

A CAREER IN THE RETAIL FOOD CHAIN INDUSTRY

By

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A THESIS

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## THESIS

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## CHAPTER I

### INTRODUCTION

Choosing a career is one of the most important decisions a person can make. It has a lot to do with his social and economic position and affects his personality, choice of friends, health and interests outside of work.

He can easily brush aside many of the different jobs available because he is not fitted for them or because the opportunities in them are limited. In this manner, he automatically narrows the choice to a group of occupations within the range of his interests and abilities. The second decision is the selection of a vocational area from among many possibilities.

The next step is to learn as much as possible about the different kinds of jobs in that vocational area and to make a self-study, comparing his qualifications with the requirements of the particular occupation.<sup>1</sup>

This dissertation presupposes many of the foregoing steps. The choice of the vocational area has been made - the food industry - the different jobs within that area have been examined and the final choice has been to work for a retail food chain organization. The person is then left with the definite selection of a food chain which offers him the best opportunities for advancement.

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<sup>1</sup> Shosteck, Robert. Careers in Retail Business Ownership. Washington, D. C.: B'nai B'rith Vocational Service Bureau, 1946. p. 13.



The college student interested in employment with a food company should certainly make a complete study of the opportunities available to him in the smaller as well as the larger food chains and to consider even the possibility of starting his own business, provided he has previously acquired the experience necessary to operate a retail food store.

This thesis is prepared to offer the college student an insight into the food chain industry and its job opportunities. The six companies presented in the dissertation are representative of the larger food chains in the United States and give the overall picture of the many companies in this category.

Two reasons are cited for the selection of these particular organizations. One, they are some of the largest, medium and smaller chains in the food field and provide a satisfactory sample for discussion. Two, they represent food chains from each section of the country - north, south, east, west - in order to obtain a more adequate and satisfactory representation.

The method of research used to acquire information for the writing of this thesis followed six definite steps. These were:

1. Informal interviews were conducted with approximately twenty-five students in the Curriculum in Food Distribution at Michigan State College. The purpose was to discover what facts each student wished to know about different companies prior to the final choice of an organization with which to be employed. In other words, what data would they like to have in front of them as criteria for comparing one company against another as regards the possibility for employment? Some stressed the starting salary, others want to compare the overall trends in operations, while still others wished to know about the training program.

The results of these informal interviews were examined and the subsequent chapters answer the various questions cited by the students.

2. A form letter was drafted by the author and sent to the personnel directors of ten food chains. A ninety percent return resulted.

3. Six of the personnel directors did not forward all the material requested, therefore, another letter was sent to them stressing the need for additional data. Three of the men responded with the information requested.

4. This step consisted of a presentation of material, which had been gathered up to this point, to a seminar class. Suggestions by the students for additions and improvements were acknowledged and another letter was constructed to gain supplementary facts about each of the remaining six food companies. The results were very gratifying and a one hundred percent return was achieved. Moody's Manual of Industrials, (1947), (1949), (1951) and various company publications constituted the other sources of information.

5. The chapters were typed and presented to Dr. Kenneth Wilson, Director of the Curriculum in Food Distribution at Michigan State College, for criticism. After the various corrections were made, a copy of the chapter devoted to their particular company was mailed to the personnel directors of the six food chains, to be edited by them.

6. The copies were returned to the author, the corrections were made and the thesis was typed in its final form.

The executives of the companies contacted all agreed that the opportunities in the food field are abundant. The stores operation field is given particular stress, however, such phases as accounting,





warehousing, personnel, advertising and sales promotion should not be neglected by the college graduate when considering a career in the food industry. To report on any of these departments would require a thesis in itself, therefore, this dissertation is aimed at indicating, for the most part, the opportunities prevalent in the stores operation phase, as this is the area in which the greatest majority of trainees receive their initial instruction.

A rather definite plan is followed in the presentation of the research material. The subsequent points indicate the general outline of the topics included in each chapter:

1. A brief history of the organization and a table of some significant data from the balance sheet and operating statement, which displays the overall trend in post-war operations, is included.
2. Some of the significant characteristics expected in an applicant are presented to the reader.
3. The training program, whether formal or informal, is discussed.
4. The probable starting salary for the inexperienced college graduate is considered.
5. The progress of a few men in the organization is outlined.
6. The lines of promotion are discussed.
7. Certain employee benefits are mentioned.
8. A brief summary is included.

According to the students contacted during the informal interviewing, this outline covers the questions foremost in their minds.

With this information gathered together in a thesis, the students interested in a career in the food industry can compare and evaluate

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the advantages offered by these companies before a definite decision is made concerning the organization with which they wish to be employed after graduation from college.

## CHAPTER II

COLONIAL STORES, INCORPORATED  
628 WHITEHALL STREET, SOUTH WEST  
ATLANTA 2, GEORGIA

In order to explain the development of Colonial Stores, Incorporated, it is necessary to sketch the progress of two southern grocery chains.

In 1892, Mr. L. W. Rogers opened a single store in Atlanta, Georgia. By 1925, the Rogers Grocery Company had increased its number of stores tremendously and in the same year this organization was incorporated as Southern Grocery Stores, Incorporated - with Mr. Scott W. Allen, past president of Colonial Stores, Incorporated, being elected president of the new organization.

On January 24, 1901, the David Pender Grocery Company was incorporated in Virginia and from a solitary store grew into one of the largest food chains in the United States. The beginning grocery market was very successful and gradually others were opened, while still more were acquired by purchase. By 1940, the David Pender Grocery Company had grown to a chain of 295 food stores.

Southern Grocery Stores, Incorporated and the David Pender Grocery Company were merged, in 1940, under their present name - Colonial Stores, Incorporated. Seven years later, the Colonial Stores', Incorporated, rooster was adopted as the official emblem and trademark and became the

identifying symbol on all the organization's brands, store fronts, trucks, stationery, buildings and so forth.

Currently, the company operates about 347 food stores, which do a combined volume of over \$200,000,000 per year, in eight southeastern states - Tennessee, Georgia, Maryland, Virginia, North Carolina, South Carolina, Alabama and Florida.

As a means of protecting the quality standards of goods sold in the company's retail food stores, regular chemical and microscopic tests are conducted on hundreds of items to ensure that the merchandise sold is the best obtainable. For this purpose, several government grading manuals are used as references in the testing of fruits, vegetables, coffee and other food products. In this way, buyers for the company can be certain that the products they purchase are of the standard of quality acceptable for resale to the store customers.<sup>1</sup>

Three divisions of Colonial Stores, Incorporated - eastern, central and southern - divide the task of controlling and supervising the 347 stores. Each division is a complete operating unit in itself, with its own bakery, warehouses, trucks, maintenance department, merchandising organization, personnel department and accounting office - fully equipped to handle all divisional operational and merchandising problems. A group of ten men, each considered experts in their respective fields, is assigned to take charge of ten major functions in the entire organization, such as warehousing, buying, advertising, personnel and accounting. These men have the responsibility of coordinating all company

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<sup>1</sup> Colonial Stores, Incorporated, Atlanta, Georgia. The Colonial Way.

activities within the ten departments so that effective policies and practices in regard to the operation of all the stores in the chain can be formulated. Also, this group has the obligation of keeping management and personnel informed on any new operational developments.

This provides a brief summary of the composition of authority and responsibility within the company. Next, an examination of significant figures from the operating statement and balance sheet should furnish a condensed picture of the financial situation for Colonial Stores, Incorporated. The statistical data, in Table I, was extracted from Moody's Manual of Industrials, (1947), (1949), (1951) and the 1951 annual report of Colonial Stores, Incorporated. This table serves to show the overall trend in operations during the post-war years.

According to Mr. Guy R. Beale, Jr.,<sup>2</sup> the initial contact between the college graduate and the company is usually from one of three sources:

1. College recruiting.
2. Applicant applying at employment office.
3. Personal recommendation.

When a person is being interviewed for a position, the employment manager looks for personal appearance and cleanliness of the applicant. Since the nature of a food company's business causes it to come in contact with the public and the food that the public eats, these attributes rank first on the interviewer's check list. Tact, poise and, in general, "What brings him to me?" are other main points for consideration. These factors are not only important in Colonial Stores, Incorporated, or the food industry alone, but rather, they are important to every interviewer

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<sup>2</sup> Personnel department, Colonial Stores, Incorporated, Norfolk, Virginia.



TABLE I

THE OVERALL TREND IN POST-WAR OPERATIONS OF COLONIAL STORES, INCORPORATED  
(Fiscal year ends December 31)

	<u>1946</u>	<u>1948</u>	<u>1950</u>	<u>1951</u>
Net Sales	\$126,555,327	\$169,202,900	\$179,330,616	\$202,733,199
Operating Profit	3,671,589	4,241,782	5,526,553	5,122,806
Number of Stores	410	367	367	347
Number of Employees	7,762	7,700	7,200	7,000
Cash	3,729,290	5,555,347	5,767,219	6,973,023
Current Assets	14,494,234	19,560,775	21,066,350	24,856,180
Total Assets	17,928,542	25,288,988	30,164,089	35,588,146
Current Liabilities	5,338,167	5,465,502	8,192,337	8,885,288
Total Surplus	4,199,814	7,098,751	9,781,228	10,752,307



in any business dealing with people. College men should cultivate these desirable traits for they are advantageous to them in any field they may choose to enter.

During the course of the interview, the stability of the candidate is determined. The interviewer rates the man on this point by reviewing his background of previous employment, family relationship and civic responsibilities. The significance of the answers to all these questions varies slightly, depending upon the position to be filled. For example, the qualities expected in a person applying for work in the personnel department should differ from those required for an accounting position. In conducting the interview, the employment officer also evaluates the ambition, capabilities, leadership, initiative and any other qualities of the applicant which might identify him as executive material.

Presently, there is no formal training program to follow in Colonial Stores, Incorporated, however, the executives of the company have developed a definite program which provides adequate training for inexperienced college graduates. It is expected that this new program will be in operation by September of 1952. This new program consists of rotating the trainee through the various store and office departments so as to fulfill certain course requirements such as produce training, meat training, observance of advertising and sales promotional techniques, warehousing, an explanation of accounting methods and periodic interviews with members of the personnel department and top management officials. These definite steps receive proper follow-through attention from these executives to ensure that thorough training is given and that the trainee is keeping in step with the course outlined for him.

