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COMMUNITY ENGAGEMENT: ASSIGNMENT 1
ZARA – Leadership and Management

Executive Summary

This report focuses on the way of engaging with community by maintaining long term sustainability. The role of employees of Zara in achieving organisational goals and objectives by working as per organisational framework has also been highlighted in this report. The various training programs helps in boosting motivation of employees that enables the company in creating high skilled workforce. The market expansion strategies of Zara for developed countries can be able in lowering their threat from higher end fashionable merchandisers and competitors including Burberry, Chanel and Ralph Lauren. The Training and Development provided by a company to their employees helps them in enhancing value and encouraging them in doing their work towards organisational objectives. Hierarchical group of Zara need to adopt strategy regarding effective planning and estimation of budget and time for completion of training and increasing level of knowledge among all employees engaged with the company.

Table of Contents

<u>Introduction</u>	4
<u>Name and Nature of organization</u>	4
<u>Size, Structure and Goals of Zara</u>	4
<u>Mission and Values of Zara</u>	4
<u>Identification of customers and their expectation from organization</u>	4
<u>2. Discussion</u>	5
<u>Role of employees in achieving organisational goals</u>	5
<u>Importance of training and Development</u>	5
<u>Role of organization and its importance</u>	7
<u>Skills and knowledge for carrying out the role</u>	8
<u>Skills related to training as well as development</u>	9
<u>3. Analysis</u>	9
<u>SWOT Analysis of Zara</u>	9
<u>4. Conclusion</u>	10
<u>Reference list</u>	12
<u>Appendix: Training and Development Plan</u>	13

Introduction

Name and Nature of organization

The name of the chosen organisation is Zara and it is mainly involved in the designer clothing sector. It is basically the flagship chain store of Inditex Group which is the world's largest retailer of apparel.

Size, Structure and Goals of Zara

Zara operates on almost 88 countries having more than 2,220 stores and over 10,000 employees (Zara.com, 2019). The goals of Zara are depicted below:

- To aim in eliminating hazardous chemicals from supply chain by 2020 (Zara.com, 2019)
- To increase the number of styles and choices
- To reduce quantities produced for reduction of inventory risk (Zara.com, 2019)
- To increase sales volume to 20% by 2021 and profit margin to more than 15% by 2021

Mission and Values of Zara

The mission statement of Zara is *“To give the customer an exclusive choice of fashion by providing a quicker turnover of new stock than other fashion retailers”*.

Zara’s core value includes beauty, functionality, sustainability as well as clarity for meeting the fashion changing trends of customers (Zara.com, 2019).

Identification of customers and their expectation from organization

Zara mostly targets young as well as fashionable city consumers who have great taste in wearing fashionable clothes. The customer of Zara expects both trendy as well as quality products from them at an affordable price.

2. Discussion

Role of employees in achieving organisational goals

All the employees in an organisation play an important role in achieving organisational goals and objectives. They possess positive attitude towards their work and work according to the given framework by their managers. As opined by Steers and Lee (2017, p.75), employees of a particular organisation works in an organisational framework for meeting goals and objectives devised by senior managers of an organisation. As in the case of Zara, its employees enhance their skills and gain experience for doing their work as per company objectives. They try to remain well informed about various activities prevalent within business organisation and build better relations with their supervisors to carry out their work. This helps the employees in increasing productivity of the company by planning their work with their subordinates on a daily basis. As management of time is considered to be an important factor in an organisation, employees of Zara maintains their punctuality for do their job properly on time. This punctual nature of the employees helps in increasing productivity of the company by doing business activities properly on timely basis.

Employees of Zara comply with procedures of work along with work related instructions in order to maintain functioning of business process smoothly. As per the views of Hanaysha (2016, p.302), decreased resource consumption for same amount of output improves profitability level of an organisation. In respect of Zara, their employee always tries not to waste company resources and puts all their hard core efforts for conserving those resources. The conservation of company resources helps in improving company's productivity as well as profitability. The employee also takes initiatives in order to solve various issues that they face while working in an organisation. This helps in enhancing their active participation in solving issues of business environment that increase company's productivity in an efficient manner thereby satisfying company goals as well as objectives (influenced by Steers and Lee, 2017, p.75).

