

The role of operational management to manage the decline of supermarkets



This essay contrasts the possible reasons behind the decline of the supermarket's performance. It argues the major problems that might cause this decline and how more effective operation management might deal with these problems. Bad inventory management might be a reason for cost increases, or being out of products which leads to losing customers and as a result leads to a decline of the supermarket performance. Employees play an important role of the success of any business. Dealing inefficiently with employees might be one of the reasons which cause the performance decline. Training, efficient job design and compensations plays important role of attracting more qualified employees and get the advantages of retaining the skilled ones. The profitability of the supermarket, mainly depend on customers. However, to attract new customers and retaining the current ones, the supermarket must have a good customer's care department which deals with the customers' needs. Good shopping environment and well organized products with interesting offers will attract customers and encourage them to keep shopping with the supermarket. Competitors could play a big role on the decline of the supermarket performance. When competitors reduce prices or prove better qualities, the supermarket will lose customers as a result of this, the supermarket might also lose employees. This essay focuses on the importance of the operational manager on dealing with the decline of the supermarket performance and how to apply the strategies and methods in order to achieve the best performance for the supermarket.

The decline of the quality of services and performance of the supermarket should be well managed and perfectly solved as the supermarket is one of

the high profile supermarkets in Australia. In order to solve this problem more accurately, it is recommended to identify what could be the problem and to analyse the major factors that might cause this problem in order to find the best solution for it. However, scientific problem solving is the best approach of taking a good control of the problem. In order to identify this problem, supermarket management should undertake a SWOT analysis for the branch. However, this will help the management to have a good view of the problem from external and internal. SWOT analysis is a method used to appraise the Opportunities, Threats, Strengths and Weaknesses concerned in a project or in a business enterprise. It involves specifying the aim of the business project and identifying the internal and external factors which are favourable and unfavourable to achieve that objective (Miller. M 2007). The decision makers have to verify whether the objective is achievable. If the objective is not achievable, a different objective must be chosen and the process repeated. The purpose of SWOT analysis is to classify the internal and external factors which are important to achieve the goals. SWOT analysis might be used in any decision making conditions when a desired objective has been defined (Mengel. M, Sis. B & Halloran. P 2007).

Problem solving techniques help managers to conduct a precise analysis of the problems that face the supermarket. However, these skills give the management a good start in the business problem (Zudilova. E 2005). By following the problem solving techniques, it is recommended to test the possible problems which may cause the decline of the quality and performance of the supermarket. One of the major problems which might cause a reduction in the supermarket performance is bad inventory

management. Inventory management is a strategy and system which manage inventory requirement, provide replacement techniques, set targets and report inventory status which handles functions associated to the management of material (Minner. S 2002). Good inventory management helps the supermarket to keep running products. However, customers always find their required goods. As a result of this, the super market will keep customers satisfaction. Also good inventory management helps the supermarket to reduce its costs because, it helps to reduce defects of the inventory goods and keep running of the goods (Adida. E & Perakis. G 2005).

In order to have a good inventory management, the super market should have a well managed warehouse that reduce the inventory damages and have a good measure of inventory so the warehouse has a clear view of the inventory quantity and reduces the risk of being out of inventory. The system of inventory proportionality is most suitable for inventories which remain hidden by the consumer. As contrasting to keep complete systems where a retail customer like to see whole shelves of products they like to buy.

Inventory proportionality is used effectively by just in time (JIT) mechanized processes and retail applications in the place where the product is hidden from customers (Axsaer. S 2006). Just in time (JIT) represents alternative approaches in improving the effectiveness and efficiency of an organization operations functions. It is an approach to achieve excellence in a manufacturing company based on continuous elimination of waste and consistent improvement in production. JIT is a philosophy, which encompasses almost all business processes and functions within the supply

chain. The major focus of JIT research has been in the areas of manufacturing implementation (Kreng & Wang 2003).

Employees' problems could be a major reason of the decline of the supermarket performance. One of these problems could be employee lack of skills. In this problem the employee really lacks the skills important for the satisfactory performance of employee duties, or if another issue is negatively the ability to perform. Often, when a manager assumes that someone is not able to do a job for lack of skill. Another problem could be an employee who works at a slow pace as a slow work pace can be among the most difficult problems to resolve unless you have standards or goals against which to compare actual performance (Aaron P et al 2009). Employees who are difficult to be managed have a very bad effect on the supermarket performance as the employee who is difficult to manage can make big problems. They can be disruptive to the progress of the supermarket (Raymond. A 2009).