Currently, the company operates formal training courses for meat and

produce department employees, which range from an inexperienced trainee taking a six-week's course to a department manager attending a one-week refresher course. Informal grocery training is conducted at the separate stores, under the instruction of the individual managers.

These training courses in meat and produce are conducted in each division and are designed to supplement the knowledge gained by the employees while working in the retail stores. A good fundamental background in the operation of these departments is the goal which the trainer hopes the trainee attains.

Employees who attend these classes receive full compensation while away from the store, in addition to having their entire expenses paid during the training period. These classes are conducted by competent trainers who add to the trainee's informal instruction in the store with classroom teaching, discussions and visual aid presentations. After completion of the course, the employees are tested, graded and ranked. This serves to give the trainee a picture of how he has learned in relation to others in the class. It can also indicate to the instructor whether or not he has performed his job efficiently and effectively.

The produce class stresses the trimming, displaying, care of equipment, ordering, receiving and record keeping in the produce department. Also, safety, personnel relations and customer relations are taught. Colonial Stores, Incorporated, wants its employees to be well-trained in human relations as well as competent workers in their individual departments.

Meat courses give some training in job relations, customer relations and safety, however, the majority of the training period is spent learning

and practicing the art of meat cutting - the company way. Meat cutting requires a knowledge of many kinds of meat products, skeletal structures of animals, grading systems and the proper use of tools. All these topics are taken into consideration by the trainer, however, the trainee should have some knowledge of these from his previous on-the-job training. In addition to meat cutting classes, ordering, receiving, storing, record keeping and displaying of the products are all stressed. These things are taught to the trainee to make sure that he understands the operation of the department in which he works.<sup>3</sup>

With this store experience and classroom training firmly entrenched in his mind, the trainee should then be capable of assuming responsibilities involved as an assistant manager or department manager in one of the organization's large supermarkets. About three to four months are spent in this capacity. Then, he may be assigned to work as relief manager in either his present store or another location. His work in this job is under the supervision of the store superintendent (who has charge of the operations of a group of six to eight supermarkets). As soon as it is felt that he has the necessary experience and qualifications, he is assigned a store as manager, to assume the full responsibility connected with the managing of a department within a medium or large supermarket, with a weekly volume of sales ranging from \$20,000 to \$50,000.

From the department manager level, the trainee has an unlimited opportunity to exercise his sales ability, initiative, administrative ability and other supervisory qualities which hasten his promotion to higher

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<sup>3</sup> Colonial Stores, Incorporated, Atlanta, Georgia. Colonial Ways. School Days For Colonial Trainees. (April 1950). p. 10.

executive levels. However, it should be noted that at least two to three years has to be used in gaining experience at the manager level before he can progress to the next position in the merchandising channel - store superintendent. General store superintendent, division manager and vice-president in charge of stores operation in a division are the next steps upward on the promotional ladder.

If, during his training, the employee expresses a desire to enter into a staff position (such as accounting or personnel) the transfer is made at the first opportunity. In the event that the trainee finds he is not adapted for stores operation work, the store experience gained is still of value in qualifying him for a position in another department. This has been arranged in several instances and has been to the mutual advantage of the company and the employee. In other words, it is preferred that all trainees start at the store level and from then on they have the option of continuing in the stores operation field or switching to a staff job in the divisional general offices. Retail store experience such as this is specifically required for employees who are planning to enter into the sales, merchandising or buying departments. Store training is also advantageous to the man wishing to advance in the warehousing function.

The progress of three men in the organization should aid in pointing out the different channels into which the trainee can branch from the store level.

Mr. A started as a utility clerk in one of the retail stores during July, 1950. He acquired about eight months' experience in this capacity and then decided to go into the administrative ranks. The transfer was made in February, 1951, to the sales department, as a senior clerk.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in financial matters. The text suggests that organizations should implement robust systems to track every aspect of their operations, from procurement to sales.

2. The second section addresses the challenges faced by organizations in managing their data. It highlights the increasing volume of information generated by modern businesses and the difficulty of storing and retrieving it efficiently. The author argues that investing in advanced data management technologies is crucial for staying competitive in the digital age.

3. The third part of the document focuses on the role of leadership in driving organizational success. It stresses that effective leaders must be able to inspire and motivate their teams, set clear goals, and make strategic decisions. The text provides several examples of successful leaders and their approaches to management.

4. The fourth section discusses the importance of innovation and research and development (R&D) in driving growth. It notes that organizations that fail to invest in R&D risk becoming obsolete. The author encourages companies to foster a culture of innovation where employees are encouraged to think creatively and propose new ideas.

5. The fifth part of the document deals with the issue of talent management. It argues that organizations must attract, develop, and retain top talent to succeed. This involves creating a supportive work environment, offering competitive compensation, and providing opportunities for professional growth and development.

6. The sixth section discusses the importance of customer satisfaction and loyalty. It states that happy customers are more likely to repeat business and recommend the company to others. The text suggests that organizations should focus on understanding their customers' needs and preferences and delivering exceptional service to meet them.

7. The seventh part of the document addresses the issue of risk management. It emphasizes that organizations must identify potential risks and develop strategies to mitigate them. This includes financial risks, operational risks, and reputational risks. The author provides a framework for assessing and managing risks effectively.

8. The eighth section discusses the importance of sustainability and corporate social responsibility (CSR). It argues that organizations have a responsibility to their stakeholders beyond just shareholders. This includes environmental sustainability, social responsibility, and ethical behavior. The text suggests that integrating CSR into the organization's core values can lead to long-term success.

9. The ninth part of the document discusses the importance of continuous improvement. It states that organizations should constantly evaluate their performance and look for ways to improve. This can be achieved through regular audits, feedback loops, and a commitment to learning from mistakes.

10. The final section of the document provides a conclusion and summarizes the key points discussed. It reiterates the importance of the various factors mentioned and encourages organizations to strive for excellence in all aspects of their operations.

Mr. B, prior to coming to work for Colonial Stores, Incorporated, had four years' experience with another food chain as a part-time meat cutter and meat clerk. In addition, he had also worked in other departments in a retail food store. In September, 1947, Mr. B entered college and at the same time was hired as a part-time meat clerk for Colonial Stores, Incorporated. For two years, Mr. B worked in the meat department and during the summer months he relieved the head meat cutter in various stores throughout the city. In September, 1949, he was transferred to another city, where he was again attending college. He immediately began work as a part-time meat cutter in one of the company's supermarkets in that city. During the next summer, he relieved various meat department managers and head meat cutters in other stores in the area. From September of 1950 to September of 1951, Mr. B worked part-time in all departments of the store and at times relieved the assistant grocery manager and the grocery manager of the store. In September of 1951, he was selected to represent Colonial Stores, Incorporated, to do graduate study in the Curriculum in Food Distribution at Michigan State College.

Now, employee C illustrates a man who preferred to remain in the merchandising ranks of the food business. In July, 1949, he began as a utility clerk in one of the retail food stores. During the following summer, 1950, he was made relief manager while the regular store manager enjoyed his vacation. The next month, he returned to the position of general clerk. However, the store superintendent realized his potentialities and a few months later he was made assistant manager, receiving increased compensation. One year later, in August, 1951, he was appointed grocery manager of a store - on the way to higher levels. In just two



years' time, this man raised himself from the ground floor - utility clerk - to the responsible position of grocery department manager.

Starting salaries are commensurate with ability and experience, however, trainees at the retail level are usually hired at weekly wages of \$60.00 to \$70.00, in a store location as near as possible to their home town. At the end of every six months, up to a maximum of two years, the employee's salary is reviewed and usually an increase is effected at that time. After the two year period, the man is placed on a merit basis, subsequent increases to be determined by his ability and position held. After one year, the trainee's compensation should reach approximately \$70.00 to \$80.00 per week and after eighteen months to two years it should range between \$80.00 and \$90.00 per week. When a department manager position is assumed, his salary should exceed \$100.00 per week, which includes his base pay plus various incentive bonuses.

Certain employee benefits are also available to the person who has been employed by Colonial Stores, Incorporated, for a prescribed length of time. Group hospitalization, life insurance and hospital, surgical and polio coverage for the employee's dependents are available to the employees at a very small cost to them. An employees' credit union is another organization owned and operated by company personnel. It provides an opportunity to save money at attractive dividend rates and also gives employees a chance to borrow money at low interest rates. In addition, Colonial Stores, Incorporated, has a retirement plan to which the company contributes to seventy-five percent of the project. An employee becomes eligible to join this plan when he has completed one year of continuous full-time service and has reached thirty years of age.



Similar to a few other food chains in the country, Colonial Stores, Incorporated, operates each of its retail units with three department managers rather than one overall store manager. The meat, produce and grocery department managers report directly to the store superintendent and are accountable for the entire operation of the separate departments within the store. Ordering, record keeping, employee training and adherence to sales, profit and other percentages stipulated for each department are the responsibilities of the individual managers. Colonial Stores, Incorporated, is thinking in terms of converting the existing arrangement to one involving a single manager as head of the entire store but as yet this policy has not been definitely established.

The opportunities in this company are many. It is generally recognized, in this organization, that ability overshadows seniority and, therefore, many younger employees, whose merits have been acknowledged, are chosen to fill current existing openings or any newly created positions. At present, the executives stress the stores operation field to work in, for it offers the greatest possibilities to the progressive employee.

The employee's ability and the company's needs are the two factors determining how rapidly a trainee progresses. From trainee to assistant manager to department manager and then on to store superintendent and general division superintendent is the usual channel of advancement in the stores operation phase.

In the staff (or administrative) departments, an inexperienced college graduate is usually started as a senior clerk. From there, he progresses to assistant to the department head, assistant department head



and finally department head. This promotional channel applies to such departments as personnel, research and accounting. Also, the same order of advancement can be cited for the trainee in the sales, merchandising and buying departments, although, as previously mentioned, some training in the retail stores is required.

The company is located in one of the most promising and productive areas in the country and because of this it should mean the continued growth and development of Colonial Stores, Incorporated.

The general policy is to promote from within the organization whenever possible and a large number of men who started in minor jobs now hold key positions in the company.

There are many opportunities available for college men who meet the requirements stipulated by Colonial Stores, Incorporated. The area of operations, the anticipated growth of the organization and the fact that the entire food industry offers unlimited opportunities all combine to make the college graduate realize that Colonial Stores, Incorporated, should be considered as a company for possible employment.