Importance of training and Development

Training refers to a program which helps employees in learning specific knowledge along with skills for improving their current job performance. On the other hand, development is an expansive concept that pays utmost attention on growth of employees and their future

performance as compared to their current job role. As asserted by Dhar (2015, p.425), training as well as development involves in making continuous efforts by a company in boosting its employees performance. Most of the companies aim in providing training along with development to their employees by usage of educational methods array and programs. In the context of Zara, training as well as development has emerged as a key element of strategy. The company realised the importance of making investment in training as well as development of employees. This helps in boosting motivation of employees and also enables company in creating high skilled workforce. *[Refer to appendix]*

Some of the benefits of providing training and development to employees are mentioned below:

Improving performance of employees- A proper developmental training helps employees in performing their job efficiently and understanding their job responsibilities. It enables employee in building confidence and their overall performance that benefits the company's productivity.

Consistency- A powerful program related to training as well as development helps in ensuring consistent experience of employees. As opined by Cocul'ová (2017, p.9), consistent training is relevant for a company's basic procedures along with policies. With respect to Zara, employees are aware of the company's procedures and expectations and enhanced efficiencies in business process results in company's financial gain.

Decreased turnover of employees- Employees feels valued as company makes investment on them rather changing them by recruiting other employees. In the case of Zara, efficient training along with development adds in benefit of company and as a result, costs of recruitment go down because of staff retention (Managementhelp.org, 2019).

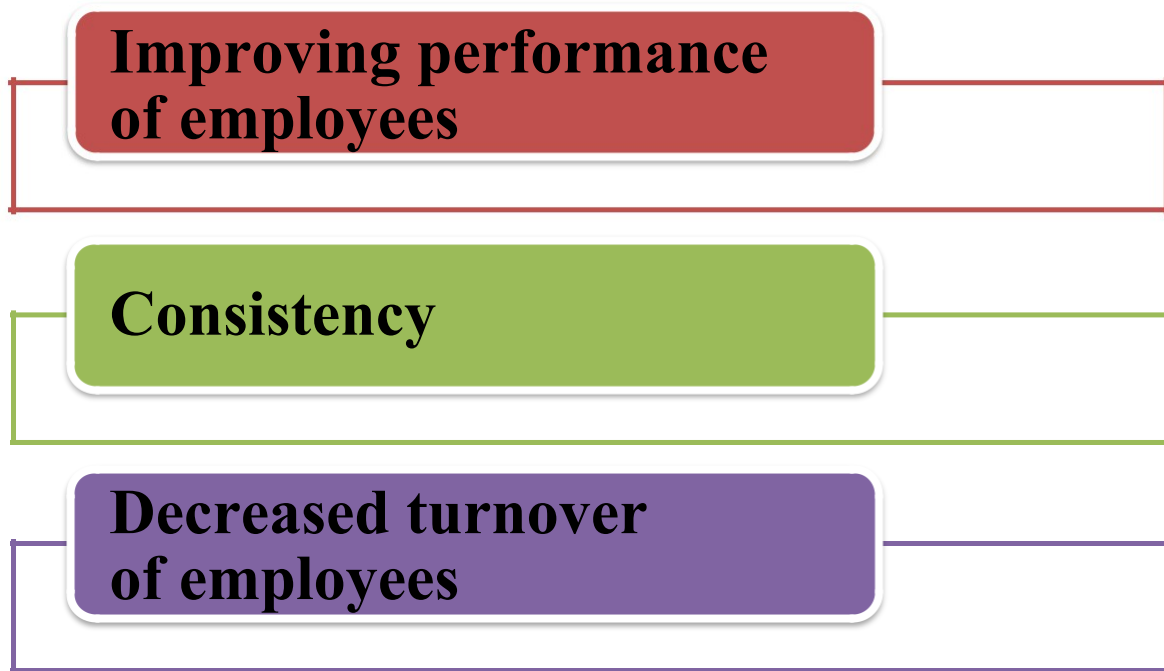


Figure 1: Benefits of providing training and development

(Source: Cocul'ová, 2017, p.9)

Role of organization and its importance

The functions of Human Resource executives in context of Zara are sequentially mentioned below:

Recruitment- It is one of the most important functions of HR as it involves maintaining staff levels for ensuring the right candidate in the right job and at the right period of time. According to Collings *et al.* (2018, p.15), recruitment function of HR involves in a continuous task which shifts along with the expansion of an organisation.

Relation with employees- As employees are lifeline of an organisation, department of HR acts as a liaison between the company and its employees. The HR personnel of Zara in order to keep their staff updated introduce HR related newsletter that consists of important news along with developments by giving a forum for employee engagement (Tummers *et al.* 2015, p.637). It helps employees to keep updated with pertinent information related to HR department of Zara.

