

Supreme Beer Company Strategy

Group Members:

Yukiko Namikawa

Karla Herrera

Eunice Sanchez

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Professor. Richard Propster

Supreme Beer; a medium sized firm will consider crucial decisions in an attempt to bring organization and function to its Human Resource Department. Currently, the company has a little over 600 employees, has an annual budget of \$1.4 million; and although this seems ordinary, many components critical to HR seem out of line. For starters, the current turnover rate stands at a high 9.8% per quarter, wage rates are below average, there are no formal training programs, accidental rate has surpassed expectancy, and the firm has no formal performance appraisal system or grievance procedure; lastly, the firm lacks diversity.

As we step into the scene and lay out flexible decisions, our main goal is to strengthen the HR department, and benefit the company/ employees while staying inside the budget. We are informed by the CEO that our task is to, “get the organization moving,” and that is exactly what we plan to do.

To start off, we’d like to focus on the alignment of the firm. We want to ensure that every person is allocated where he or she belongs. Having each employee placed where they’re most efficient will increase productivity, may reduce the turnover rate, and will boost employee morale as they will feel desired and favorable to the firm.

Second, when it comes to staffing we want to ensure we make the best possible decision at the least expense possible. Although hiring from outside comes with a cost, the firm may be exposed to new ideas and methods that may be beneficial. On the other hand, promoting from within comes at no cost, but will leave the promoted employee’s previous position vacant. Our strategy in choosing who will fill a vacant position lies on who brings more to the table. If a person from the outside surpasses the potential an employee from the inside has to offer a vacant position, then the outsider will be given the job. We will see this employee not as a waste of money, but as a potential asset to the organization.

When it comes to money saving tactics, we want to ensure we operate in an economical way. One of our plans is to avoid overtime as much as possible, as we do not want to be charged with a \$45 fee for every overtime unit produced. Secondly, we want to avoid overstaffing as much as possible. With over staff comes lay off, and we do not want to spend 50% of the hiring cost for every job level we lay off. This strategy may work if we are aware of our surroundings, make sure every job level is staffed as necessary, and by motivating employees to keep productivity high to avoid overtime.

As we step into office, we notice that Supreme Beer does not have any formal training programs. Untrained employees may lack motivation which will inevitably hurt productivity; on the other hand, trained employees will “increase the profitability of employee success, and reduce turnover.” We are provided with the maximum amount of \$80,000 to go into training. We’ve come to the conclusion that proper training is beneficiary and crucial to the firm, which is why we plan on spending \$50,000 in this area. Our strategy is to train as many employees possible each quarter with our \$50,000 budget. We will train employees at all five levels, but will give more attention to the job levels that need training most. Each quarter we will rotate; for example, during quarter 1 job level 5 was given more attention, then during quarter 2 job level 4 will be given more attention. This is the procedure we plan to continue.

It has also come to our attention that accident rate is very high at Supreme Beer. One of our sources tells us that “it is believed that this is caused by high employee turnover.” As vacant positions surface; employees are placed on new grounds without proper training. We are highly concerned in delivering our employees the proper training needed, and will make it our goal to give each employee ascending a new position the correct training he or she needs to develop her job in an effective/ safe manner.

In correlation to training and accident rate; we find that this firm lacks an orientation program for new employees. This may be a contributing factor as to why our accident and turnover rates are high. We've noticed that orientation programs for incoming employees "tend to reduce accidents and decrease turnover." This information will not be taken lightly, as we plan to create and establish an orientation program sometime in the near future.

We now turn our attention to the lack of a formal performance appraisal system. Shortly we learned that "some employees complain that the supervisors and managers give raises and perks to those they like and not necessarily to those who are the most productive." We believe that "increased morale and greater productivity are likely to result from this new system," which is why we plan on implementing it. Our strategy here is to observe the employees, and give appraisal to those one who deserve it. If someone gets a raise is because they worked hard and earned it; not because they have more charisma and is more likeable than another employee. We want to let our employees know that hard work has perks, and that their hard work will not go unnoticed. We want to keep Supreme Beer a fair workplace for everyone.

As we proceed, it comes to our attention that "wage rates for the firm are below average for the local community." The CEO has given us a limit of 10% each quarter. Our goal is to provide our employees average wage rate overtime. The way we plan to do this is by using the remaining \$30,000 from the training program and apply it here. We are aware that the wage rate will not be at the average level overnight, as we are working at cautious pace; but progress will be made.

One of our last goals in our company strategy plan is to diversify the workplace. Supreme Beer has a limited amount of employed women and minorities. It has become eminent that our firm has been formed by walk-in applicants. We plan on diversifying the workstation by posting

ads on local newspapers, websites, and handing community flyers. Although this will come at a cost, we will be resourceful.

In short, Supreme Beer has room for big changes and potential for greatness. As we begin operations our main goal is to stay within the company's budget. We are aware that changes will not be easy, but we are determined to get the HR department organized and running. Each action we take will be given a lot of thought, as the company as well as employees are of our best interest.