### CHAPTER III

#### GRAND UNION COMPANY

100 BROADWAY

EAST PATERSON, NEW JERSEY

The Grand Union Company actually had its start in 1872, when Cyrus Jones opened a small store in Scranton, Pennsylvania. He sold coffee and tea to the miners in the neighborhood, using an arm basket to make his deliveries to their homes.

Cyrus Jones was an ambitious man and a hard worker and as a result of these traits, his store grew and prospered. Soon, he began to build other stores and year by year his organization expanded steadily.

In 1928, the descendants of Cyrus Jones decided to retire from the food business and they disposed of their interests by selling their stock to the general public. Mr. Lansing P. Shield, now president of the Grand Union Company, became vice-president of the new organization.

Expansion and progress continued as new locations were found, other existing stores became affiliated with the company, new products were sampled, new methods of operation were perfected and new equipment was developed.<sup>1</sup>

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<sup>1</sup> Grand Union Company, East Paterson, New Jersey. Welcome to Grand Union.



The new Food-O-Mat,<sup>2</sup> which was invented only recently by Mr. Shield, is one example of the progressive thinking of the management of the Grand Union Company. Sales during the years from 1943 to 1949 increased 320 percent (\$43,000,000 to \$135,000,000), which shows the extraordinary growth of the organization during that time.

At present, the Grand Union Company operates more than 300 stores located in New York, New Jersey, Vermont, Connecticut, Pennsylvania and Massachusetts. In July of 1951, thirty-five stores in Paterson, New Jersey, were acquired as a result of joining forces with Great Eastern Stores. This move is considered a major step in the company's growth. Throughout this growth and development, the Grand Union Company has still maintained the belief that friendliness - with employees and customers - is the main basis upon which can be built a bigger and better company with increased opportunities for all employees.

Some significant balance sheet and operating statement data, taken from Moody's Manual of Industrials, (1947), (1949), (1951), serve to show the overall trend in operations during the post-war years. They are shown in Table II.

The selection procedure for college graduates who wish to become associated with the Grand Union Company is very thorough and a screening process has been developed which aids the organization in its choice of an applicant. This screening process includes tests and interviews,

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<sup>2</sup> A patented, gravity-fed, rear-loaded display fixture with adjustable shelving for the displaying of canned, glass and packaged grocery items. Use of the Food-O-Mat permits a single mass display of most of the dry groceries sold in a supermarket. The Food-O-Mat is generally situated along one wall of the store and is stocked from behind the wall at the rear of the Food-O-Mat.

TABLE II

THE OVERALL TREND IN POST-WAR OPERATIONS OF THE GRAND UNION COMPANY  
(Fiscal year ends March 1)

	<u>1947</u>	<u>1949</u>	<u>1951</u>	<u>1952*</u>
Net Sales	\$83,442,794	\$116,069,097	\$161,007,128	\$179,395,000
Operating Profit	3,007,410	3,031,029	4,555,667	3,318,700
Number of Stores	318	293	292	325
Number of Employees	4,500	5,100	6,179	6,721
Cash	2,253,679	3,543,526	4,295,413	4,082,554
Current Assets	10,826,414	14,386,591	21,214,716	20,299,929
Total Assets	13,590,501	20,060,228	30,868,201	32,685,004
Current Liabilities	4,378,033	4,952,897	9,806,660	10,351,931
Total Surplus	8,464,091	10,839,112	14,633,582	16,111,152

\* Grand Union Company, East Paterson, New Jersey, March 1952 annual report.



which are aimed at determining the best candidates to begin training for store manager positions within the company.

All applicants for this program must be college graduates who have a basic desire to enter into the retail food field. To supplement its source of candidates, the Grand Union Company recruits personnel from twenty-two colleges and universities in the eastern part of the country. According to Mr. M. W. Robinson of the personnel department of the Grand Union Company, some of the qualities expected in an applicant are:

1. Have a basic desire to enter into the food field
2. Be an extrovert
3. Have some dominance and confidence in himself
4. Have better than average intelligence
5. Have a good command of the English language
6. Have a good knowledge of simple arithmetic
7. Be ambitious
8. Be prepared to do hard work.

As an aid in finding all these qualities in a college graduate, a battery of tests is employed. These tests range from four to five hours and cover such subjects as spelling, arithmetic, vocabulary, aptitude for learning, mental ability and the large area of "personality in general".

The Grand Union Company has a definite, formal curriculum to follow in its training program. The training program, which was started in 1947, is designed to train college men for store managers or for executive and administrative positions within the organization. It can be said, in effect, that the purpose of the program is to train a select group of men in stores operation in order to create a nucleus of executive material.

The actual program lasts eighteen months and is divided into many different phases, each one devoted to a particular part of the business. The general outline of the plan contains instruction in each of the following named departments:<sup>3</sup>

Orientation and general floor training (2 weeks): the trainee spends this period of time learning company policies, receiving deliveries, stocking shelves, setting up displays, studying retail price lists, general housekeeping and care of store equipment. Also, in order to create the spirit of friendliness, he is introduced to all store employees.

Dairy, bakery and frozen foods (3 weeks): the trainee is to be instructed in all three operations during this same period, devoting a part of every day to each operation. He studies the dairy manual and in addition to training in all duties of these departments, he attends the dairy training course at the Pleasantville, New York, training center.

Produce (12 weeks): displaying, receiving, selling, trimming, pre-packaging, price-marking of merchandise and care and maintenance of produce equipment and the produce selling area are some of the tasks performed at the store. During these twelve weeks, in addition to studying the produce manual and taking part in all produce department activities the trainee also attends the produce school at Pleasantville, New York. Also, the trainee rides with the district manager for observation of produce operations in other stores. At the end of this period of training, the the trainee visits the personnel department at the headquarters' office for an interview, during which his progress is discussed.

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<sup>3</sup> Grand Union Company, East Paterson, New Jersey. Trainee Program.

Checking booth operations (2 weeks): the trainee learns the proper checking procedure, the use and operation of the cash register and the maintenance and care of the register. Some time is spent at the checker training school at Pleasantville, New York.<sup>4</sup>

Grocery-produce departments: introduction to store management (8 weeks): for the next eight weeks, the trainee is engaged in working in the combined operation of the grocery and produce departments. He also begins to assume some of the duties of the store manager, under the guidance of the manager. He learns to prepare warehouse orders and assists the manager in the preparation of standard reports. At the end of this period, the trainee spends a short time at the management training school in New York.

Supervised store management (4 weeks): during this time, the trainee operates the store under the guidance and supervision of the store manager. He also rides with the district manager to observe the management of other stores. Once again, the trainee visits the personnel department for a conference regarding his progress and future assignments.

Meat department, general (2 weeks): the trainee receives a copy of the meat department manual for reference throughout training and gets instruction in the various cuts of meat and their uses. Price-marking displays, marking and cutting, reading scales and care of the meat department are stressed. The trainee spends a while in both service and self-service meat departments during this elementary training.

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<sup>4</sup> A "checker" is the person who operates the cash register at the check-out stand.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the transparency and accountability of the organization. This section also outlines the various methods used to collect and analyze data, ensuring that the information is reliable and up-to-date.

2. The second part of the document focuses on the financial aspects of the organization. It provides a detailed breakdown of the budget, including income and expenses, and discusses the strategies used to manage the funds effectively. This section also includes a comparison of the current financial state with previous years, highlighting any significant changes or trends.

3. The third part of the document addresses the operational aspects of the organization. It describes the various departments and their functions, as well as the processes used to coordinate and manage these activities. This section also discusses the challenges faced by the organization and the steps taken to overcome them, ensuring that the organization remains efficient and effective.

4. The fourth part of the document discusses the future plans and goals of the organization. It outlines the strategic vision and the specific actions that will be taken to achieve these goals. This section also includes a discussion of the resources needed to support these plans and the timeline for implementation.

5. The final part of the document is a conclusion that summarizes the key findings and recommendations. It emphasizes the importance of continued monitoring and evaluation to ensure that the organization remains on track and achieves its long-term objectives. This section also includes a call to action for all stakeholders to work together to support the organization's mission and vision.

Cold cuts, fish and poultry (3 weeks): care and operation of the knife sharpener, preparation of beef carcasses, arrangement of stock in the cooler and the preparation of different cuts of meat are stressed.

Meat cutting, advanced (16 weeks): now, the trainee learns actual cutting methods. He learns to break beef, veal and lamb, as well as computing margins and their relationship to cutting. Merchandising slow moving cuts and high margin items are explained. The self-service meat operation is considered. At the beginning of the sixth week of this period of training, the trainee again has a conference with the personnel manager in the central office.

Introduction to meat store management (8 weeks): for this period, the trainee assists in taking inventory, preparing weekly records, setting up the weekly work schedule and making out the weekly order. During this time he learns about the relationship of volume to salaries and profits, as well as about the proper control of expenses and their relationship to the volume of the store. This period is terminated by another visit to the personnel department.

Supervised meat store management (4 weeks): employee and customer relations, visits to other stores and attendance at the meat managers' training course in New York are some of the tasks for this period. The trainee assumes the responsibilities of managing the meat department, under the supervision of the meat manager.

Warehouse (1 week): one week is spent learning about warehouse operations. Handling perishables, pricing and registering orders, stocking merchandise, egg candling and coffee roasting are some of the jobs connected with this phase of training. At least one day or night is spent in both the meat and produce warehouses.

Construction and maintenance (1 week): the trainee spends some time working with the crew on the construction of a new store. He visits the construction and maintenance department where he studies store planning, maintenance costs, renovation procedures, laying out a supermarket on a drafting board and the overall methods of construction.

Food-O-Mat operations (1 week): studying the construction and engineering factors involved, visiting stores utilizing the Food-O-Mat and assisting in the construction of a unit comprise the tasks for this period.

Advertising, sales promotion, personnel (1 week): preparing copy, selecting early week specials, planning a sales campaign and discussion of the selection of items to feature are part of this period's tasks. In the personnel department, employee benefits, recruiting and selection of employees, labor laws and the preparation of the company magazine are discussed.

Probationary grocery-produce store management (4 weeks): during this time, the trainee is in full charge of all operations, except meat, in a store. Actually, he acts as relief manager.

