opportunity to look at how it could be used to improve the performance management process.

When looking at how to integrate the leadership framework into performance management, it was decided to take a stronger approach by not only integrating the 'how' element but also weighting it 50/50 with 'what'. Giving them both the focus that it was felt was needed to embed the framework successfully and offer a new, more rounded approach to reviewing performance.

Individuals were clear on the objectives or what they needed to achieve, and the framework delivered the 'how' through the leadership framework which could then be used to measure the performance of individuals. Performance ratings were also linked to compensation so this would drive a better balance of behavioural focus as well as maintaining strong delivery.

The resulting impacts of this implementation has led to a stabilised Senior Executive team and the approach being taken across the business of looking at the 'what' and the 'how' for all employees.



Additional Material on Motivation

An element of performance is motivation. Without motivation, very little happens. Just think about that cold December morning run that you should do 'just because' but you just can't get yourself out of your warm cosy bed – you lack the motivation to go. Change that scenario to its 8 weeks until you run the London Marathon which has been on your 'to do' list for years, you now have a good reason, or a motivation, that will get you out of the bed and hitting the pavement.

Simply stated, motivation is about knowing what it is that you want or need to do, and deciding how much effort and time you will put to it to complete it. There are various actions and forces that influence the choices we make and through research of these areas we can predict how some of these will impact motivation. These can be explained through understanding intrinsic or extrinsic motivators.

Intrinsic or internal motivators are the psychological things that make us feel good (or in the case of demotivating feel bad or uneasy) such as job design, impacts of feedback, achieving goals and learning new skills. It is difficult to put a price on the impacts of these things but they have a big influence on motivating us.

Extrinsic or external factors are the more tangible factors that we can see such as pay, reward or promotions that you can put a value to and are more obvious in the way they influence us. Individuals are influenced by these different motivators at different times throughout their careers. Some people, such as bankers and traders, can be highly motivated by money, whereas others can be motivated by the outcomes of the job, such as nurses or teachers. That is not to say that people are purely influenced by one or the other type of motivator as there will be a variety of different factors influencing at different levels. Therefore, the trader may also be motivated by the praise received from a boss when a deal goes well or a risk pays off, in the same way a nurse can be influenced to apply for a new role because the salary banding will be higher and will give greater financial security.

Several theories have been developed that explain how motivation links to performance. Content theory, which helps us to understanding why we choose to do the things we do as individuals, includes Maslow's hierarchy of needs (1943), Herzberg's two-factor model (1959) and McClelland's theory of need (1985) Process theories, which are more focused on what is it we are trying to achieve and how the individual goes about that, include expectancy based theories (Vroom 1964, Porter & Lawler 1968), goal theory (Locke 1968, Locke & Latham 1990) and equity theory (Adams 1963). These models bring insights into the complexity and breadth of the things that can influence and impact the employee and their behaviours in the workplace and even though are from research that is now several decades old it gives basic insights into what motivates employees.

Additional information on Learning and Development

Learning Styles

Understanding learning styles involves having an understanding of the different approaches, both formal and informal, that allow an individual to acquire new knowledge that influences behaviours once experienced. The ways in which people learn is a complex and varied topic and can be a difficult process for an individual to go through if not considered. Various conceptual frameworks and theories look at how information is absorbed, processed and retained by individuals (Reinforcement Theory, Cognitive Learning, Holistic Learning, Experiential Learning).

The environment, cognitive, emotional and prior experiences that an individual has and the influences these have to the learning experience are also factors for consideration. Individuals differ in the learning capabilities, style and creative responses to the process of learning as it is not just about knowledge and understanding but also about the behaviours and attitudes that they develop through the process.

The acknowledgement and delivery of the right learning methods can enable a fashion organisation to successfully manage the development of their workforce to provide competitive advantage through its human resources, supporting the culture and organisational needs of the business.

Kolb et al (1984) developed one of the first classification of learning styles. Four distinct learning styles - Diverging, Assimilating, Converging, and Accommodating, work within a four-stage learning cycle; Concrete Experience - feeling, Reflective Observation - watching, Abstract Conceptualization - doing and Active Experimentation – thinking. These allow for the individual and the generalised learning process to be considered together.

Developed further by Honey & Mumford (1992) they identified four key learning styles that comprise a central tool for any L&D professional.

Activists	Reflectors
Will 'do' to learn, open minded, are without bias and actively seek new experiences	Reviewing the experience, reflect before involvement, take in differing perspectives to draw conclusions
Theorists	Pragmatists
Conclude by understanding the theory, like order and logic, systematic approach, prefer facts from feeling	Learn by practical application, experimental, plan new approaches, will try things out quickly

The role of L&D is to be able to adapt approaches to cover the varying styles that may be within a learning environment and through complementary blended learning, incorporate face to face and online solutions; being aware also of the learning curve of time that everyone takes to achieve the standard or competence levels required will support successful implementation of learning objectives in an organisation.