Staffing with Training as well as Development- As a crucial function of HR department of Zara, HR executives facilitated training in workplace for ensuring better training to employees

that encouraged their ongoing development by courses of training and workshops. Thus, promoting the development of employees plays an important role in retention of staff as well as staff engagement for operation a business process successfully.

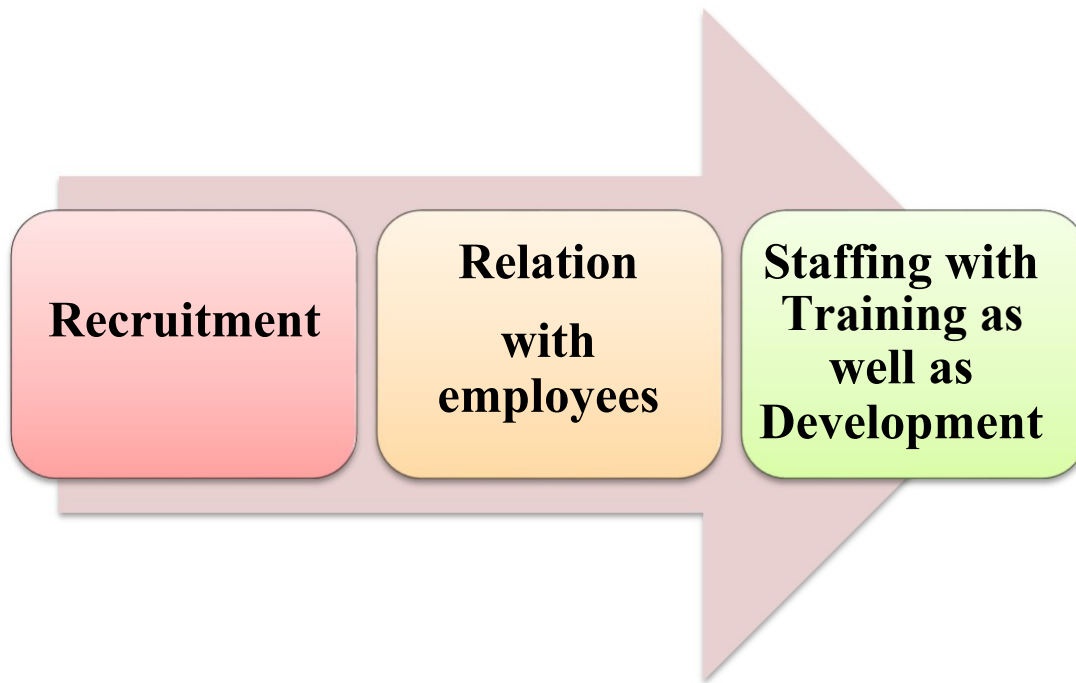


Figure 2: Functions of HR

(Source: Tummers *et al.* 2015, p.637)

Thus, the role of HR is crucial to every organisation including Zara as HR executives posed required skills as well as expertise that is necessary for negotiating employees benefit packages within the company's budget. Their familiarity with benefits of employees helps in attracting them and retaining them (Humanresourcesmba.net, 2019). Along with that, their maintenance of better relationship with employees helps in increasing company's productivity and making the employees to work towards achievement of company goals and objectives. A better training as well as development programs helps in making employees more focused on their work towards achieving organisational goals along with desired objectives.

Skills and knowledge for carrying out the role

The important skills as well as knowledge for carrying out HR role effectively are depicted below:

Communication - As HR professional acts a link between both company and employee, a better communication skill required to be possessed by them. As asserted by Chuang *et al.* (2016, p.534), a better communication skills help HR personnel in handling employees question along with complaints efficiently and solving them with effective solution. An HR professional requires expressing themselves both verbally and non verbally that is written communication. This helps them in taking effective decision for company's welfare. The communication skill possessed by HR executives of Zara helps in planning their market goals more efficiently and to execute those goals by their employees effectively.

Budgeting- HR executives incorporated good compensation plans and performance appraisals within the company for making strategic planning as well as budgeting. They also take into consideration of projects from each of the department along with individual functions. This helps in limiting expenditures being spent on unnecessary activities (Managementhelp.org, 2019).

Organisational- HR executives oversee functions such as recruitment, development plans of individual, employee relations and training in a systematic manner. They incorporate a standard platform for each of these functions within the company. It helps in keeping organised and increasing efficiency for handling multiple tasks.

