Summary

Ferry Korver
Amsterdam Fashion Institute, Fashion Management
May 2012
Summary

After 6 months of research and writing, I’m at the end of my thesis for my bachelor degree, but this is also the end of my student career at the Amsterdam Fashion Institute. Some amazing college years, where I learned a lot, gained experience, grew knowledge and developed personally.

I followed my internship at Thom Browne in New York. The company inspired me to write my thesis about management systems and company culture.

Last semester I followed this internship at Thom Browne NY. In the past I followed other internships with different fashion companies to learn and to acquire experience. Every company has its own company culture and management style. All those companies were different from each other. The management and cultural differences in company’s makes me curious, why are they so different from each other? How do they work? After my research I want to take Thom Browne as a case to investigate management and culture.

What makes a company culture and what is a management model exactly? That’s the reason why I want to investigate these subjects. After my research in the literature and research at Thom Browne NY, I hope to be able to answer the question.

Designer labels often have problems with management, they are creative people that have a focus on design and they don’t have a focus on their management skills. It’s more difficult for those companies to have structure between management and creativity. I experienced the blurred line between management and creativity when I was following my internship at Thom Browne in New York City. I am curious if there is a specific management model and culture for a fashion firm.

“What kind of management system and culture fits a middle large creative company?”

The purpose of this research is to find out what kind of management systems and company cultures exist and how they can be used in middle large fashion companies. I will try to visualize the current management system and culture by Thom Browne in New York.

The problem statement from the research will be answered by the main question and sub questions in desk research in literature, articles and the use of Internet and field research at the Thom Browne Company with 2 questionnaires and some interviews with professionals. This research is aimed at any medium size creative or non-creative business around the world. I will use Thom Browne NY as case for my research; I will limit myself to one company. My research is focused on management systems and cultures in the creative and non-creative sectors.

There are several interesting management models that go deeper into the matter. I will use the 7-S model to study the issues clearly and to have a good overview. After my personal experience at Thom Browne, it was interesting to investigate the internal side of the company. I will write an observation about TB. It’s not my intention to write a recommendation.

Management models are scientific bodies that are applicable for all kind of companies. Those management models are applicable to several areas. These are independent projects that can advise or help you to check your organization internal or external. There is not one management model for a whole company, but there are a lot of different pieces for different parts of the company. Before we can define the management models used in creative and non-creative companies we have to define what a creative or a non-creative company is.
The Department for Culture, Media en Sport (DCMS, 1998) has defined the creative industries as those industries which have their origin in individual creativity skills and talents and which have a potential for wealth and job creation through the generation and exploitation of intellectuals in the right way. Sectors that are not named in the DCMS list are not creative sectors. The list can change every second, the industries of the twenty-first century will depend increasingly on the generation of knowledge through creativity and innovation.

After my research into management models, the conclusion was that there is not one existing model that is useful for the whole company, or for a creative or non-creative company. For a creative company it is not easy to find a model, the dynamics make it difficult to find a fitted model. Every model has its own specialization for controlling and checking a part of the company. With management model 7-S which was designed by McKinsey is a model that can be used to analyze the internal side of every type of company.

There is no individual definition for organizational culture. The topic has been studied from a variety of perspectives, ranging from disciplines such as anthropology and sociology, to the applied disciplines of organizational behavior, management science, and organizational communication. Culture is always a collective phenomenon that can be shared by people that are living or lived in the same social environment. The most deep-rooted elements of culture exist in the set of values, fundamentals and taken for granted assumptions held by a group of people. Such values and assumptions about all manner of phenomena, including those about what is “right”, “wrong” and what is “good” or “bad”, manifest themselves in people attitude and behaviors.

Organization culture has been described as the shared values, principle, traditions, and ways of doing things that influence the way organizational members act. In most organizations, these shared values and practices have evolved over time and determine, to a large extent, how things are done in the organization. The definition of culture implies two things:
- First, culture is a perception. It’s not something that can be physically touched or seen, but employees perceive it on the basis of what they experience within the organization.
- Second, organizational culture is descriptive. It’s concerned with how members perceive the culture, not whether they like it. They deal with how individuals have different backgrounds or work at different levels. That’s the shared aspect of culture. In my opinion every company has subcultures in creative and non-creative sector.