By assessing the needs of the organisation through tools such as training needs analysis, PDP's and appraisals, L&D can be aware of the skills gaps within the organisation. Involvement at a more strategical level, understanding the future plans and objectives of the business will also ensure that the workforce knowledge and skill levels are assessed, analysed and developed as required to support these aims and objectives.

The offering of learning methods is wide. There are also many considerations for L&D in developing a strategy and delivering the required initiatives:

- internal v's external training
- formal v's informal approaches

- team v's individual
- leadership skills v's technical skills
- responsibility for delivering – line manager v's L&D
- links to professional development
- legal requirements

Additional information on Leadership Development

The use of and investment in **psychometric testing** such as MBTI (Myers Briggs) allow organisations to gain data on personal aptitudes and personality traits which can inform decisions on the natural style and potential to learn the skills needed to become a leader. The 'Big Five' personality dimensions (Barrick & Mount (1991), Judge et al. (2002)) explores five broad personality traits of extraversion, agreeableness, openness, conscientiousness and neuroticism and how they each impact the individual in the workplace, again useful when looking at leaders. Understanding the impact of emotional intelligence (Goleman, 2004) focuses on the emotional connections of self-awareness, self-management, self-motivation, empathy and social skills and how, as an individual we perceive, control and evaluate them in the relationships we have.

All of these help to inform us of how we are seen and how we approach situations that can support the planned approach. In a highly competitive sector, understanding and development of leaders to deliver success is crucial and part of gaining competitive advantage.

Additional Material on Resourcing

Resourcing in the people context refers to having the right person in the right place and at the right time to fill a role that is available in an organisation. The recruiting of individuals into fashion organisations is a critical process, which will often be led by HR and have the involvement of line managers in the process. Getting the wrong person can be a costly affair not just financially but on the impact it can have to other individuals and teams in an organisation influencing the culture, motivation and general well-being of others.

To **recruit well** there are several steps that can be followed:

- Define and agree the role – job description and person specification
- Advertise the role – internally and externally
- Selection of candidates – sifting of applications
- Interview – number of stages and types of techniques (interview, assessment day, tests)
- Decision making – consider experience, fit and motivations
- Employment offer – verbally and in writing
- Feedback and rejections – verbally and in writing
- Contracts and offer letter
- Induction – On-boarding candidates to the organisation successfully

Employer brand and the Employee Value Proposition (EVP) brings attributes and qualities of an organisation together to create a distinctive employee experience that will appeal to individuals who relate to the overall culture and therefore could be a good fit to the business.

Points that HR will consider in approaching this will include

- Analyzing what an ideal candidate needs and wants from a job;
- Identifying an organisation's core values, and assessing the extent to which they support the creation of an appealing employer brand;
- Defining the brand; based on what makes the organisation a "great place to work" – employee development, leadership opportunities, work-life balance and so on;
- Benchmarking to see how others are promoting their employer brands
- Being honest about the working culture

The experience a candidate has when they are being recruited can heavily influence and shape their views on what the culture will be like in an organisation along with the employer brand. It is therefore important for the recruitment process to be consistent with the overall organisational culture and give a true reflection of what the candidate will experience. If a candidate during their induction sees and feels a different set of values and culture that does connect to the experience so far then the psychological contract they have started to form can become damaged and the trust they had for the organisation or management can become less.

The Five Generations of Employee (see Summary and Concluding Thoughts Section)

Generation	Influences	Characteristics	Working attitude	Opportunities
Traditionalists	World Wars, Great political leaders (Churchill, Roosevelt, De Gaulle), Train travel, Class system	Dedicated, Conformity, Respect, Duty, Patience	Position and accomplishment, Loyalty, Job for Life	Experience and view of a simpler time is of value
Baby Boomers	Post war boom, Rock & Roll, Television, Urbanisation, Immigration, Vietnam War	Optimistic, Personal gratification, Involvement, Driven	Team players, Process focused, Aim to please, All work no life	Will take time to learn and adapt
Generation X	Economic growth, Package holidays, Car travel, Divorce, European Union, Cold War	Independent, Global thinkers, informal, detached, Adaptable	Tech literate, Creative, High expectations, Quick to criticise, Work life balance	Can feel underappreciated for putting in 110%
Millennials / Gen Y	Computers, Internet, Global	Confident, Sociable,	Tech savvy, multi taskers, Heroic	Do listen and seek out advise