Probationary meat store management (4 weeks): for this time, the trainee is put in full charge of all the operations of the meat department in a selected store. At the end of this period, the trainee returns to the personnel department for his final visit.

It is easy to see that with this training program as a background, the trainee can go into any phase of the company's operations.

As each phase of the training is completed, the trainee is required to write a report to the personnel department, advising them of his opinion regarding his own progress and development. The store manager and

district manager are also required to write periodic reports about their opinions regarding the trainee.

During this training, the trainee works in several stores, in order to get a broader view of the operations of the business. Another reason advanced for continuing this practice is to allow the personnel department to receive opinions about the individual from a number of store and district managers.

Since many people graduating from college have had little, if any, experience, they are in training for the eighteen months. However, this is not always the case. As positions become available, the trainee's records are studied and he is called in for a job interview. If it is felt that he is capable of assuming the job, he may be removed from training and placed in that position.

If a man has been interested and has applied himself during these eighteen months, he is qualified to assume almost any responsibility in stores operation which may be placed upon him.

The progress of two men in the organization is next considered, to give the reader some idea as to the channel of promotion and the different positions that trainees now hold.

Employee A started on the training program in 1947. At the end of three months, a position in the research department became available and Mr. A was chosen as the man for the job. During 1948 and 1949, he acquired experience in this department and was then promoted to head of the research department. Mr. A held this position for one year and then in January, 1951, he was appointed assistant to the vice-president in charge of merchandising.





Mr. B's progress was different from that of Employee A. From June of 1948 to June of 1950, Mr. B worked full-time (while still attending college) as a meat cutter for the Grand Union Company. In June, 1950, he was graduated from college and began as a trainee in the college training program, taking a decrease in salary. After two months of training, he was made relief manager. In September, 1950, he went back as a trainee, receiving further instruction in grocery, produce, dairy and check-out operations. A position in the research department became available in February, 1951, and employee B was selected for the job. He held this job until September of 1951, when he was chosen as a representative of the Grand Union Company to do graduate work at Michigan State College in the Curriculum in Food Distribution.

These men have been with the company for a relatively short period of time yet they have advanced rapidly. They now hold responsible positions and seem to display the qualities desired by the Grand Union Company in its employees. Future promotions for these men appear certain.

To supplement the progress of the aforementioned men, other instances of trainee advancement can be cited. The administrative assistant to the president, the assistant to the vice-president in charge of stores operation, the head of the research department, three division personnel managers, several produce and meat buyers, a number of district managers and numerous store managers and meat department managers are all products of this training program. This is a very impressive record.

At present, the starting salary for trainees is \$55.00 per week for the first six months, \$60.00 per week after six months and \$65.00 per week after one year. Subsequent advances in salary are determined by the man's ability and the position that he holds.

Currently, most of the retail food stores comprising the Grand Union Company have three managers within each store - one for each of the three departments, grocery, meat and produce. In all instances, however, the grocery manager is considered the overall manager and he is responsible for the successful operation of the store. In stores having storage basements, there is a basement manager and in stores where the Food-O-Mat is being used, there is a Food-O-Mat manager.

In analyzing the promotional channel for trainees, there are numerous veins along which the man can advance. The trainee can move to the position of assistant store manager or manager of one of the other departments and then he may become store manager. District manager, trainer in a company training school or buyer of grocery, produce or meat items can all be considered as the next level above store manager. Division (branch) manager and then vice-president in charge of stores operation constitute the top levels in this promotional channel. The trainee, at the division level, can work towards personnel manager, maintenance supervisor, real estate manager or expense control manager, if his interests are in any of these directions.

In the general offices, the research department presents a possibility for advancement. Tabulating employees, a field man in the research department and a full-time lawyer, who interprets the Office of Price Stabilization regulations, are some of the positions available. The accounting phase of the business, under the direction of the treasurer, and the advertising department also provide the trainee with numerous job possibilities. In an organization such as the Grand Union Company, the trainee is offered a multitude of different phases into which he can direct his interests, whatever they may be.

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Certain employee benefits are also presented to the trainee. These include a five-day work week, paid sick leave, vacations with pay, profit-sharing for managers, holidays with pay, a retirement plan, group life insurance and hospital and surgical plans. When the employee completes three months of continuous full-time service, he becomes eligible for most of the aforementioned benefits.

Some mention of the Grand Union Company's route division should also be made, for this segment of the company provides the facilities for a career which the college graduate can consider. The company supplies the employee with sales training, the merchandise to sell, a truck and pays all the expenses incurred in the operation of this vehicle.

At present, there are about 850 route salesmen who operate in thirty-four states in the country. They sell premium merchandise such as Westinghouse appliances, rugs, aluminumware, watches and bedspreads, in addition to various grocery items. The route salesman serves about 500 to 600 accounts every two weeks on established routes. He is paid on a straight commission basis - ten percent of total sales. Most routemen earn from \$60.00 to \$150.00 per week. In addition, he can purchase premiums for his own family's use, but not groceries, at ten percent less than the regular retail selling price.

The Grand Union Company, in effect, provides everything to put the man in a position where he is practically in business for himself. If the man has real sales ability, his earnings are unlimited.

Advancement can follow to district manager, regional manager and route division manager. For the college graduate who has a desire to



enter into the selling phase of the food industry, the Grand Union Company offers a wonderful opportunity, in the routes division, for earnings and promotion.

In summary, it can be noted that the Grand Union Company presents opportunities to its trainees to advance in any phase of operations. A good starting salary, periodic increases up to eighteen months, a very comprehensive, formal training program, employee benefits and a chance for the ambitious trainee to advance, are all put forth for the college graduate desiring to enter into the food business.

The Grand Union Company has supplied the means and incentives for advancement. Now, it is left to the college graduate to recognize, appreciate and utilize these means and incentives to work toward a responsible executive position.

## CHAPTER IV

### JEWEL TEA COMPANY, INCORPORATED

#### JEWEL PARK

#### BARRINGTON, ILLINOIS

The Jewel Tea Company, Incorporated, is divided into three departments - the Home Service Routes Department, the Food Stores Department and the Finance Department.<sup>1</sup>

The Routes Department, with its headquarters at Barrington, Illinois, is a direct selling organization. Seventy-six branch offices operate 2,089 routes in established territories in forty-two states and the District of Columbia. The routes serve nearly a million regular customers in their homes with food products, home furnishings and appliances.

The Jewel Food Stores Department, with general offices at 3617 South Ashland Avenue, Chicago, Illinois, is a retail food chain organization currently operating 157 food stores in the Chicago area. The total volume of these units makes this department one of the largest retailers in the area.

With its main offices at Barrington, Illinois, the Finance Department performs the staff functions of the business. These duties include the handling of investments, all company cash, payroll records, insurance, tax and legal matters and the general operating books of the company.

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<sup>1</sup> Jewel Tea Company, Incorporated, Barrington, Illinois. An Adventure in Business for the College Sophomore.

A short synopsis of the history and background of the Jewel Tea Company, Incorporated, gives the reader a description of the progress of the company since its inception and its present position in the industry.

In 1899, Frank Skiff, equipped with \$700 and a horse and wagon, started the Jewel Tea Company as a door-to-door grocery business. In 1903, the Jewel Tea Company was incorporated. During the period from 1903 to 1932, the capitalization was increased, warehouses and manufacturing plants were built, additional routes were put into operation, a profit-sharing plan was instituted and the routes became motorized.

In 1932, the Jewel Tea Company, Incorporated, entered the retail food store field by purchasing from Loblaw Groceterias, Incorporated, a group of seventy-seven stores in the Chicago area. During the following years, new stores were added, a second warehouse building was constructed, the Jewel retirement estates (an employees' profit-sharing, savings and retirement fund) was started and further modernization continued.

Today, the route salesmen call on about one million home service customers every two weeks on the 2,089 routes. In the city of Chicago and its suburbs, the Jewel Food Stores Department operates 157 supermarkets.<sup>2</sup>

In March, 1952, the Jewel Food Stores Department completed twenty years of service to its customers. The 1951 program of expansion and store modernization was the greatest in the past ten years. Nineteen

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<sup>2</sup> Jewel Tea Company, Incorporated, Barrington, Illinois. Annual Report. 1951.



new stores were opened, sixteen outmoded stores were closed and three present locations were remodeled and enlarged. Equally important to the physical growth of the organization was the creation of additional well-paying jobs. The growth during 1951 created 213 new, full-time positions. Foremost in the minds of the company executives is to make their stores a better place to trade and a better place to work. The modernization program is aimed at partially fulfilling that purpose.

A brief summary of the post-war trend in overall operations of the Jewel Tea Company, Incorporated, is shown in Table III. These statistics are taken from Moody's Manual of Industrials, (1947), (1949), (1951) and the 1951 annual report of the Jewel Tea Company, Incorporated. These data provide a general description of the financial and operational situation of the company.

This chapter is intended to deal primarily with the Jewel Food Stores Department, however, from time to time, some mention of the Home Service Routes Department is made.

The company is interested in employing personnel who possess the following characteristics:

1. Neat and clean appearance
2. Desire to develop and get ahead
3. Good physical and mental ability and the desire to work in the retail food business
4. The degree of maturity to be expected of one of the applicant's age and experience.
5. Ability to like and work well with others.

TABLE III

THE OVERALL TREND IN POST-WAR OPERATIONS OF THE JEWEL TEA COMPANY, INCORPORATED  
(Fiscal year ends December 29)

	<u>1946</u>	<u>1948</u>	<u>1950</u>	<u>1951</u>
Net Sales	\$88,760,440	\$153,226,034	\$188,864,243	\$209,244,029
Operating Profit	4,621,769	6,497,089	8,049,336	6,368,145
Number of Stores	150	153	154	157
Number of Routes	1,654	1,876	2,046	2,089
Number of Employees	4,666	5,715	6,435	6,758
Cash	3,214,431	4,779,663	5,252,286	5,512,775
Current Assets	17,438,866	22,220,483	30,374,731	36,467,238
Total Assets	22,975,700	32,321,365	41,455,986	49,313,240
Current Liabilities	6,854,738	9,996,293	14,915,485	13,659,078
Earned Surplus	4,815,732	7,857,184	12,024,839	13,367,208

1. The first part of the document is a list of names and addresses, which are arranged in a grid-like format. The names are listed in the first column, and the addresses are listed in the second column. The names are: John Doe, Jane Smith, and Bob Johnson. The addresses are: 123 Main St, 456 Elm St, and 789 Oak St.

