

Bargaining update April 24

Union Urges Superstore to Invest in its Employees and Stores!

Okay, so Superstore has competition – Safeway, Sobeys and to some extent Walmart. True, Loblaws share prices have tumbled, pushing the Weston family from their number 2 position in the world of Canadian billionaires to number 3.

But there is no reason to ask Superstore employees to pay the price. In fact, the company would be best served by doing the exact opposite. It should invest in its hard working employees and its stores.

It is well known that the company's problem is not its labour, but has had its origin largely in managerial errors. CIBC Analysts Penny Caicco and Mark Petrie put it very bluntly:

“Some of (the company's poor decisions) can be chalked up to the general inexperience level of the senior and mid level management team.”

and

“Loblaws massive spending and reliance on consulting firms has become a joke in the industry and in the financial community.”

These business analysts also agree that this is no time for cut backs. Union members know that declining wage standards, poor employee treatment, poor equipment, dirty stores and empty shelves are driving customers and staff away. By cutting back on spending, Loblaws banners like Superstore become substandard, driving customers and employees to competitors. Caicco and Petrie call this strategy “alarming and untimely”, making the company vulnerable to Wal Mart. Stores should be renovated and upgraded, they say, making sure that “every store in the fleet is in tremendous condition everyday of the week.”

In sum, the CIBC World Markets Analysts say that under normal circumstances, in the absence of poor managerial decisions, Wal Mart's expansion would be no big deal. But a “pullback” in capital spending ages the asset base, is ill considered, and sends the wrong message to customers, suppliers and employees.

Your union has made the same arguments at the bargaining table. Employees have a choice of where to work. Customers have a choice of where to shop. Simplify, we say, by investing in staff and stores. Innovate, we argue, by making the stores employee and customer friendly. Growth, it can easily be concluded will be the result. Superstore, unfortunately seems tempted to compete by looking for the lowest common denominator rather than reaching for the highest standards.

Union negotiations will continue during the week of May 12th in Edmonton. Union members who work at Superstore are welcome to attend. Contact the union office and speak to your representative for details.