	Warming, Mobile Phones, Iraq War	Environmental, Nurtured, Realistic	spirit, moral, Work isn't everything	
Generation Z	Smartphones, Social Networks, Reality TV, Economic instability, Terrorism	Self-directed, Impatient, Idealistic, Multiplicity of identities, diversity	Tech dependant, Instinctive understanding of tech, low self- esteem, keen to work, Work and life can blend seamlessly	Don't know everything and are willing to learn from others

Source: Various

References and Further Reading

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Further Information:

European Institute for Gender Equality (Part of EU) <http://eige.europa.eu.arts.idm.oclc.org/>

OECD - Organisation for Economic Co-operation and Development <http://www.oecd.org>

Hofstede (culture) - <https://www.geert-hofstede.com/national-culture.html>

GLOBE (culture) - <http://globe.bus.sfu.ca/>

CIPD The Professional Body for HR and People Development - <https://www.cipd.co.uk>

Longer Version of Case Study TOMS: Tomorrow's Shoes

Natascha Radclyffe-Thomas

Introduction

The American brand TOMS is one of the most preeminent examples of a new type of business, the social enterprise, TOMS is a for-profit business that uses its margins to finance its giving. Social enterprises employ innovative solutions in order to alleviate social and/or environmental issues through business operations. Initially founded as a start-up footwear brand in 2006 selling shoes to finance donations of footwear for shoeless children in Argentina, TOMS has expanded both its retail and its giving internationally and applied its One-for-one® business model to meet a range of social problems. The launch of the TOMS brand coincided with developments in social media and consumer generated content; Facebook and YouTube enabled individuals to connect with brands and each other in entirely new ways and as such these social media platforms enhanced value. TOMS launch also coincided with consumers questioning the existing financial and consumption systems, and with a passionate follower base on their social media platforms, and an inspiring brand story to share, TOMS was well-positioned to generate positive publicity from a business founded on principles of improving lives through targeted giving. Analysing how TOMS started and has extended its giving mission across different product categories is a good example of how a brand born in the social media age interacts with its stakeholders and shows how a social enterprise approach to business can be scaled.

The Start of a Social Enterprise

Social enterprises are most often started when an entrepreneur becomes aware of a social or environmental problem that they believe they can alleviate through a business solution. In 2006 TOMS' founder Blake Mycoskie was holidaying in Argentina when he came across a charity group donating shoes for local shoeless children. His response was to found a shoe company - TOMS - in Venice, California which would sell shoes in the US market in order to finance a sustainable supply of shoe donations. Initially operating as a small scale start-up TOMS started with 250 sample pairs of *alpargatas*, a casual rope-soled textile shoe based on the shoes worn by Argentinian farmers, and promoted these in the US market telling the founding story of the brand and appealing to consumers' desire to use fashion for good.

The TOMS' story and its simple buy-one-give-one business concept had an immediate marketing appeal and the brand was picked up by retailers and press. TOMS sold through its own website and local L.A. stores, Hollywood stars were spotted wearing TOMS and with features in *US Vogue* and *TIME*, TOMS was soon picked up by established national retailers

such as Nordstrom. With footwear being a high margin product, TOMS was able to sell a reasonably priced shoe, cover the costs of shoe drops and return a profit. TOMS' founder Blake Mycoskie was a charismatic spokesman for the brand and this new way of doing business and the initial sales exceeded expectations, passing its initial target of selling 10,000 pairs of shoes in its first year and providing the money to finance the first TOMS' shoe drop back in Argentina.



The iconic TOMS canvas shoe styled on the Alpargata

The TOMS brand was founded as a social enterprise initially to provide shoes for the shoeless. Giving shoes not only increases access to education, since it is often a requirement that children have shoes in order to attend school, but it reduces the risk of illness which going barefoot leaves children exposed to. Since its launch both the scale and types of donations the business is involved with have expanded exponentially, and TOMS works with external experts in humanitarian aid and international development to ensure responsible and sustainable giving. Early on founder Blake Mycoskie realised that the buy-one-give-one model had the potential to address other social needs and the first TOMS brand extension into eyewear was launched in 2011. In return for purchases of TOMS eyewear medical treatment, prescription glasses or sight-saving surgery would be funded. TOMS works with a network of giving partners and its own impact team to assess the benefits derived from their giving and to develop new opportunities for the business and subsequently TOMS has extended its giving so that it now covers four main areas: shoes, sight, safe water and safe birth each funded from the sales of different product categories. Interest in this innovative business model led Blake to write a book in 2011 explaining why and how he started TOMS, *Start Something that Matters* became a New York Times bestseller.