Employee engagement is the intended of employee surveying. Further, survey is the first step in building a value chain that leads to forging the sort of organisational environment that supports and contributes to its success. Employee surveys can help in increasing staff retention, lowering absenteeism, improving productivity, and increasing profitability. Survey outcomes reflect how employees perceive their work, management, the recognition and rewards they receive, and the communication ethos of the supermarket retail branch. When making employee survey there are certain factors which should be taken into consideration. It should be well planned with important points which may suggest operations improvements. An <https://assignbuster.com/the-role-of-operational-management-to-manage-the-decline-of-supermarkets/>

effective employee survey starts with a specific communication plan which defines spectators segments, key messages, timing, and responsibilities. Design and relevance are important; it should include key factors which are of concern to employees. Effective follow up has to be ensured, and monitored and accountable (Sanchez 2007).

In order to solve these problems, the supermarket needs to do different strategies which helps to improve the employees performance. Job rotation is an approach which helps on the development of the management. It is design to move employees throw a schedule of time and different responsibilities which helps employees to gain more insights and experiences. At the same time, it helps employees to reduce the level or work boringness because they are changing their responsibilities in order to get rid of the work similarity as it is the main reason of building boringness for the work (Ortega J 2001). Job enrichment is an effective approach as it is an attempt to motivate employees by giving them the opportunity to use the range of their abilities. It can be contrasted to job enlargement which simply increases the number of tasks without changing the challenges (Grant A 2007).

Another approach which helps to improve employee performance is job enlargement. It is the process which the supermarket extends the duties and responsibilities of employees. This approach helps employees to be motivated through reversing their specialization. This means that when employees' duties increase, this will help them to increase the level of their skills. So instead of doing repeated work they will perform different and several tasks. As a result this will help them to be motivated by doing more <https://assignbuster.com/the-role-of-operational-management-to-manage-the-decline-of-supermarkets/>

efforts to learn how to deal with the new duties so they will cooperate more together to work on these duties and will be more interested to make the work as best as they can (Heize, J & Render, B 2008).

The successful applying of these strategies helps in employee attraction. It is the ability to attract the best employees ensures customer satisfaction, satisfied staff, retention of the supermarket knowledge and learning and effective succession planning. In order to attract the best qualified employees, the supermarket management should make a good rewarding system such as good salary, bonuses, and intensives. Training current employees and look after them will helps to build their loyalty to the work, however it help affect on their behaviour toward the supermarket (Kickul J 2002). By applying this concept will help on employee retention. Examining what makes employees unhappy is important. However, thinking about employee work satisfaction, morale, positive motivation, and retention. Listen to employees and provide opportunities for them to communicate with company management. If employees feel safe, they will tell what is on their minds. Work culture must encourage trust for successful two ways of communication. Good salary, enough vacation and holidays, and instruction compensation are three basics in employee retention (Kemelgor B 2008).

One of the effective tools of measuring employees' performance is balance score card. It is a strategic management approach which is designed to be used by management in order to keep a track of the employees' performance and the way they are doing their job. The aim of this method is to alert managers if there is a department or section which has a lack on its performance. By doing so, management will know which department or <https://assignbuster.com/the-role-of-operational-management-to-manage-the-decline-of-supermarkets/>

whom employees are not doing their job on the appropriate way. It measures the management of time which is the time that work should take to be done perfectly. So if there is lack of management of time it will appear to the management a report about what was the problem with this section (Kalpan. R & Norton. D 2007). By applying this measure on the different sectors of the supermarket, it will be easily to find out which department has a lack or decline of its performance, as a result of that, it is easy to shrink the defaults of this section and fix it on a proper way (Arora. R 2002).