Skills related to training as well as development

The executives of HR department are responsible for providing their employees development of opportunities for maximizing performance and enhancing value. The sessions of organising based on management related training and leadership helps in providing the employee more diverse skills. It allows them in assuming added tasks and at the same time, also for supporting their career growth.

3. Analysis

SWOT Analysis of Zara

Strengths	Weakness
● Chic clothing at premium prices ● Fashionable and innovative design at competitive prices	● Limited marketing strategies and less advertising ● Low stock of safety

• Strong market presence with 2100 stores and £15.9 billion sales per annum (Zara.com, 2019).	• Generalised collection
Opportunities • More Online presence in social websites such as Instagram. • Market expansion in developed countries • Backing up of flagship designs	Threats • Fierce competition from Chanel, Burberry and Ralph Lauren • Switching of huge amount of customer • Higher end merchandisers of fashion

Table 1: SWOT Analysis of Zara

Zara provides Chic clothing along with fashionable and innovative design at both premium and competitive prices that helps them in improving their generalised collection. Along with that, their strong market presence can make their marketing strategies to improve effectively. As mentioned by Cocul'ová (2017, p.9), strong presence of market can allow them in making more online presence in social websites that can increase their customer base largely. Their market expansion strategies in developed countries can lower their threat from higher end fashionable merchandisers and competitors including Burberry, Chanel and Ralph Lauren. Furthermore, Zara's highly trendy and innovative ideas in clothes can improve their generalised collection and they can make more niche products for every segment of people. Therefore, backing up of flagship design and infusing innovative design in clothes such as party wear and trendy casual clothes for both men and women can reduce switching of huge amount of consumer. Thus, from the above analysis, it is clear that switching of huge amount of customers, competition from Chanel, Ralph Lauren and Burberry along with higher end merchandisers of fashion acts as threats for Zara.

4. Conclusion

Thus, it can be concluded that Zara targets mainly young and fashionable city dwellers having good fashionable clothes sense. Customers of Zara expect both fashionable as well as quality products from them at an affordable price. Employees play a crucial role in achieving

organisational goals and objectives by working as per organisational framework. Training and Development provided by the company to employees helps them in enhancing value and encouraging them in doing their work towards organisational objectives. Training programs also helps in boosting motivation of employees that enables the company in creating high skilled workforce. Communication, budgeting as well as organisational skills are required for HR executives to perform their role efficiently. The organising sessions based on management training and leadership helps in providing the employee more diverse skills. Zara's market expansion strategies for developed countries can be able in lowering their threat from higher end fashionable merchandisers and competitors including Burberry, Chanel and Ralph Lauren.

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Appendix: Training and Development Plan

Title	• Developmental Training Program on the basis of roles and individual responsibility
Training Audience	• Junior and middle level staff
Training Goals	• To increase staff potential and Career development
Training Needs	• Improvement of skills related to the way of managing operation technique and enhancing productivity • Increasing knowledge level by gathering severe opinion related to the way of engaging with community and maintaining sustainable development
Training Outcomes	• Increased level of knowledge and increased confidence level among large number of employees who are mainly engaged with Zara
Training Scope	• Completion of required activities within estimated timeframe and fulfilment of all criteria within estimated budget forecasted by project head and finance manager • Improved performance of employees and betterment of company which can impact positively on recognition of company in competitive market
Constraint and Risks	• Lack of skilled and efficient employees who are able to perform effectively and share accurate

	knowledge among employees with the aid of digital projector and other training equipments • Limited time can be the reason of getting affected from improved performance level and increased level of knowledge about the way of enhancing performance and severe responsibilities within the organization • Along with, fulfillment of all activities within estimated timeframe will be significant barriers for the company to complete the project successfully
Possible solution	• Preparation of daily basis schedule and effective way of maintaining severe guidelines and ensuring regulatory framework will be foremost technique to share accurate data among engaged employees • Requirement of all activities and its impact on training procedure as well as performance of employees will be necessary to evaluate at the beginning of training to forecast budget required for completing the training and developing organization. • Project head and training head such as HR personnel will focus on recruitment and selection technique by analyzing interpersonal and communication skills of candidates so

	as to manage level of knowledge which will be foremost technique to increase productivity of Zara
Training Evaluation	• Daily basis monitoring and communicating with lower level staffs and senior hierarchical groups about the way of taking action in case of facing issues along with conflict situation • Effective way of measuring performance of all employees and monitoring their effectiveness on the growth of organization can be effective way to ensure daily basis targeted work and scheduled routine
Estimated Time	6 months