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Some large companies have a definite pattern or procedure which they follow during an interview with prospective employees, however, the personnel men in the Jewel Food Stores Department conduct very informal interviews.

The employment officers hire people primarily to work in the retail stores. Of course, there are also job opportunities in other phases of the business such as accounting, finance or warehousing. Even for these departments, some store experience is desired, although not absolutely necessary.

When evaluating the qualifications of an applicant, the employment manager usually places considerable emphasis on his first impression of the candidate. According to some authorities, this may be incorrect but if we look at the prime objective, it should be realized that the Jewel Food Stores Department is hiring people to contact its customers and customers judge clerks or managers they meet in stores in exactly the same way. The first impression is ordinarily the one that settles in a customer's mind and that justifies the personnel manager's reason for placing value on the first impression that the applicant makes in the mind of the interviewer.

Before an explanation of the training program of the Jewel Food Stores Department is offered, some mention of the organizational structure of a retail store within the company should be made.

In each retail supermarket, there are two distinct departments - grocery and meat. The manager of each department reports directly to the district manager in his district. Each manager operates his department separately, however, they do coordinate their activities to make

for the success of the overall operation. The grocery manager has complete responsibility for the produce, grocery and cheese departments, while the meat manager supervises only the operation of the meat department.

In this organization, the term "market manager" is used to denote the meat department manager in the store so, in this chapter, the two terms are used interchangeably.

Almost every new employee in the stores operating phase of the Jewel Food Stores Department is employed first as a utility grocery clerk, unless he specifically states that he wishes to begin as an apprentice clerk in the meat department. The new man is presented to the manager of the department in which he is to work who, in turn, introduces him to a competent employee in that department who acts as his teacher. This man explains the fundamental jobs in the department to the new employee and shows him how they are performed. Stocking of shelves, rotation of stock, price-stamping of merchandise, cleanliness, care of store equipment and fixtures and ordering of merchandise for the department are some of the tasks for the new employee. It should also be pointed out that the new man is introduced to all other store employees. This helps make better working conditions for the employees which in turn makes better shopping conditions for customers.

When he has performed these jobs and others satisfactorily, the employee may be transferred to the produce department. Here, he receives informal training in such jobs as trimming, displaying and merchandising of fresh fruits and vegetables. He learns how to read a scale properly and accurately, how to care for the produce counter during the day and how to order produce for the store.



Additional instruction in the dairy and cheese departments is also received. The many types of cheeses are explained, their uses are studied and different methods of display are shown to the new employee. Rotation of dairy products, ordering of these items and the care of the dairy cases are taught.

In addition, some time is spent learning the store's check-out procedure at the cash register. The training is given at a central school and is usually for a period of two days. Accuracy at the check-out counter, rather than speed, is stressed at all times. The teacher (a seasoned check-out employee from the stores) first explains the operations, then performs it himself slowly and finally allows the new employee to do the job himself. The handling of bottle returns, refunds and the sacking of merchandise are some other points for consideration. Customer and personnel relations are other important features taught in the two-day checker training school.

There is no set procedure to follow in the instruction given to a new employee in the produce or grocery departments nor is there any definite length of time stipulated for the informal training. The employee may be rotated from one department to another, depending upon the need of the department for additional help.

If the new employee is desirous of entering into the meat department phase of the store's operation, then he is immediately assigned as an apprentice in the meat department, for three years, according to union regulations. After three years of meat training, he is termed a journeyman. In the city of Chicago, because of union regulations, no grocery or produce clerks are allowed to work in the meat department and,

similarly, the meat apprentices and journeymen must confine their work to the meat department. All new meat apprentices must join the union within thirty days after beginning of employment in that department.

With this picture in mind, it can be seen that instruction in all phases of store operation is not possible - union regulations have to be adhered to by the employees in the meat and grocery departments of the Jewel Food Stores Department. This same situation confronts all food stores with meat departments which are doing business in the metropolitan Chicago area. Also, within the city, self-service meat operation is prohibited by the meat cutters' and butchers' union. All meat items, except for bacon and certain delicatessen items, are sold from a service-counter type of meat department. The trend toward self-service meat operation has been strong in other areas of the country but in the city of Chicago, due to the presence of a powerful union, this trend has not as yet gained a foothold.

In order to show the rate of progress for some men in the Food Stores Department, three men who were promoted to grocery managers were chosen as examples. None of these men has had college training, however, the channels of advancement would coincide with those of a college graduate in the retail stores. In this company, both college-educated employees and employees without a college degree have similar chances for promotion - the ability of the man is the deciding factor.

Employee A is an army veteran, with a high school education, who went to work for the Jewel Food Stores Department as a utility grocery clerk in a retail store in July, 1949. Previous to this, from 1946 to 1949, he had owned his own business. By June of 1950, he was promoted



to produce manager at a salary of \$70.00 per week, plus a share in the produce department's profits. Employee A was promoted to assistant manager in April, 1951 and then in December, 1951, he was made grocery manager of a store at a salary of \$100.00 per week, plus a percentage of profits after one year.

Employee B has a high school education and worked five months for another food chain prior to starting as a grocery clerk in April, 1948, for the Food Stores Department. In February of 1949, he was promoted to produce manager and thirteen months later he was advanced to assistant store manager. By May, 1951, Mr. B was promoted to grocery manager, at a salary of \$100.00 per week, plus a percentage of profits after one year.

Employee C worked part-time and then in May, 1945, he was hired as a full-time grocery clerk at the rate of \$32.50 per week. In November, 1948, he was promoted to produce manager at a salary of \$60.00 per week, plus a share in the produce department's profits. By March, 1950, he was assistant manager and in October, 1951, he was advanced to grocery manager at a salary of \$100.00 per week, plus a percentage of profits after one year. This young man had only completed one year of high school for his formal education, however, he had advanced from part-time grocery clerk to grocery manager in approximately five years, while increasing his salary more than threefold. The ability of this young man was recognized and, consequently, he was given the responsible position of grocery manager in a retail store.

In determining the starting salaries for new employees, the personnel manager for the Jewel Food Stores Department takes into consideration

their previous experience and extent of education. For inexperienced college graduates starting as utility grocery clerks or apprentice meat clerks, the rate of pay would be approximately \$60.00 - \$70.00 per week. Periodic increases of \$3.00 are granted every six months until a maximum of \$77.50 per week is reached. Any increases beyond this maximum figure are based on the man's merit and ability. Produce managers receive up to a maximum of \$92.50 per week, assistant managers receive \$96.16 per week and managers are compensated at \$100.96 per week, plus a percentage of profits. For the year 1951, managers' salaries ranged from \$100.96 to \$200.00.

The Jewel Tea Company, Incorporated, also has a plan worked out whereby college sophomores can receive training in the retail Food Stores Department, the Home Service Routes or the Finance Department during the summer months.<sup>3</sup>

For the college sophomore who is interested in the food business, the Jewel Tea Company, Incorporated, believes this plan to be advantageous to both the student and the company. The student first applies to the company by filling out an "Application For Summer Employment", which can be obtained through the school placement office or by writing directly to the company. After receipt of the application, a company representative contacts all interested college sophomores. He arranges to have a complete interview with the students and to answer any questions they have about the plan or the Jewel Tea Company, Incorporated.

The offer is not limited to students interested in sales and merchandising, however, the majority of openings are in that field.

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<sup>3</sup> Jewel Tea Company, Incorporated, Barrington, Illinois. An Adventure in Business for the College Sophomore.

Accounting and finance students, who display an interest in the food business, may be chosen for summer employment in the Finance Department. The number of students selected each year under the plan is between thirty-five and forty-five - chosen from various colleges and universities in the entire country.

If the student is selected for employment in the Routes Department, he is assigned to work which consists of direct sales service to regular trading customers on a route which has a regular salesman who is enjoying his vacation. The rate of pay for this work during the first summer is \$70.00 per week. In addition, because the work requires the student to change headquarters frequently, the company also pays transportation costs to and from assignments within the branch territory.

If the student is chosen for retail store work, he is assigned to the grocery, produce or meat department in a retail food store. Such work is offered only in the Chicago area, where all of the Jewel food stores are now located. Currently, the rate of pay for this work during the first summer is \$63.00 per week.

Both the Jewel Tea Company, Incorporated, and the college student stand to gain from this plan of summer employment. Through careful selection and training, the organization wants to develop a continuing source from which to select future executives. Since college men have the educational background to get ahead, they should be active candidates for executive positions, after a suitable length of experience.

Then too, after two summers of work, the student and the company should know whether or not it is to their mutual interest to continue employment with the Jewel Tea Company, Incorporated, after graduation.

The program benefits the college sophomore in that he has two summers to learn the basic fundamentals of the business through actual experience. With this experience as a guide, he may adjust the balance of both his education and future plans to a career in the food business.

In this organization, a policy of promotion from the ranks is followed. If any vacancies occur or new positions are created, the executives look to the employees first to ascertain whether any present employee is qualified to be advanced or transferred to the vacant or newly-created position. In only a few instances do the executives recruit from outside the ranks to fill positions.

At the store level, the new employee has the opportunity to advance from utility clerk to produce manager to assistant manager to grocery manager. In the meat department, the employee can rise only in accordance with union regulations - three years as an apprentice then to journeyman. At this level, he may be considered for the position of market manager.

From the manager level, the employee could rise to district manager. Other promotions might be to division superintendent to stores operation manager and then to vice-president in charge of stores operation. Also, a man may advance from work in the stores to buyer and merchandiser in the general offices. The promotional steps above this level would be to assistant merchandise manager to merchandise manager and then to vice-president and general manager.

If a manager expresses a desire or has the ability to work in other departments, he may be transferred to such phases as personnel, advertising, sales promotion or the warehouse.

No definite channel of promotion is stipulated or followed in the Jewel Food Stores Department. Usually, a man is transferred or promoted to whichever position can use his abilities most profitably. The man may move from manager to buyer to district manager to produce, meat or grocery merchandiser then again to district manager or to division superintendent - whichever position needs his ability.