Every company with their culture and subculture has to have a structure. Company culture is influenced by the company structure. Structure and culture go hand in hand and they influence each other. The structure determines who is working with whom, when and how. It creates the conditions in which culture can be transferred, developed and continued in a formal way (the formal organization). Cultures decide the possibilities for a structure and effectiveness from a structure in an informal way (the informal organization). A structure shows how a company is classified in departments and employees, and how they work. In the structures you can find subcultures. A corporate structure is essentially the layout of the various departments, divisions, and job positions that interact to conduct the business of the company. The different organization structures are involved with mechanistic or organic organization characteristics. The organic management is more informal, more for the creative sector and the mechanistic is more formal for non-creative sector.
Thom Browne is a fashion designer in New York City. He designs men and women fashion. He was discovered with his men’s collection and started a few seasons ago to design a women’s collection. The management of Thom Browne is the Participative style: The manager involves employees with decisions. The managers invite them to think and help them with a solution and stimulate them to take more initiative. The participative leadership style is also known as an essential factor in today’s business sector.

I will make an observation of the management system of TB on the basis of McKinsey’s 7-S model by the auteur R. Pascale, T. Peters and R. Waterman. Mrs Spaniolo, the President COO of Thom Browne filled out the questionnaire about the current management situation and what she want to see improved. The questionnaire showed the top 5 points that deserve more attention/development within the organization. The results show that TB can pay more attention to the company culture, structure, systems and vision with policies. Those four main parts of the organization have the lowest result. My research shows that the vision and mission of Thom Browne needs to improve. From the questionnaire we learned that the current vision and mission is conceived as 5.4 by the management and they want it raised to 7.1. It’s important to have a clear vision and mission. Sometimes in fashion, companies follow the vision and mission from the designers point of view instead of the organizational point of view. The culture is determined by the personnel of the organization and includes all shared values and standards. It is not easy to have a good view on cultures in an organization. Some cultural elements are not directly visible, we are not always aware of the deeper values.

TB is missing a clear system to support social contact. There is not a lot of social contact. TB can use a system or program for teambuilding like; social meetings, company meetings, rituals to say hello, share new ideas, introduce new staff to all the employees and have a small get together when staff is leaving the team. My research shows that the information systems do not always ensure that the results of the units are made visible. The systems and procedures should be clearer and support the work and communication better. It is about the participation and quality of staff communication.

The company culture is an important part in an organization. You must truly understand the current culture and desired culture. The culture scan of Cameron & Quinn is a tool to investigate the current and desired culture among personnel. This is a scientific research and is a careful, verifiable and a systematic study of a particular issue. I had a survey issued to all employees of Thom Browne. The response was good, 77% have completed the questionnaire. The answers give a clear picture of Thom Browne and it’s departments.

In the results of the employees from Thom Browne was that they want more focus on internal then external and less flexibility, within the hierarchy culture to get more structure, but they still want the adhocracy culture to have the creativity and flexibility in the company. For Thom Browne this is not strange. It is a young company that had to establish a market for its products. Being in a creative profession it is bound to be a dynamic environment. In an entrepreneurial phase, companies often have a family culture and then shift to an adhocracy in their collective phase. At TB there is a desire for more structure, procedures, efficiency and predictability. This means that TB is ready for the next phase, the formalization. When there is a good company culture, employees have fun in their work, work as a team and they will stay longer at a company. This means that you keep the knowledge inside the company. All the benefits from a company culture that fits, will lead to more success, more than there currenly is.
To answer my research question: “What kind of management system and culture fits a middle large creative company?”

I came to the conclusion that there is not one management model for a whole company. Management models consist of different pieces for different parts of the company. This is for both sectors the creative and non-creative sector. There is also not one model to define a company culture, every company has its own culture and none of them are the same. That has to do with the shared values, principle, and traditions. After my research I came to the conclusion that the 7's model from McKinsey is the most appropriate model to use for a middle large creative company like Thom Browne NY. The result show that

the organization of TB desired some culture change. As we all know it’s really difficult to change a company culture. A company culture is so deeply rooted into the company that it makes it hard to change, this is a long process. When management is ready for a change, management must bear it to change, stand behind it for 100% and then it could work.

Because the 7-S model and the culture scan of Quinn & Cameron are scientific models. They are good methods to check the management system and culture of every organization. It is always a snapshot of a period. It is advised to do this research again in a couple of years to check the progress and new desires for change. This document may well serve as a basis for analysis of other fashion companies. It would be interesting to see how other fashion companies are managed and what culture they have.

I discussed my research conclusion with Marijn Sikkema, Project manager at Effectory to see if she has recommendations for TB’s change management. Effectory is specialized in staff research and internal customer research. Mrs. Sikkema recommended to have company meetings once a month or one in two months where management will talk for an hour to share the developments and what they are doing and after that 30 min is scheduled in to answer questions. This way you keep everyone informed and let everyone feel to be a part of it, they feel more involved. When there is an opportunity for personal development, support your employees to develop.

I wrote this observation for Mrs. Spaniolo. I hope she can use it for the development of the fast growing company of Thom Browne. All those suggestions are ideas for this development.