

Zara international study essay



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Discussion 1

In what ways are elements of the classical management and behavioral management approaches evident at Zara International?

Frederick W. Taylor is known for the four step Scientific Management approach which was part of classical management with its first step being a time study of the motion and tasks performed on jobs to maximize the efficiency. Evidence of this science was quite apparent with Zara International in regards to their lightning-quick trend turnarounds that tailor to the young consumer audience. Specifically, they update their garments and have them in the stores within a two week timeframe and launch new pieces twice a week. They shorten the time from order to arrival by using the JIT (just-in-time) strategy which is a well-known lean manufacturing principle that places Zara at the forefront of the retail industry with recent sales of over \$13 billion dollars.

Zara makes this formidable accomplishment by applying the methodologies mentioned above along with principles 2 and 3 which entail having the right person for the job, proper training and incentive to support the science. All of this combined, allows Zara's distribution centers to have items in European stores within (24) hours of receiving an order, and in American and Asian stores in under (48) hours! This efficiency demonstrates that Zara is committed to the science of supporting its employees by careful planning of their work along with insuring they have a path of least resistance to perform their duties which is required in principle 4.

Evidence of the French Henri Fayol and his Administrative Principles were also viewed in Zara International's case study. Fayol was responsible for developing five rules of management that were specifically aimed to guide managerial action involving planning, organizing, leading and controlling. All (5) of Fayol's principles were utilized by Zara! Principle 1 " Foresight", calls for a plan of action for the future. Zara planned to open US stores in 2011, opened 439 stores in a single year with net profits of \$2 billion dollars and plans to double its size in the coming years with sales of more than \$15 billion.

Fayol called for " Organization" principle 2 which is obvious Zara has based on manufacturing half of its own clothing and outsourcing the balance. Then " Command" principle 3 which is leading, selecting and evaluating the employees to get the best performance towards the plan. Continuing with " Coordination" and " Control" principles 4 and 5 which are required when Inditex, its parent company has 100-plus textile design, manufacturing, and distribution companies that employ 80, 000 plus employees!

Behavioral Management was seen in Zara International by the application of Mary Parker Follet's and Hawthorne's emphasis on the human side of the workplace. Follet taught respect for the experience and knowledge of the employee along with managers and employees working in harmony and having the freedom of speech to resolve conflicts. Hawthorne had a two-fold teaching, one that demonstrated that groups influenced individuals and that proper human relations by management in the workplace achieved productivity.

These disciplines are evident in Zara by the synergy demonstrated amongst its accomplishments and successes. A company is only as successful as its employees since without them there is no company!

Discussion 2

How can systems concepts and the notion of contingency thinking explain the success of some of Zara's distinctive practices?

A system is a collection of interrelated parts working together for a purpose. A subsystem is defined as a smaller component of a larger system. Last is an open system that interacts with its environment and transforms resource inputs into outputs. Inditex excelled in the sense that it was able to match its operational discipline with current market demands, they attained success via subsystems (Zara) and interacted with its environment by streamlining its operations and insuring they had the right person for the job and therefore transforming resource inputs which are the suppliers into outputs which were the customers.

Problem-Solving 3

Zara's CEO has asked your management consulting firm for advice on how the firm can make immediate improvements to stay ahead of competition. You must choose one of the five consultants for this job-Frederick Taylor, Max Weber, Mary Parker Follett, Chris Argyris, or Jeffrey Pfeffer. Which one would you assign to Zara and why?

Based on the expansion and diverse cultural at Zara International I believe I would select Chris Argyris as the consultant. In many aspects Zara was

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already practicing many of the principles from the other consultants. For the most part Zara believes in planning the employees work and having it directed by management. Based on Zara's success you can say that this methodology has proven to be effective. But with Zara's expansion in diversity I believe that Argyris approach of allowing the employees to expand their responsibilities, permit additional task variety, and have management enhance its participation to strengthen its human relations is the edge they need to stay competitive.

Zara may be of the mindset of, " do not fix what is not broken" but this very mentality is what the competitor may need to gain an advantage. Zara should not limit the creativity, opportunities and suggestions their employees may bring to the organization especially in a highly competitive market like retail. The world is changing every day and a mind is a world in itself, so allowing Zara and its employees to think outside the box is essential in maintaining their competitive edge in an ever changing world.