

Case study analysis of casual togs

Education



Introduction

The present-day business environment is characterized by increasing competitiveness in different industries. In this regard, it is vital for organizations to ensure that all their functions or departments are aligned towards being ahead of their competitors (Rugman et al., 2012). There is a wide range of problems that may adversely affect the progress and competitiveness of organizations. These include structural problems, communication, management issues and failure to embrace change. Given that there is no fixed approach to management that is ideal for all organizations, each company has to ensure that it adopts the most ideal approach, which can be determined by several factors in the internal and external factors that are specific to the company (Hill et al., 2014).

Businesses also need to ensure that they are flexible enough to promptly change in response to the adjustments that might be taking place in the tastes and preferences of their clients or even the tactics that their competitors in the industry are using. Companies that are not flexible enough might fail to maintain their relevance towards their target market segments and lose their competitive edge (Carter et al., 2013).

This report presents a case analysis of Casual Togs, a women's apparel company that is known for its moderately priced products. Most of the company's products are blouses, shorts and knit dresses. In the analysis, the report highlights the problems that are being faced by the company and the factors that might have contributed to these issues. The importance of addressing these issues in a business is that it provides a guidance or basis for formulating strategies that will help to improve the company's

performance. The report also provides recommendations for Cy, Casual Togs' principal stockholder, on the changes that he needs to make in the company. It also provides recommendations on how the company should change its management practice, structure and response to change, so as to avoid a recurrence of the problems it faces.

The major problems facing the firm

With reference to the case study of Casual Togs, there are a number of problems that are currently being faced by the company. One of these is that many of its products are being returned by consumers because of their low quality. For any business, the quality of products that are offered to clients is among the key attributes that determine its performance in the market (Bhardwaj & Fairhurst, 2010). For Casual Togs, this also led to the loss of a major portion of its old loyal consumers. It also posed a challenge to the company in attracting new clients. Consequences of this issue include a drop in the company's revenue and its overall brand position in the industry. It has also been outlined in the case study that the company also faces stiff competition from companies that have long been in the apparels industry as well as new upcoming ones.

Another issue that faces Casual Togs lies in the human resource department. The company has failed to attract the necessary skills for it to run successfully. This is evidenced by the halt in the construction of the company's distribution centre in the middle of the construction, which was attributed to the fact that the company did not get a qualified person who could supervise the construction project. In addition to this, two of the

company's designers resigned. This contributed to a drop in the company's overall production in its nine centres by approximately 15%. The fact that Andy Johnson, the company's budget manager and Sol Green, the market analyst could not speak to one another also clearly depicts a communication flaw among the employees in the firm. Judy, who was the company's vice president, is also depicted in the case study as being aggressive in her communication with other employees.

There are several incidents mentioned in the case study that highlight the failure by a section of the company's executives and employees to embrace change. For instance, Judy objected most of the proposed changes, arguing that they were either too expensive or that they had been suggested by incompetent individuals. Another incident was when Andy rejected suggestions that were made by Bill Smith, his assistant, on new approaches that could be used in the collation and analysis of daily sales printouts so as to make better sales forecasts.

Even though there are several other issues that are faced by Casual Togs in its operations, three main issues have been outlined in this section. These include the decline in the company's competitiveness, human resource issues and the resistance to change among a section of the company's staff.

Causes of the Problems

The first problem about the company is the fact that it is losing its old customers, and more of its products are being returned as a result of either poor quality or late delivery to customers. For any business to effectively win over the loyalty of its target customers, it has to be dependable in terms of

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the products and services it delivers (Dervitsiotis, 2011). Prolonged incidences of poor quality products and services or inconsistencies tend to repel customers. As earlier mentioned, there is high competition on the apparel and fashion industry, which also increases the purchasing power of buyers. Failure of one company meet consumer expectations, regardless of how slightly the gap may be, will make even the loyal customers to switch brands (Talib et al., 2011). Late delivery of products to customers also denotes the incompetence of the department that is concerned with the delivery of the company's products.

Another issue that is affecting Casual Togs lies in the human resource management approaches. With reference to the case study presented, there is evidence of a lack of equal of opportunities for career advancement in the company. An example is Andy, who had worked with the company for 15 years without any promotion because was not related with the other managers and was also of a different nationality. According to Choi et al. (2012), one of the causes of employee turnover is the failure of organizations to provide all the employees with a chance to attain their ultimate career goals. The aggressive nature with which Judy addresses employees in the organization also intimidates the employees and lowers their self esteem. This has an adverse effect on the organizational commitment of employees and has and ultimately, affects their levels of productivity (Adler, 2013; Lutgen-Sandvik & Tracy, 2012).