Additional Resources: TOMS Improving Lives section of the UK website <http://www.toms.co.uk/improving-lives>

Co-created Brand Value

Social media has enabled brands and consumers to co-create value and TOMS is present across platforms. Its products and Giving Trips provide visually appealing images for brand content as well as showcasing the wider TOMS community through encouraging consumer interaction. TOMS' most high profile marketing and awareness raising event was their annual One Day Without Shoes (ODWS) when the brand encouraged everyone to spend a day shoeless. The idea for ODWS was inspired by Pepperdine University's TOMS campus club shoeless walk and each year TOMS has organised events to raise awareness of the issues that inspire its giving mission, working from its own stores and with stockists, members of the TOMS community are encouraged to spend a shoeless day and to share their experiences via

social media. In 2015 the event was given a new twist with a no-purchase Instagram campaign that saw TOMS donate a pair of shoes for every barefoot selfie posted with the hashtag #withoutshoes. According to Marketing Week the 2016 ODWS event engaged 3.5m people via the Instagram campaign and TOMS reported 27,435 donations as a direct result of this. In 2017 the Stand with #TOMS campaign asked participants to wear and share a Give pin (badge) to show support for the TOMS' Give that meant the most to them. The Gives comprised: sight, safe birth, safe water, kindness, shoes and time.

As we have seen, the fashion industry has a large social and environmental impact. From sourcing to selling and beyond, the life-cycle of fashion products is increasingly under scrutiny, and companies have responded by implementing CSR strategies across their operations including engaging with charities at home or at their sites of production. Increasingly cynical consumers expect fashion businesses to act responsibly and put brands under high levels of scrutiny, including these charitable efforts and as such TOMS has not been without its critics. The buy-one-give-one model has been criticised as one based on the existence of economic inequalities and, in common with other fashion businesses that make donations of products, TOMS has been accused of distorting sales by local producers. Despite inaccuracies in these accusations, TOMS has invested in local production and in 2013 committed to producing one third of its Giving Shoes in the regions in which they are given. TOMS established local production in Argentina, Haiti, Ethiopia, Kenya, India and China. Very early in the business' development TOMS partnered with experts in giving - their giving partners - in order to avoid their donations creating just these type of problems. Currently[®] TOMS works with over 100 non-profit humanitarian giving partners in over 70 countries, resulting in 75m donations of pairs of shoes, with 13 sight giving partners in 13 countries resulting in over 500,000 sight restorations, with 2 water giving partners in 7 countries resulting in 450,000 weeks of safe water giving, and with 3 safe birth partners in 4 countries supporting safe birth services for over 175,000 mothers. The company has their own Director of Social Innovation and Impact, Shira Shafir. By undertaking research into how and where TOMS gives they are able to influence product development, for example, for the giving shoes which must be suitable for the specific climates and terrains in which their recipients live.

Additional Resources: TOMS Production section of the UK website <http://www.toms.co.uk/production>

Retail Strategy

As well as a strong digital presence TOMS has increased its physical presence with US stores in Texas, Minnesota, Illinois, Oregon and New York and expanded internationally by opening stores in London, Amsterdam, in Greece, across the Middle East and in China. Owning their own retail spaces allows TOMS to fully represent their brand story and opening instore coffee shops helps build the local TOMS community. TOMS stores are often located in hipster neighbourhoods, the visual merchandising reinforces the TOMS mission with infographics illustrating how the One-for-one[®] system works and world maps showing where the giving takes place. TOMS has developed an innovative experiential 360-degree Virtual Reality Giving Tour which enables customers to experience a TOMS Giving Trip through the VR headset.



TOMS London 'Community Outpost' (Store), Foubert's Place, near Carnaby Street – exterior, interior and Virtual Reality Space. Images courtesy of TOMS

Resources: TOMS Virtual Giving Trip to Peru
<https://www.youtube.com/watch?v=jz5vQs9iXCs>

In 2014 Bain Capital bought a 50% stake in the TOMS company which at the time was valued by Reuters at \$625m. Now in its tenth year of business TOMS has built on its central mission and successfully expanded the buy-one-give-one transaction across products and built a substantial international social enterprise business.

This case, based on secondary sources was authored by Natascha Radclyffe-Thomas
Images courtesy of TOMS

Reference

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Case Challenges and Conversations (Use chapters 4, 6, 7 and 14 to help you)

- 1.** Analyse the influence of the founder and leader Blake Mycoskie on the internal culture of the TOMS organisation. (Chapter 14)
- 2.** There have been recent suggestions that the TOMS organisation has experienced growing pains. Recommend a people management strategy for the organisation as it transforms from a niche brand to a mainstream international shoe retailer. (Chapter 14)
- 3.** 'TOMS was more than just a shoe. It was a story' (Mycoskie, 2012:10). Discuss how this statement is reflected in the company's strategic development. (Chapters 4, 6 and 7)
- 4.** Analyse the brand values TOMS has built and how these are communicated to stakeholders (Chapters 6 and 7).