

Safeway



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This paper talks about Safeway a store, now so popular that it has made itself establish as a brand in the market. This paper talks about problems that are plaguing Safeway and how can a solution be reached. It starts off with a summary of the entire paper and then details on the company's vision, mission, goalsetc. It provides a list of problems that Safeway has been facing through the years prioritizes these and then develops a solution plan in a logical step-wise manner. The paper concludes itself with a brief discussion on how the solution can be achieved in an effective manner and provides a brief evaluation of it.

Executive Summary. Safeway is a chain of stores, now so popular that it has made itself establish as a brand in the market. Safeway started off as a store back in 1915, under the vision of M. Skagg's. Then, it was just a store and now we see around one thousand seven hundred and seventy five stores all across United States of America and Canada. The vision at Safeway talks about value and adding value to the chain of operations that the store is involved in. It talks about giving value to customers through value added products and services under the name of Safeway stores and by strategizing success in terms of profits by keeping them narrow while expanding.

In 2000, Safeway faced a huge internal labor problem whereby it received threats and complaints from peers and its competitor, Wal-Mart. Another issue was that of loss in sales and of customer base. It also experienced declining profits. (IBSCDC) Safeway, as of its current standing has been facing internal issues revolving around pay conflicts and the chain not keeping its promises to the laborers/ workers. This has resulted into a lot of frustration and feelings of negativity in between the two entities. Strikes

arranged by labor union/s have been the looming issue this year, 2009 at Safeway.

The basic reasons for this are frustrated workers because of their wages and pension benefits, which they consider low or minimal. (SFGate) Other issues revolve around lawsuits by two pension funds on the management and board of Safeway, blaming them guilty to deceit, greed and managerial inexperience. Due to this situation, many a times the shareholders have gotten very upset at the way things function inside the chain. Another main problem that the company faces is that of conflict of interests, which results in selfish behavior. (RedOrbit)

The labor problem directly affects the key stakeholder groups. It has resulted into upsetting the laborers or workers who are the driving force behind the various operations that the chain undertakes, be it the sales stores, warehouses, or the staff at the chain's office. And when this extends to the whole of America and Canada, it results into negative spill over effects throughout the organization. This affects the shareholders, since history has also proved that two lawsuits also were filed against the management of Safeway due to reasons of conflict of interests, no or minimal transparency etc.

The different solutions that this paper has proposed comprise of a sound transparent system in overall operations, fair measurement of performance through technology usage and SAPs (HRMReport), improving upon the recruitment guidelines by involving pre-agreed upon contracts between the company and the worker being recruited, and lastly, employing the element

of bureaucracy by the 'stick' technique applied to the upper management by the Board. The last option surrounds replacement of all those managers who have shown a history of conflict of interests. Resource Center) The best solution out of all these is a combination of achieving transparency through correcting any occurrence of conflict of interests with pre-agreed setting of labor contracts. The solution can be implemented by communicating it to the shareholders, workers and upper management. This should be done in a clear manner. A 'no-patience' approach should be communicated boasting an environment free of greed, selfishness and self-interest- envisioning, communicating and implementing a conflict of interests free environment.

This can hence help in adopting a measurement of performance for workers plan under which the transparency guidelines will be communicated effectively. Position Safeway started off as a store back in 1915, under the vision of M. Skagg's. Then, it was just a store and now we see around one thousand seven hundred and seventy five stores all across United States of America and Canada. Today, Safeway is not just a chain of stores (grocery stores) rather it is a brand. It has also launched several private brands under its umbrella all across North America.

There are three thousand products approximately available under the brand names of Lucerne, Mrs. Wright's, Safeway and Safeway Select Label that markets more than a thousand premium brands. Through the years, the chain of stores has done its share of corporate social responsibility. It does this by donating to schools, for breast and prostate cancer research, contributing towards the displaced people resulting out of natural calamities like the Tsunami and also helps disabled people. This initiative, which is a

proper program at the company basically, has helped it make and retain community partnerships.

Also, Safeway has contributed towards the restoration and preservation efforts of the environment, by extending help in the areas of renewable energy and solid waste management. (Safeway Website) Vision and Mission of Safeway The vision at Safeway is the same as it was before that was built by Skagg's. It talks about value and adding value to the chain of operations that the store is involved in. It talks about giving value to customers through value added products and services under the name of Safeway stores and by strategizing success in terms of profits by keeping them narrow while expanding.

Its mission statement is that of 'expanding for the better', which revolves around continuous improvement when the management jargon is applied. These also constitute the broader, long-term goals for the company. Safeway believes in 'Ingredients for Life', since it encompasses the concept of 'wholesomeness' in whatever services and products it is providing to the customer. This, henceforth also forms its tagline. (Safeway Web Site).

Stakeholders of Safeway These include groups and people from the different segments of the countries.

First and foremost it includes the shareholders who have been investing in the company and the Board of Directors of Upper Management. Other key stakeholders include customers who contribute towards the revenues by visiting stores and making purchases. Its suppliers include all the companies that through stocking fee reserve their spaces in shelves in all Safeway

stores for retail. The Corporate Social Responsibility Steering Group or CSR Steering Group is yet another group that has stake in the chain of stores-Safeway. Others include, Media Companies, Journalists, Laborers, and last but not least its employees. Problems: Contextual Analysis

Safeway's ride to success and its expansion efforts have not been problem free. It has faced many internal as well as external problems that have rendered its free will operations difficult to perform under such circumstances. In 2000, Safeway faced a huge internal labor problem whereby it received threats and complaints from peers and its competitor, Wal-Mart. Another issue was that of loss in sales and of customer base. It also experienced declining profits. (IBSCDC) Safeway, as of its current standing has been facing internal issues revolving around pay conflicts and the chain not keeping its promises to the laborers/ workers.