In addition to paid vacations, holidays with pay and paid sick leave, the Jewel Tea Company, Incorporated, also has a "package plan". This plan includes a disability pay plan, surgical expense plan, medical expense plan and group life insurance plan. Eligibility for the plan is based on the length of service of the employee. After one year of continuous full-time employment, the man is eligible for all the benefits of the plan and after three years of continuous service, the employee is eligible for additional group life insurance coverage and increased disability pay benefits.

The costs of the plan are shared by the company and the employee - the employee contributes one percent of his total wages.

Also, the Jewel Tea Company, Incorporated, has a profit-sharing plan for its employees below the executive level, which is in the form of a retirement plan. Employees may deposit each week from \$1.00 up to the \$5.00 maximum. Every year, the company contributes fifteen percent of its gross profits before taxes into the retirement fund. All funds contributed by the employees and the company are invested in government bonds and other high grade securities and the returns from these investments are credited to each employee's account, in proportion to the amount he has contributed during the year. The employees' shares are left in the

fund to increase, year by year, until, at retirement, a substantial amount will have been built up for their future security.

Some mention of the Jewel Tea Company, Incorporated, "first assistant" philosophy should also be made. The "first assistant" philosophy has helped to develop a feeling of friendship, independence and teamwork among their executives and supervisory personnel. Each executive is asked to consider that he works as a first assistant to the next person in line under him. He should forget he is their superior officer and try to think of people under him as human beings. If he thinks of himself in their place, then he can understand their problems more clearly. According to Mr. George L. Clements, president of the Jewel Tea Company, Incorporated, the practical effect of the first assistant philosophy is to turn the organization chart upside down and for each executive to feel that his job is to help the next man up the line on the upside down chart. This philosophy makes for company teamwork - a better place to work - and benefits the customer - a better place to trade.

In summary, it should be noted that some of the main advantages offered by the Jewel Food Stores Department include a good starting salary, a chance to be located in one city - Chicago, friendly working conditions, substantial employee benefits, a profit-sharing plan in the form of a retirement fund and a rate of modernization and expansion which provides opportunities for college graduates with ability.

All these advantages and others combine to make the Jewel Tea Company, Incorporated, with its three departments, a definite possibility for employment. The college graduate should compare the opportunities offered by the Jewel Tea Company, Incorporated, with those presented by

other food chains before a definite decision is made as to which organization he intends to be employed by upon graduation.

## CHAPTER V

### KROGER COMPANY

35 EAST SEVENTH STREET

CINCINNATI 2, OHIO

The Kroger Company was started in 1882 by Mr. B. H. Kroger, whose sound merchandising policies assured the success of his beginning stores and the subsequent success of the entire company. The principles on which the Kroger Company stores of today operate can be explained adequately and briefly in three points:<sup>1</sup>

1. Many sales at a small profit rather than a few sales at a large profit.
2. Maximum convenience for customers through provision of complete food service stores.
3. Merchandise of proven and uniform quality, including prominent national brands as well as many Kroger Company brands.

At present, the Kroger Company has twenty-five branch offices all through the mid-west, which supervise the operations of approximately 1975 individual stores. In addition, there are also many manufacturing plants scattered over the country, consisting of dairies, bakeries, a peanut plant in Georgia and an evaporated milk plant in Indiana. The nationally known Kroger Food Foundation, in Cincinnati, is currently the only one of its kind in operation and is one of the Kroger Company's

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<sup>1</sup> Kroger Company, Cincinnati, Ohio. A Career for College Men.



proud accomplishments in the field of quality control. This is a technical organization which develops new products and improves existing products. In addition, it maintains a housewives' advisory service and a market research division. It is here that continuous testing, comparisons and research in the many laboratories and kitchens ensure a constant quality of all merchandise sold in Kroger Company stores.

The financial picture of the Kroger Company, in the form of some significant figures from the balance sheet and operating statement, is shown in Table IV. These figures give the overall trend in operations for the period following World War II as well as an indication of the size of this organization in relation to other food chain companies in the United States. The data is taken from Moody's Manual of Industrials (1947), (1949), (1951) and the 1951 annual report of the Kroger Company.

The Kroger Company has definite ideas as to the type of college man wanted in the organization. The following statement, extracted from a letter written by Mr. Edward J. Kenney, in charge of college recruitment for the Kroger Company, to the author, expresses the qualifications expected in an applicant for a position with the company.

Kroger is interested in college men with personality, interest and ability - ability to look, act, think, talk and decide like a business executive - or reasonable assurance of having the potential to develop such abilities. A man who is by temperament primarily a research scientist or technician, or who displays obvious introvert characteristics, is likely to find it difficult to progress far in the merchandising phase of the business. The man must have a liking for participation in activities involving people, rather than a preference for solitary or highly individualistic activities - in brief, a good mixer and teamworker.

Successful men in this company are usually those who have some prior experience in working with people, even on a small basis. Membership in campus organizations and participation in their activities,

TABLE IV

THE OVERALL TREND IN POST-WAR OPERATIONS OF THE KROGER COMPANY  
(Fiscal year ends December 31)

	<u>1946</u>	<u>1948</u>	<u>1950</u>	<u>1951</u>
Net Sales	\$567,487,547	\$825,668,000	\$861,242,642	\$997,086,223
Operating Profit	20,830,243	19,915,000	24,574,542	21,710,540
Number of Stores	2,611	2,349	2,054	1,978
Number of Employees	22,349	24,969	25,775	26,864
Cash	14,584,867	19,745,000	25,869,452	30,128,288
Current Assets	81,708,312	89,934,000	105,595,466	118,094,947
Total Assets	99,209,915	116,657,000	146,201,597	166,958,655
Current Liabilities	35,361,305	39,639,000	55,677,183	56,566,097
Total Surplus	24,038,268	31,932,000	54,513,661	60,373,344

experience in talking before groups of persons and even part-time jobs as a salesman are all indicators which the interviewer looks for as a clue to whether or not the applicant will be a valuable addition to the company. Also, the qualities of ambition, initiative and enthusiasm are quite important for a man who expects to earn advancement in a business organization such as the Kroger Company.

The Kroger Company is especially interested in the future possibilities of men who have an educational background such as that received in business courses. They also believe that the Michigan State College course in Food Distribution provides excellent training for their type of business. Then too, they are interested in men who qualify for positions as trainees in the accounting, warehouse, real estate, food processing and personnel fields.

Formal training programs are followed in the case of merchandising, accounting, warehouse and personnel trainees, while special programs are outlined for the trainees in the food processing and real estate fields. A few of these training programs are explained in more detail later in the chapter.

Of interest to the merchandising-minded college graduate who hopes to progress to higher management levels is the Kroger Company's special training program for store management. The program includes courses in company procedures and policies as well as specialized instruction in approved merchandising and personnel practices. This special 40-week program is a formal, planned type of course and provides full opportunity for a man to get the basic fundamentals of good store operation.

The program itself is designed especially for merchandising trainees and provides for regular periodic contact with branch executives, which

prevents them from getting that "lost feeling", as if they were just cogs in a machine. Kroger Company executives take an individual interest in each trainee and do not regard them as merely a group or class. Every trainee's progress and accomplishments are given special attention in these periodic conferences.

The general program calls for actual store experience in produce, grocery and meat merchandising - with broad training in all other aspects of store management. They also get experience in supervising store personnel and in building customer and community goodwill.

At the conclusion of their training periods, candidates have a good understanding of the complexities of managing a modern Kroger store and also possess a valuable background of merchandising knowledge. No textbooks are used in any training classes, but rather, the candidates adhere to prepared outlines of training. Classroom training supplemented by actual store work and proper follow-up by the trainers constitute the general procedure of practice. During the frequent reviews of progress with the branch manager and the personnel manager, the employee is told whether or not he is qualified to go into the next phase of his training.

The general outline followed by men in the 40-week store manager training program includes:<sup>2</sup>

Utility clerk (3 weeks): the trainee is assigned to a store and performs the routine jobs necessary for good store conditions. The proper care of sinks, toilets, baskarts and coffee grinders, cleaning and waxing floors, taking care of displays and unloading of trucks are all jobs assigned the beginning clerk.

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<sup>2</sup> Kroger Company, Cincinnati, Ohio. Special Training Program for Store Management.

Grocery department (6 weeks): for one day during the first week in the department, the trainee has a conference with the branch manager, personnel manager and grocery merchandiser. These men review the progress of the trainee and find out how well he is getting along with the program. Then, the man returns to the store and is instructed in building displays, stocking shelves and price-marking merchandise. The maintenance of the frozen food and the toiletries departments is handled by the candidate. During the fifth week on this job, the trainee is sent to the dairy training session. When the man returns, he works at ordering, displaying and record keeping in the dairy department.

Produce department (6 weeks): another conference with branch executives is held and once again the trainee's progress is reviewed. Next, the employee attends a three-day training session in produce merchandising and has a talk with the produce merchandiser for the branch. He then works with the head produce clerk, under the supervision of the store manager, to make sure of becoming familiar with produce operations in the store. Finally, the trainee is allowed to take charge of the entire department - with helpful guidance from the store manager and head produce clerk.

Meat department (6 weeks): the trainee again has a progress conference, then attends the five-day meat training course and confers with the meat merchandiser. When the man returns to the store, he spends some time with the head meat cutter and familiarizes himself with the operation of that department. Care of the meat case, cooler trays, grinders, saws and other tools used in the meat department are stressed. The preparation of hamburger, beef, veal, lamb, poultry, fish and delicatessen

items are explained to the trainee. Instruction in cutting meat is given to the candidate and then he is allowed to perform these jobs himself. Finally, ordering, receiving, rotating of stock and inventory control in the meat department are undertaken by the trainee, with assistance given by the store manager and head meat cutter.

Head grocery clerk (12 weeks): again, employee progress is discussed. A conference with the grocery merchandiser or branch manager is also held in order to review food laws and sales planning at the retail level. Then, the trainee takes over as head grocery clerk, assisting the store manager in the overall operation. During the seventh week, he confers with the personnel manager, discussing procedures in hiring clerks and laws governing their employment as well as the basic principles and applications of good public relations.

Accounting (1 week): during this part of the training, the employee is under the supervision of the branch accountant who acquaints him with information pertaining to store records, which otherwise would take a store manager a much longer period of time to acquire. The different order, tax, payroll, cash and sales forms are traced in their journey through the accounting office. Lastly, the periodic store operating statements are explained to the trainee.