The issue of rigidity and failure to embrace change has also contributed to the problems being faced by Casual Togs. One of the organizational aspects that have led to this is the fact that Cy, the company's president gave all the

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departmental heads the freedom to make decisions that they considered to be fit for the organization. Whereas it can be argued as an approach that is relevant to the present-day business environment, it poses a challenge to decision making when rapid change are to be made because the opinions of every departmental supervisor have to be considered (Myers et al., 2012). These factors have affected the effectiveness with which Casual Togs adjusts in response to the changes in the market, leading to its dwindling performance. This shows the need for organizations to be flexible enough to maintain its relevance to the target markets (Dervitsiotis, 2011).

This section has presented some of the main factors that have led to the existence of the issues that faced by Casual Togs. These include the failure of the company to adhere to quality in the design of its products and the failure to motivate employees, which adversely affects their levels of commitment. Several measures have to be put in place to ensure that the earlier mentioned issues have been overcome.

Suggestions for changes to be implemented by Cy, Casual Togs' President

In regard to the issues that have been earlier identified, there are different approaches that ought to be used to change the current situation of the organization. With regard to the quality issues that have led to a loss of clients by the company and increased returns of goods, the direct measure that has to be taken is to ensure that the designers of the company's apparel products pay attention to detail so as to enhance the quality of the products (Bhardwaj & Fairhurst, 2010). There is also a need to intensify the quality management process to ensure that defective products are minimized

(Rosenfeld, 2012). As presented in the case study, market research that is carried out mainly focuses in the levels of sales that should be expected in certain seasons. However, it is also vital for the organization to incorporate the on-going trends in fashion so as to effectively address customer needs (Witell et al., 2011).

Human resources in any organization are among the most valuable assets, and have a key contribution towards its overall success. However, it is vital for organizations to motivate them so as to increase their productivity and organizational commitment (Bratton & Gold, 2012). One of issues that are evident at Casual Togs is that employees from a certain nationality are more likely to be promoted than the other employees. In this regard, Cy, the company's president, needs to ensure that an equality policy is implemented to provide all employees with an equal chance of promotion within the organizational ranks (Giuliano et al., 2011). This will not only motivate employees to work more, but will also attract talented job seekers.

The management meetings that were held between managers and other departmental leaders within the organization were informal, marred with emotionally charged arguments, shouting and door slamming. This is a clear indication of the failure to recognize authority and order during these meetings. It is also quite unlikely that such meetings met the intended objectives. To avoid recurrence of such scenarios, the company's president needs to change the way board meetings are held from informal to formal (Diefenbach & Todnem, 2012). This will instil a sense of order, and will increase the possibilities of attaining the goals set to be met in the meetings.

In the presented case, there is evidence of interference of departmental operations by managers or vice presidents of different departments. An individual from a different department could question an action carried out in another department that has no connection to his. Whereas there is need for cross-functional communication and cooperation within an organization (Hongjun & Yajia, 2012), such interferences as those depicted at Casual Togs are destructive. To limit this, the company's president needs to change the structure of the organization (Deb, 2009).

Suggestions to prevent future issues at Casual Togs

To prevent future problems from occurring at the organization, it is necessary for Casual Togs to ensure that it makes the necessary adjustments. These include structural changes, management practices and their response to changes taking place in the competitive environment. Suggestions for change are provided in further detail below.

Management Practice

There are a number of changes that ought to be made in the management practices of Casual Togs. The individual in management that raises concern in the case study is Judy, the vice president. Her aggression towards employees, as well as her interference with operations across all departments within the organization, has to be addressed. Given that she is among the majority shareholders in the company and related to the president, there is no possibility of sacking her from the position she holds. Instead, she needs to be encouraged to attend management seminars so as to improve her employee management approach (Bratton & Gold, 2012).

Rather than being autocratic in her management and aggressive in communicating with other employees in the organization, she needs to change and become a persuasive or democratic in her management and assertive in communication (Adler, 2013). In persuasive management, managers provide a clear explanation to their employees as to why they have made a certain decision. In democratic management, employees are allowed to make suggestions in the decision making process, and the opinion with the highest votes is selected (Hill et al., 2014). By being assertive in communication, points or arguments are firmly put across to other employees, but respect is still maintained (Adler, 2013).

Cy's approach of management is too lenient to departmental heads within the organizations. This has also affected the way in which he handles suppliers, who often take advantage of his leniency to secure tenders even though they are supplying products at a higher price. Even though his consultative approach to management allows departmental heads to take part in decision making, there is still a need for him to exercise authority, especially when holding meetings with them (Diefenbach & Sillince, 2012).

