

Chapter 1

Visionary Leadership: Learning from Exemplary Organizations

Karen Miller
University of Cambridge, UK

ABSTRACT

By nature, fashion is constantly metamorphosing, producing unstable environments for retail organizations. Rivalry has also increased in consolidated markets. In response, firms have adopted own-brand strategies and internalized design, providing levers to differentiate, control costs and quality. Leverage is manifest throughout these firms' propositions, yet little is known about how leaders steer these brands. This chapter offers rich insights from a 3-year empirical study of twenty design leaders in seven large exemplary UK-based fashion retailers: specifically, of what they 'do' to navigate fashion retail markets. The results reveal that visionary design leaders are formally design-trained, enabling them to remain intensely 'hands-on' through a wide portfolio of interconnected roles. This expertise, modus operandi and breadth of activity enable them to envision and deliver unique and compelling brand propositions to the exacting standards demanded by this volatile industry.

INTRODUCTION

Fashion has been formally defined as 'the mode of dress... adopted... for the time being' (Fashion, n.d). Kawamura (2006), however, offers a nuanced definition which distinguishes between material artefacts (clothing), which provide modesty and warmth from fashion as an intangible element created and embodied by designers. Fashion designers use knowledge gained through hands-on experience (Bye, 2010) to compose, through unique combinations of social, aesthetic and craft/technical constituents (Cappetta, Cillo, & Ponti, 2006), the symbolic meaning that generates desire. Barthes (2006) depicts fashion as a language subliminally decoded by the wearer/viewer. Yet by nature fashionable items are temporarily adopted, diffused and discarded (Sproles, 1979) and the rate of this cycle is quickening in contemporary contexts (Cachon & Swinney, 2011; Christopher, Lowson, & Peck, 2004). Fashion thus provides the backdrop for the precarious nature of the fashion retail industry, with estimated sales of clothing and footwear in the UK alone totaling £54.8 billion and a forecast growth rate for 2016 of 3.7% (RetailEconomics.com, 2015).

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“Fifty years ago [UK] retailing was a fragmented industry” (Ferne, Fernie, & Moore, 2015, p.10) with many small players and a few giants such as Marks and Spencer. However, the emergence of Next in 1982, the launch of George at Asda in 1989 (the first supermarket foray into fashion), the arrival of Zara in 1998 and ASOS in 2000, and the expansion of Primark in 2005 (amongst others) changed the landscape (Clark, 2014). Mintel (2012) cited in Clark (2014, p.7) estimated that the top ten clothing and footwear retailers’ sales accounted for 51% of all 2011 UK sales, therefore the UK is the most concentrated retail market globally (PWC, 2015). Contemporary fashion retailing is also intensely volatile (McCarthy, Lawrence, Wixted, & Gordon, 2010), with shorter lifecycles (Ferne & Perry, 2011), more capricious customers (Caro & Martínez-de-Albéniz, 2015), and multiple channels to market (Dawson & Lord, 2013). These factors have precipitated many retailers into responding with own-brand/private label strategies (McColl & Moore, 2011, 2012). Own brands are defining and increasingly prevalent elements for retailers as they provide powerful mechanisms for expressing identity (Kapferer, 2012), generating loyalty (Kumar & Steenkamp, 2007) and increasing margins (Sethuraman & Raju, 2012). Pioneers such as Marks and Spencer had however established its own brand in 1928, and by 1950 all its goods were sold under the label (Worth, 2006). Interestingly, this position altered in 2000.

In order to develop credible own brands (OB), retailers typically internalize expertise including design (Abecassis-Moedas, 2006; Khan, 2013; Khan, Christopher, & Creazza, 2012) in order to differentiate and control costs and quality (McColl & Moore, 2011). As a consequence, active leadership of design is required (Miller, 2014; Miller & Moultrie, 2013); yet few empirical studies have investigated what design leaders *do* in order to create compelling and commercially relevant OB fashion propositions. By way of explanation, leadership is positioned as being distinct from management (Zaleznik, 1977), and the major differences will be outlined in this chapter.

In contrast to the paucity of design leadership literature, visionary leadership literature is plentiful (Avolio & Yammarino, 2013). Sashkin (1986) introduced Visionary Leadership Theory (VLT), which according to Zhang, Avery, Bergsteiner, and More (2014) is also termed transformational leadership. Visionary leaders are described as ‘those who have the ability to construct culture through empowering people to accomplish shared goals, in groups and teams, throughout the organization’ (Canato & Ravasi, 2015). Zhang et al. (2014) note how this requires leaders to generate the “emotional involvement of staff” - vision and how it is communicated form key strands in engaging and connecting positively.

Transformational leadership research unfolded further with the notion of creative leadership (Vessey, Barrett, Mumford, Johnston, & Litwiller, 2014), and as a result greater specificity is given to the role of leaders in creative contexts (Mainemelis, Kark, & Epitropaki, 2015; M. Mumford, 2012; Puccio, Mance, & Murdock, 2011). While this body of work is useful, as analogies can be made to design leadership (and this will be drawn upon to provide an initial framework of roles), there remains a knowledge gap in relation to fashion retail contexts. This chapter presents the results of a three-year empirical study of twenty design leaders’ activities in seven exemplary retailers to address this shortcoming. As a result, the reader will derive a more complete understanding of the complex design centric nature of visionary leadership within the adversarial fashion industry.

Structurally this chapter starts with the presentation of relevant literature, before a short account of longitudinal activity in M&S provides the backdrop for the roles of visionary design leaders. Next, the methodology used to collect and analyze the empirical data is described, before the most relevant roles that emerged through the process are reported and discussed. A framework reflecting these results is then introduced. Fruitful avenues for future research are offered next, before the chapter concludes with a summary of the findings and the limitations of this study.

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