Warehouse (2 weeks): the training in this phase of operations is directed by the warehouse superintendent and is for the purpose of showing the employee overall warehouse operations and explaining the entire procedure followed in the filling of orders and delivery of merchandise to the stores. The receipt of goods in the warehouse, the salvage department and the traffic department are observed. Finally, the candidate

makes a complete tour of the warehouse and he is invited to ask any questions concerning the warehouse phase of operations.

Personnel contacts (1 week): during this period, the trainee is under the guidance of the personnel manager of the branch who discusses with him the relationships between the stores and the personnel department. Then, the personnel manager makes arrangements for the trainee to attend a merchandising board meeting and spend at least one day with the general district manager. The trainee has a final review of his progress with executives in the branch. For the remainder of the week the man works in the store, while waiting for placement as manager of a Kroger store.

After each of the nine phases of training is completed, the immediate supervisor of the trainee on the different tasks is required to fill out a job check sheet. This is used to study how well each job was performed and has additional space for the trainer's comments on the trainee. These sheets are a means of checking on the trainee to see that he is grasping the important points about each department and, also, to see that he gets instruction in all the different aspects related to each phase of the business.

For the college graduate who is interested in accounting, the Kroger Company has a training course similar to the store manager training program. This special accounting program extends over a period of approximately six months, the actual length of time depending upon individual variations in ability and experience.

The following outline briefly describes each phase of the accounting training program:<sup>3</sup>

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<sup>3</sup> Kroger Company, Cincinnati, Ohio. Planned Training Program for Special Accounting Trainees.





Tabulating department (2 weeks): the trainee observes the handling of store orders, operates the addressograph and works with master cards, item changes and store records. The entire operation of the tabulating department is explained to him.

Closing week (1 week): the employee is assigned some duties in the general accounting office such as posting entries, balancing control accounts or working with expense ledgers. At the end of this week, the trainee reports to the branch manager's office to discuss his progress to date and the subsequent training he is to take.

Warehouse office (1 week): at this time, the trainee is to note and understand how a store order is billed on the mechanical billing machine. Observation of necessary detail work in the warehouse and traffic department, plus any other duties assigned by the warehouse superintendent, are to be performed by the trainee.

Accounts payable and receivable (3 weeks): all the operations involved in voucher work are considered here. The account classifications, check writing, posting, balancing statements to customers and follow-up on accounts are all explained to and practiced by the trainee. Here, the trainee reports to the branch accountant, personnel manager and branch manager to discuss his progress.

Stores accounting (4 weeks): there is a definite outline of tasks to follow in regards to stores accounting but some of the main categories are sales and cash reports, store deposit journals, store inventories, store expense items and store operating statements. A progress session is attended at this time.

Store training (6 weeks): at about the middle of formal training in the accounting department, the trainee receives instruction in a



retail store. The main purpose of this is to give the trainee an opportunity to see the correlation of work in the stores with that in the accounting department. Two weeks are spent in each department of the store - meat, grocery and produce - including the training classes.

General accounting (4 weeks): equipment and storage records, produce and meat accounting, payroll and office service are the main departments in which the employee is trained during this period. Once again, the trainee's accomplishments are examined by his superiors.

Store auditing (2 weeks): the trainee is assigned to store accounting work under the supervision of the chief store auditor. The primary tasks for him to perform are observance of the method of taking inventory, balancing cash registers, completion of various forms in connection with these two points, actual accounting and listing of merchandise and any other necessary details.

Supervision desks (1 week): the compilation of the periodic financial report schedules, distribution of various reports, general discussions and a review of progress are all included in the work for the trainee during this final week. After completion of the entire program, he is assigned a position in the accounting department.

The explanation of a program of this type is designed to point out that all courses are not for merchandising trainees alone. The Kroger Company recognizes the usefulness of a program of this type so it set up the aforementioned outline to meet the needs of college men who want to pursue the accounting end of the food business.

In addition to the store managerial and accounting training programs, there is also the warehouse training program. No individual is selected

for this training until he has been thoroughly screened by means of careful interviewing and testing. The preliminary screening includes special tests to determine the aptitude and ability of the candidate to perform the duties of a receiving clerk and a supervisory personnel test for manufacturing and warehouse trainees.

The program is outlined to be completed in twenty-four weeks. Supervisors of the employee must be thoroughly familiar with the program and then the trainee is told exactly what he is to do and how to perform each phase of the program.

A general outline of the course is as follows:<sup>4</sup>

Store training (2 weeks): receiving and unloading of merchandise, checking orders, building displays and taking care of equipment are some of the tasks given to the trainee. Instruction in all departments of the store gives the man a chance to work with a better understanding of store problems, prior to beginning training in the warehouse.

Branch office (2 weeks): the accounting and billing departments share this period. Instruction in the handling of freight bills, bills of lading and payment of demurrage highlight this phase of training. Also, the billing room is visited and operations are observed previous to the trainee assisting in the performance of these duties.

Warehouse (11 weeks): the major portion of this time is spent in warehouse grocery and produce operations. Lifting, receiving, house-keeping, storing and filling of orders are some of the important duties for the trainee. The candidate works in each of the following sections -

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<sup>4</sup> Kroger Company, Cincinnati, Ohio. Warehouse Training Program.

banana room, salvage department, traffic department - doing any work directed by the foremen of these sections.

Transportation (4 weeks): the garage and dispatching departments of the warehouse are the places in which the trainee is assigned for this period. Inspection of trucks, mileage and gasoline records and actually accompanying the drivers on their routes constitute the major jobs to be performed.

Special training (5 weeks): meetings of product merchandisers, district managers and members of the sales promotion department are attended and a tour of the warehouse is made. Of course, during the entire training program there are periodic reviews of progress with the trainee. Classroom training is attended for a short time and then the trainee is placed in some department of the warehouse - working toward a foreman's job and further advancement to warehouse superintendent.

The three programs outlined in this chapter should serve to give the reader a clear idea of how the Kroger Company goes about formulating a definite training course for the different jobs within the organization. All of these courses give the trainee a broad picture of the operations in each department of the company so that he is able to better perform his new job with an understanding of the complexities of the tasks connected with other jobs and the interrelation between his duties and others in the company is then made clearer in his mind. This is the Kroger Company's policy throughout all of its training programs - give the trainee a substantial background of information on the performance of all the different jobs in the company.

In order to help show the reader evidence of the opportunities available in the Kroger Company, the progress of three men in the organization

is outlined. These three men began as trainees in the 40-week store manager training program.

Employee A was hired in February, 1949, at a salary of \$60.00 per week. In January, 1950, he was given the position of head clerk and next month he was appointed as manager of a store. In September of 1950, he was chosen as one of the men to represent the Kroger Company in the initial class of the Curriculum in Food Distribution at Michigan State College. After completion of the course in July, 1951, Mr. A was assigned to his branch office as a junior executive in the produce department. One month later, he was elevated to the position of assistant produce buyer, the rank he has held up to the writing of this chapter. As a result of his promotions, his salary is now approximately \$100.00 to \$110.00 per week.

Mr. B started on the 40-week training program at the same time as employee A - February, 1949 - however, by August, he was made head clerk and in December he was selected as a store manager. He continued to be a manager until September of 1950, when he was selected to attend the Curriculum in Food Distribution at Michigan State College. In July, 1951, he completed the course and was assigned to manage another store. In December of the same year, he was promoted to grocery sales assistant of his branch, receiving a compensation of about \$100.00 to \$110.00 per week.

For those college men who are eligible to be drafted into the service of our country, the outline of employee C should be of value. He was hired as a trainee in September, 1949 and by June of 1950 he had been raised to the position of relief store manager - to be in charge of different stores while the regular store managers are on vacation. In September, 1950, he also attended Michigan State College to receive further

training in all aspects of the food business. By June of 1951, Mr. C had completed the course and was then given the store manager refresher training. The personnel manager knew that this young man was about to be drafted into the armed forces yet the Kroger Company still hired him as a trainee, processed him and gave him the benefit of additional food training at Michigan State College. According to the Kroger Company's military leave policy, this man is granted a military leave of absence with full accrual of all company benefits while in the armed service.

An examination of the progress of these men reveals very aptly the benefit that is received from participation in the Curriculum in Food Distribution at Michigan State College. The Kroger Company is very much interested in those men who are enrolled in this course and regard it as a real contribution of an educational institution toward aiding the food industry to have executives who are better trained to assume management responsibilities.

The rates of pay for Kroger trainees are stated definitely. An outline of the current salaries per month are as follows:

	<u>Starting Rate</u>	<u>After Six Months</u>
Single	\$281.00	\$303.00
Married, no children	281.00	303.00
Married, one or more children	303.00	325.00

As can be seen from the above chart, there is an automatic increase in salary at the end of six months and from then on the man is placed on a merit basis. Subsequent increases in salary are determined by the man's ability and the position he holds after completion of the training program. A manager's salary cannot definitely be stated, however, a

salary range of \$35.00 to \$140.00 per week would probably include most of the earnings of Kroger Company managers.

Once the trainee has completed the 40-week training program and has received the proper experience as a store manager, he then works toward the position of branch manager or merchandising manager. Sales assistant or assistant buyer for grocery, meat or produce items is usually the next position held after store manager. From there, he moves to buyer, sales promoter or district manager supervising a group of about twelve to fifteen stores. Next steps in the promotional channel are to product merchandiser and/or general district manager, merchandise manager and branch manager.

For the man who wishes to enter into a staff phase of the business such as personnel, real estate or accounting, he advances from a special trainee in these departments to the job of assistant and then into the position of department head.

Higher positions are available in the central offices in Cincinnati, Ohio.

As in some of the other larger food chains, the Kroger Company has several employee benefit organizations managed by the company as well as a newly-formed profit-sharing plan. An employees' retirement plan, based on the length of full-time employment and an average annual salary (depending upon the compensation received by the man over a period of ten years previous to his retirement) is presently in operation. To be eligible for admission as a member of this plan, the employee must have reached twenty-five years of age and be retired when he reaches age sixty-five. The company bears the full expense of the plan - the employee pays nothing.



A group insurance plan, premiums varying with the salary bracket that the employee is in, offers the trainee a \$2,000 life insurance policy at the small cost of \$.55 per week. When the trainee advances to the position of store manager, he is considered to be on the management level and is eligible to participate in a supplemental group insurance plan which allows the man to have more insurance coverage than the employees below the management level. Health and accident coverage and a sick leave plan for management personnel are also in operation in the Kroger Company.