Structural Change

Before making a suggestion on the structural changes that ought to be implemented in the organization, it is vital to describe the organizational structure of Casual Togs as depicted in the case study. Based on the informal nature of meetings between departmental heads and the company's president and the lack of a clear hierarchy of authority in the firm, it can be argued that the organizational structure of the company is adhocratic (Deb, 2009). Even though such a structure is ideal in encouraging creativity and

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innovation among employees and effectively adjusting with the changes in the market, it also has several demerits. These include a difficulty to solve routine problems that may arise in the organization, an unclear line of authority and high exposure of the organization to risk (Diefenbach & Todnem, 2012). With reference to the case study, even though Judy is the vice president, she seems to have more authority than the company's president, Cy.

In this regard, the company needs to consider changing its structure to a more formal and well structured bureaucratic structure (Dervitsiotis, 2011). Even though such structures are known to limit innovation and creativity within the organization, it may be ideal for Casual Togs for a number of reasons. These include easing the decision making process, reduction of the exposure to risk and the acknowledgement of a certain structure of authority that has to be adhered to (Bratton & Gold, 2012). Implementing such a structure is likely to eliminate the emotionally charged informal meetings' scenarios and also the interference of individuals like Judy in all organizational departments.

Responding to Changes in the Competitive Environment

Based on the fact that the apparel industry is highly competitive and dynamic, it is also necessary for the company to be flexible enough and ready to implement changes that will maintain its relevance to the target markets (Rugman et al., 2012). One of the measures that have to be undertaken to attain this objective is to intensify market research and carry it out on a regular basis. This could be through seeking customer feedback or studying the changing trends through observation. Market research also

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involves studying the tactics or strategies that are being used by competing companies in the industry (Witell et al., 2011). It is through these market research efforts that the Casual Togs will be able to adjust its product designs and marketing strategies to fit the market preferences while at the same time ensuring that it effectively competes with other players in the market.

Maintaining a competitive edge in the industry also depends on the skills that the company has in its human resource force (Dervitsiotis, 2011). It is important for Casual Togs to hire employees that are not only qualified, but also innovative enough to come up with designs that will be well accepted by the target markets. Innovation can also be nurtured among employees in the organization by utilizing appropriate motivational and reward strategies (Wright et al., 2012). Workers at Casual Togs also need to be informed on the inevitability of change in organizations, and why they should always be ready for it. By so doing, resistance to change among employees will be reduced. Some of the changes that may need to be implemented at Casual Togs include technological advancements in the production of its apparel and alteration of product designs to reflect the needs in the market (Myers et al., 2012).

Conclusion and Recommendations

Conclusion

This report has presented a case study analysis of Casual Togs, a fashion business that mainly deals in the manufacture and distribution of women's apparels. After two decades of operation, the company's performance in the

market dropped due because of a number of reasons, which have been highlighted in the report. One of these is the poor quality of products, which led to an increase in the volume of returned products. It also led to the withdrawal of many old customers. Another issue that has been identified is the failure to keep employees motivated enough to increase their organizational commitment. The causes of these issues at Casual Togs have also been presented in the paper, as well as some suggestions on how the president of the company can make the necessary changes to improve the situation at the company. Suggestions that have been provides comprise of management changes, structural changes and how the company can respond faster to changes and competition in the market. Further recommendations that can improve the company's brand position are presented hereunder.

Recommendations

In order for the company to appeal to a wider market and increase its returns, it needs to consider expanding its product line. As opposed to the current products that only target ladies, Casual Togs can also consider introducing men's and children's clothes. As presented in the case, the products that the company distributes are mainly shorts, blouses and some knit dresses. Introduction of other female apparel like skirts, trench coats and pants can also be advantageous for the company.

The case has also highlighted the high costs of production that the company incurs. Though some of these costs are inevitable, the company can reduce the overall costs by using appropriate lean production strategies, which are aimed to minimize the cost and maximize production. Some of the

approaches that can be used include minimization or even elimination of errors in the design and production of products and standardization of work processes.

In terms of human resource management, the company needs to ensure that it hires and strives to maintain talented and innovative employees that will contribute towards its progress in the market. Some of the approaches to motivation include offering them a reasonable remuneration and rewarding them for unique contribution. Given that the fashion industry is quite competitive, failure to motivate and retain skilled employees may tempt them to cross over and work for competitor companies, which may be detrimental for Casual Togs.

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