

# Two key change elements essay samples

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## **Management at JC Penney**

### Introduction

JC Penney's management style has been highly successful since the time of the company's inception. But certain mistakes by the CEO, Ron Johnson led the company towards huge losses during from 2011 to 2013. But according to recent research, it has been analyzed that JC Penney is once again reviving as a successfully managed company in America's intensely competitive retail industry. This paper will discuss how JC Penney has revived its growth and sales once again with the help of effective change management.

According to research, it has been analyzed that JC Penney initially had a management style which was entirely focused on customer satisfaction. But over the years, the company alienated itself from core focus on customers' preferences which led towards a management crisis. Therefore, the first key change in the management style can be quoted as the deviation from customer satisfaction towards a fair pricing strategy. This led towards the management's failure to understand the preferences of the potential customers who preferred coupons, discount offers and premiums over a fair pricing strategy (Ofek & Avery, 2012).

Secondly, the company's previous management style was also more focused on employee motivation as compared to its current management style. This change in the management style had a negative impact on the overall employee motivation, dedication and performance and led towards the failure of business strategy. In short, currently JC Penney is not managed in a

proper manner and it needs to re-design its management style by making it more employee and customer focused. The new change will enhance the long term relationship of the company with its potential employees and customers simultaneously. JC Penney has understood that in today's fast paced and aggressively competitive retail industry, complete focus and attention on the needs, wants and preferences of the customers and the employees is the key towards achieving long term organizational success (Ofek & Avery, 2012).

### **Senior Management's Role in Implementing Change**

After the huge downfalls in sales, the senior management of JC Penney has started playing a highly active role in implementing a positive change. The management has greatly increased its focus on effective management for the sake of enhancing its growth and sales once again. It has been analyzed that JC Penney has been making significant efforts in integrating its overall leadership, organizational structure and culture with the concept of continuous change, learning and development (Kim, 2013)

Research proves that initially JC Penney had to face difficulties in convincing its employees towards adjusting to the change process but with the help of effective counseling, training and development, the senior management of the company has managed to motivate the employees. The senior management of the company has ensured that a positive learning and development culture would reduce all the barriers towards effectively communicating with the employees and the customers with regard to their preferences, tastes, needs, wants and complaints. By effectively analyzing its management mistakes, JC Penney has successfully managed to convince

both its customers and employees towards positively adapting to the change. The management of JC Penney has pointed out to the customers and the employees that this change has been designed and implemented for enhancing their purchasing and working relationship with the company (Kim, 2013).

## **Evaluation of Management Decisions**

After analyzing the mistakes of the former CEO, Rob Johnson, the management of JC Penney has taken various new decisions for bringing a positive change to the company's overall operational management. The most recent decision of the management to use vendors and spokesperson for increasing its sales has been a great success because it has emerged as a effective communication route for the management, employees and the customers of the company (Graetz & Smith, 2010). This decision has had a significant positive impact on the overall management style of the organization which has now become more customer-oriented. Customers are now directly informed about new product lines, discounts and coupons directly through vendors and spokespersons which are directly associated with the company.

It has been analyzed that the customers of the company feel more engaged and satisfied when they are directly informed about new product promotions through vendors and spokespersons of the company. The management of the company will now be able to communicate its new decisions with respect to promotions such as coupons, discount offers and other premiums with the help of its official spokespersons and vendors who will directly communicate them to the customers of the company.

## **Innovative Suggestion**

It is extremely important to understand that in today's era of intense competitive rivalry and globalization, the importance of innovation has greatly increased. JC Penney needs to understand the concept of innovation excellence in order to have a positive impact on both its employees and customers simultaneously (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011).

One innovative idea for JC Penney is to uplift its sales by offering innovative discount offers, coupons and vouchers through the emerging social media platforms. These innovative initiatives will not only enhance the satisfaction and buying experience of the customers but will also motivate the employees to work in a positive, innovative and creative organizational culture. It is worthy to note that innovation and technological advancements have become the key ingredient towards increasing the overall satisfaction of both the employees and the potential customers of the company (Sorescu, Frambach, Singh, Rangaswamy & Bridges, 2011).

JC Penney will incorporate this innovative idea into its overall organizational culture and structure by adopting an innovation excellence strategy. This strategy will be implemented in an integrated and coordinated manner with the overall operations of the company in order to uplift the company's overall innovative spark. Innovation, technological advancements, new ideas, creativity and researches are the key towards developing sustainable relationships with the customers alongside the achievement of a competitive advantage. JC Penney clearly understands that the rapidly changing market

environment of today needs to be dealt with through the use of an innovation excellence strategy (Lester & Lester, 2007).

## **JC Penney's Adaptation to Change**

After the failure of its business strategy during the tenure of CEO, Rob Johnson, JC Penney has started focusing on extensive research and development in order to adapt to the changing global trends and customer preferences. Currently JC Penney is greatly emphasizing on the aspect of understanding the changing market environment of the highly competitive retail industry in order to enhance its adaptation process.

One key change in the management structure of JC Penney can be seen with respect to its decentralized structure which has made the communication process with both customers and the employees more flexible and effective. Research into JC Penney indicates that the management of the company has understood the mistakes made by CEO, Rob Johnson and as a result it has completely directed its attention towards complete employee and customer satisfaction. Due to this new employee and customer focused management culture, JC Penney's employees and overall business operations have become highly adapted towards successfully implementing change.

In short, it has been analyzed and evaluated that a decentralized organization structure along with a continuous learning and development culture, JC Penney will face no barriers in achieving successful adaptation to change. The global business environment is rapidly transformation with the advent of globalization and consumerism and change has become the key to success in such a volatile market environment. With the help of its customer and employee centered strategy, JC Penney will not only increase its

performance and sales statistics but will also be able to capture a huge chunk of the market share of the global retail industry (Springer, 2014).

## **Conclusion**

With respect to the above discussion, it has been concluded that JC Penney has greatly improved its management style, management decisions, management structure and culture by adopting becoming more customer and employee focused along with the adoption of learning and development and innovation excellence strategy. During the last few years, JC Penney started facing downfall in its sales and profits as it alienated from its potential customers and employees but after carefully analyzing its management mistakes, the company has once again revived its growth and profitability in the retail industry. The company has successfully implemented a positive change in its overall operations and is now once again leading the retail industry as a powerful company.

## **References**

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