In order to make employees satisfied and well managed, also to manage the balance score card application, Human Resources Management is responsible of the effective management of employee. It is the management of employees which are the most valued assets of the company. Without employees, the supermarket will not be able to do its responsibilities and cannot achieve its target. Because the supermarket work depends most on employee works, so this asset must be well managed or the company will lose its objectives. The aim of this management is to maintain employees managed effectively and to be sure that employees are satisfied with their work in order to keep retention of the employees and attract more skilled employees (De Cieri et al. 2008). To managed employee effectively, the human resources management should provide benefits to employees such as training, compensation, intensives, and good rewards. This is the responsibilities of the human resources department as the control of the employees as it is important assets of the company which helps the supermarket to have the best employee quality (Guthrie. J & Wright. P 2005).

Businesses need to retain existing customers. This is another reason which might affect the decline of the supermarket performance which is customer satisfaction. Customer satisfaction is a measure of how products and services complete by a company meet customer expectation. It is appearing as a performance indicator of the business. It will be measured as a part of the management balance scorecard (Luo. X & Bhattacharya. C 2006). In competitive market, businesses are competing for customer attraction. The level of competition is very high because the big changes of customers tastes. The increase in technology and competitiveness, leads to an increase in the customers tastes and customers requirements (Mason & Roger. B 2008). To measure the success of the business, is according to the measure of customer satisfaction. However, to make the supermarket successful, it should achieve the highest level of customer satisfaction. By differentiate product according to customer requirement. For example, making different products with different sale prices and different qualities will help on serving the different taste and customer standard of living. As a result, the supermarket will attract the different standards customers and different tastes such as age, gender, culture and standard of living. The overall goals for supermarket or any businesses are to find, retain, and attract new customers, nurture and retain those that supermarket already has (Cooil. B et al 2007).

To have an effective customer satisfaction, there should be as a customer relationship management. It is a generally recognized, extensively implemented strategy for managing and development a company's interactions with customers, consumers and sales prediction. It supports

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using technology to organize, mechanize, and harmonize business processes, not only sales activities, but also those for marketing, operation management, customer services, and technical support (Gustafsson. A et al 2005). Markets are changing rapidly all the time. It depends on the type of product which business produces. However business has to be active otherwise they will lose customers. Some of the main reasons which make markets change rapidly, such as; Customers development of needs and wants, entrance of new competitors, new technology, and governments introduces new legislation (Vrontis. D & Pavlou. P 2008).

Another reason, which could cause decline of the supermarket performance, is external environment of the business. Businesses do not function in a vacuity. They have to act and react to changes outside the business. These factors which happen outside the business are known to be an external factors or influences. These factors will affect back the internal functions of the business. Some of these externalities could be technological, ethical, cultural, social, economical, and legal (Miller & Jordan. A 2008).

By examining these problems, it is recommended of the supermarket management to take some action in order to solve these problems. For inventory management, the supermarket should use clean, healthy, and inventory measurements which helps on keep running inventory which helps more in customer satisfaction (Coughlan. P & Coughlan. D 2002). For employee's problems, the human resources management should makes good training, compensation, the different job design approaches (rotation, enlargement, enrichment), and balance score card for measuring

departments performance as this all helps and employees satisfaction which <https://assignbuster.com/the-role-of-operational-management-to-manage-the-decline-of-supermarkets/>

as a result leads to employee attraction and retention. For customer's problems, the managements should care about making customers attraction; this could be done by making price cut, good quality, more promotions, more offers, fast service providers, effective customer care, good environment such as lightning and clear organized products, tools for easy shopping such as trolleys, and finally big parking area. For external environment such as competitors, the company should get the advantages of lowering prices, increasing qualities, effective marketing, wide range of products, supermarket environment, and better customer services which helps in building good customer loyalty (De Cieri et al. 2008).

In conclusion, by applying certain operations management tools to analyse supermarket retail branch operations and processes, manager could identify the causes of decline in quality of the service. SWOT analysis helps the management to identify the position of the company internally such as inventory management and customers and externally such as competitors. Tools such as good inventory management, balance score card, training employees, compensation, job design, customer care, and managing externalities help on building successful performance of the supermarket. Furthermore, by being aware of the key factors that impact on performance, manager could decide the focus, and deal with the issues more effectively. To fix the decline of the supermarket performance, it is recommended to build a good employee loyalty which as a result attract more skilled employee and retain the skilled ones. Also it is recommended to build a good customer service, reduce prices, and make enough promotions will help to

attract more customers. However, this will increase the profitability of the supermarket which as a result increases the supermarket performance.