This has resulted into a lot of frustration and feelings of negativity in between the two entities. Strikes arranged by labor union/s have been the looming issue this year, 2009 at Safeway. The basic reasons for this are frustrated workers because of their wages and pension benefits, which they consider low or minimal. (SFGate) Other issues revolve around lawsuits by two pension funds on the management and board of Safeway, blaming them guilty to deceit, greed and managerial inexperience. Due to this situation, many a times the shareholders have gotten very upset at the way things function inside the chain.

Another main problem that the company faces is that of conflict of interests, which results in selfish behavior. (RedOrbit) Sense One of the major

problems at the company revolves around its labor workers due to labor unions and their frustrations. The chain of grocery stores- Safeway has been trying to take control over this issue, through resolution efforts in terms of labor agreements etc. , but nothing too productive and fruitful has been done. Therefore, the issue still stands and even though is not raging with the same force as it was before it is definitely the most problematic area for the corporation as of now. SFGate) The fringe benefits including healthcare and pension related alongside the wage issue present in the labor staff, has resulted into a deep frustration.

This has resulted into a negative feeling between the company and the workers. The labor union demands increments in their wages and wants a yearlong hold to adjusting the pension program (which constitutes pension benefits for the workers). Many companies have agreed to these terms to some extent by increasing the retirement age but the wage issue remains frozen. (McGhee, T. These however are the symptoms of a larger cause, a greater problem, this being mismanagement on the part of the upper management arising due to a conflict of interests and as mentioned above greed and hypocrisy. The labor problem directly affects the key stakeholder groups. It has resulted into upsetting the laborers or workers who are the driving force behind the various operations that the chain undertakes, be it the sales stores, warehouses, or the staff at the chain's office. And when this extends to the whole of America and Canada, it results into negative spill over effects throughout the organization.

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conflict of interests, no or minimal transparency etc. Uncover The problem surrounding labor related issues and up rise of labor union movements against the management is the biggest problem at Safeway because if a company's employee/s workers are not happy, the manual force behind its operations is not strong therefore this results into low profitability, bad reputation and further conflict of interests.

The different solutions that this paper has proposed comprise of a sound transparent system in overall operations, fair measurement of performance through technology usage and SAPs (HRMReport), improving upon the recruitment guidelines by involving pre-agreed upon contracts between the company and the worker being recruited, and lastly, employing the element of bureaucracy by the 'stick' technique applied to the upper management by the Board. The last option surrounds replacement of all those managers who have shown a history of conflict of interests. Resource Center) Solve The problem is so massive that it requires a proper plan of action in the form of a labor plan and a formalized labor budgeting report. This calls for transparency as well as a clear set of goals for the laborers or workers at the company. Employing transparency within the company is the key solution here and others should replace replacing managers or upper management people, who have showed a selfish attitude, in the corporate market. This is the only end solution in end.

But, since this is not a feasible option since laying off and replacing a company's upper management just like that is not an easy task, what needs to be established is a formalized, controlled system of labor handling. Under this each laborer or worker before his recruitment will know about his wages,

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fringe benefits and pension benefits. If the agreement proves to be a compromise between the company as well as the worker, then it should be agreed upon to start off induction and the recruitment processes after that.

There should also be a sound “ management of employees framework”, that helps in gaining accountability and transparency with fairness to the entire process of performance evaluation. The best solution out of all these is a combination of achieving transparency through correcting any occurrence of conflict of interests with pre-agreed setting of labor contracts. Build Strategic decisions involve making of sound decisions which includes goal identification, problem finding, generation of solutions as possible options and then evaluation these to select the best possible one.

Schwenk, C. (1984) says that cognitive psychology hence needs to be adopted when making decisions in the corporate world. (Schwenk, C. , 113) A risky project comprising of uncertainty according to theorists comprises of setting a performance measure that results into goal alignment successfully. The ‘ standard’ here is that of the project passing through the potential ‘ Pareto Improvement’. (Graham, D. , 715)

In line with these theorists’ views, the best solution as proposed above out of all the ones mentioned is a combination of achieving transparency through correcting any occurrence of conflict of interests with pre-agreed setting of labor contracts. The positive side of this tells a story of no or minimal confusion in agreements of labor contracts, less occurrence of ill reputation, and no or minimal frustration on the part of the workers and shareholders as the two key stakeholders here in this case. The dark side to the cost benefit

analysis in line with what Schewenk, C. 1984) has talked about revolves around fears of bureaucracy and the upper management becoming agitated and frustrated due to less empowerment and control in their hands. Achieve The solution can be implemented by communicating it to the shareholders, workers and upper management. This should be done in a clear manner. A ‘no-patience’ approach should be communicated boasting an environment free of greed, selfishness and self-interest- envisioning, communicating and implementing a conflict of interests free environment.

This can hence help in adopting a measurement of performance for workers plan under which the transparency guidelines will be communicated effectively. An evaluation phase can be developed henceforth, by having an internal audit constituting of representatives of the Board Members, so as to hold checks after each quarter. This shall help in consistency supervision and prevention of conflict between Safeway and its workers.