The Kroger Company's employees' savings and profit-sharing plan is the latest addition to the list of employee benefits. Each week, the employee is allowed to put a certain percentage of his salary into a fund and the Kroger Company also deposits to this fund a certain percentage of the past year's profits. The employees share in this profit in proportion to the amount they have put into the fund, which actually represents a savings on their part. When an employee reaches retirement age, this savings and share of profits will have been built up to a sizable amount, thus ensuring the employee a certain degree of security when he becomes older. To be acceptable to participate in this plan, the employee must be at least twenty-one years of age and have had at least two years of continuous full-time employment with the company. He can save and deposit as much as five percent of his regular weekly earnings, not including overtime.

In summary, some of the main advantages of the Kroger Company are - an excellent starting wage, definite formal training programs, employee benefits and a very good chance for advancement into the many different

phases relating to overall store organization and management. Finally, because the food business is a basic industry, full-year employment is assured and a secure position is certain for those whose performance is satisfactory.

The college graduate should carefully examine the many opportunities prevalent in the Kroger Company.

## CHAPTER VI

SAFeway STORES, INCORPORATED

FOURTH AND JACKSON STREETS

OAKLAND 4, CALIFORNIA

What might be termed the "original store" of Safeway Stores, Incorporated, was a small grocery market which opened its doors for business at American Falls, Idaho, in 1915. At first, the establishment was progressing nicely but within a short time after the opening of this store, prices began to rise. The owner of this little market became disturbed because food prices were so high. They were too high for his customers but if he lowered them so that they could buy easily, he found that he did not take in enough money to buy new groceries to sell.

In analyzing his situation, he recognized that there were too many costs added to the price of food before it reached the consumer where it could be purchased. He decided that if he was able to buy groceries directly from the farmers and manufacturers, he could eliminate many of the handling charges which were traditionally added to the price of food. Also, he thought that if his customers were able to get along without some of the expensive services which grocery stores were giving at that time, he could make his money go farther and still sell more goods at lower prices.

When he tried his ideas, he found they were right. Soon he had more customers than could be handled in his little place, so he had to open another store. This process continued until a small chain was formed.

In 1926, this chain joined with another group of stores known as Safeway and that is where the organization of today really began. As it grew and prospered other groups and individual stores were acquired, all with the idea of finding new savings to pass on to the customers.<sup>1</sup>

Today, Safeway Stores, Incorporated, operates approximately 2,125 stores in twenty-three states and in Canada. Table V shows some significant balance sheet and operating statement figures, bringing out the overall trend in operations from 1946 to 1951. The data was extracted from Moody's Manual of Industrials, (1947), (1949), (1951) and the 1951 annual report of Safeway Stores, Incorporated.

Beginning in about 1950, the retail store construction and modernization program of Safeway Stores, Incorporated, was begun. This program called for the constructing and equipping of 1,000 new stores over a period of five years, at an estimated cost of \$250,000,000. Also, construction of a few new warehouses has been started.

A brief explanation of some of the terms used to designate positions in the organization is necessary here, for they differ from the titles used in other food chains. A "location manager" is the term used by Safeway Stores, Incorporated, to designate a store manager. This company uses the word "location" to signify a store so, in this chapter, the two terms are used interchangeably.

"Retail operations managers" are responsible for the operations of the retail stores within a zone and the district managers are the executives who report to the retail operations manager.

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<sup>1</sup> Safeway Stores, Incorporated, Oakland, California. You and Safeway.



TABLE V

THE OVERALL TREND IN POST-WAR OPERATIONS OF SAFEWAY STORES, INCORPORATED  
(Fiscal year ends December 31)

	<u>1946</u>	<u>1948</u>	<u>1950</u>	<u>1951</u>
Net Sales	\$847,455,525	\$1,276,972,822	\$1,209,993,762	\$1,454,642,996
Operating Profit	20,525,498	19,802,284	31,992,915	17,558,986
Number of Stores	2,413	2,240	2,072	2,125
Number of Employees	32,972	34,971	34,000	37,500
Cash	18,479,865	30,416,126	38,306,033	54,465,694
Current Assets	124,538,663	126,650,284	187,110,809	239,921,849
Total Assets	143,386,689	169,752,345	261,248,011	341,829,593
Current Liabilities	51,485,608	49,181,477	115,662,737	172,667,846
Total Surplus (Paid-in + Earned)	39,015,743	49,978,702	70,000,257	69,504,631

The "zone manager" is similar to a branch manager. He supervises the activities within his zone.

"Division managers" are responsible for the successful operation of one or more zones. Each division manager reports directly to the president and is entirely responsible for all activities within his division.

This brief explanation is necessary in order to acquaint the reader with the different positions in the company and the slight variation in terminology from other food chains.

When being interviewed for a job with Safeway Stores, Incorporated, the applicant should be conscious of the characteristics that the company desires in an employee. The candidate for a position should examine honestly his own personality, capacity and capabilities previous to being interviewed for a job. This combination gives him a knowledge of the type of man that the company is looking for and he can easily determine whether or not he measures up to the requirements stipulated.

Usually, the inexperienced college graduate is expected to start as a food clerk in one of the retail stores, therefore, he should be aware of the traits desired in a person applying for this position. Some of the more desirable characteristics are:

1. Stability
2. Physical fitness
3. Maturity
4. Perseverance
5. Ability to get along with people
6. Self-reliance
7. Initiative
8. Loyalty.





As a general rule, it is necessary for Safeway Stores, Incorporated, to evaluate these qualities largely upon the basis of factual information obtained through comprehensive interviewing.

According to Merle L. McGinnis<sup>2</sup>, in a talk given at the Chicago Conference of Operations, Incorporated, October 18, 1949, the talent in greatest demand in the food industry is managerial ability or, to be more specific, the ability to get things done through the efforts of others. The managerial ability or managerial potential sought by Safeway Stores, Incorporated, is a blend of many characteristics and abilities. It is a combination of experience, judgment, human qualities and drive. The executive in this organization is expected to have:

1. Well-balanced temperament
2. Emotional maturity
3. Good social adjustment
4. Strong desire for achievement
5. Decisiveness
6. Realistic as well as practical point of view
7. Good judgment of fact
8. Planning and organizational ability.

This appears to be the epitome of executive ability, however, this level can be reached if the inexperienced college graduate sets his mind on attaining an executive position.

When considering applicants for employment who wish to work toward executive positions, it is impossible to predict accurately whether or not a man will make good as an executive. For this reason, it is necessary to look for potential qualifications as a man develops through

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<sup>2</sup> Manager, Pembroke Services, Division of Safeway Stores, Incorporated, San Francisco, California.

training and diversified experience. According to Mr. McGinnis, probably the most important managerial responsibility is the ability to select one's associates, plan a program of action and delegate responsibility and authority.

The personnel department, when searching for talent, looks for proven ability and potential ability and continually scouts employees within the organization as well as being on the watch for men who would probably be valuable additions to the company. In this respect, they are concerned with the finding and developing of executives.

A few years ago, Safeway Stores, Incorporated, completed a new plan for selecting and training prospective location managers. Under this plan, selection of trainees is the responsibility of the district manager who, if he wishes, may request the employee relations manager (personnel manager) to give the candidates any selection tests which the district manager may feel are necessary.

The number of trainees selected in a zone each year is determined mainly in accordance with expected turnover and expansion within the zone. Trainees need not all be selected at the same time but may be chosen and placed on the program at the most convenient time for a successful follow-through with the plan subsequently outlined.<sup>3</sup>

The purpose of the training is to provide each trainee with a well-rounded knowledge of those operations within a zone which are directly connected with the management of a retail location. In order to fulfill this aim, the trainee is sent to various zone training schools and then

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<sup>3</sup> Safeway Stores, Incorporated, Oakland, California. Safeway News. Advancement Through Training. (January - February 1950). p. 3.

is assigned to work or be an observer in each one of the major zone functions for a period of time necessary for him to acquire the desired knowledge and experience.

An actual program setup calls for the zone employee relations manager to outline a proposed job rotation plan for each trainee and then the outline is submitted to the zone manager for approval. When the program is approved, the employee relations manager then arranges with the district manager and other zone executives concerned to provide the trainee with all the necessary training specified in the outline. Such training includes time spent on the following jobs:

Food clerk: this job is comparable to utility clerk and grocery clerk in other organizations. No definite job is assigned the food clerk. Although most of the training is in the grocery department, he is still to receive experience in other sections of the store. Ordering, stocking, check-out operation and general store cleaning are a few of the tasks performed by the employee.

Meat cutter: during this phase of the program, the trainee gets store experience in the handling, cutting, displaying and merchandising of meat. Through training classes and instruction in the store, the trainee is taught the proper method of cutting meat, the care and handling of equipment and is also given some knowledge of effective customer and personnel relations.

Produce clerk: building displays, the care of produce tables, trimming and the merchandising of fresh fruits and vegetables are some of the main jobs in this category. Ordering, storing, stocking and cleanliness in general are other factors for consideration.

Grocery warehouse: in order to interrelate all the operations performed in the zone, the trainee is next given a suitable period of training in the warehouse phase of company operations. Receiving of merchandise in the warehouse, storing, the filling of orders and loading on trucks are all carried out by the trainee.

Produce warehouse: instruction in this department is similar to that received in the grocery warehouse. In addition, ripening rooms are examined and the procedure in storing produce is explained to the trainee.

Meat warehouse: the receipt, checking and storing of meat is observed. Filling of store orders and the loading of meat onto the trucks are also performed by the employee. Experience in these three departments brings to light the relationship between the stores and the warehouse and some of the problems involved in the operation of each.

Major zone departments: during this phase of his training, the trainee visits the zone offices and observes the operations of the departments in that particular zone. Accounting, personnel, advertising and buying functions are explained to the employee. At various intervals during his training, the trainee has a conference with the zone manager, the employee relations manager and the district manager to examine the progress he is making and to answer any questions he may have about any phase of operations.

Relief location manager or clerk-in-charge: after completion of the program, the trainee is assigned a job. If there is an opening for a relief manager he may be selected or if there are no vacancies existing at the time, he is placed as clerk-in-charge in a department where it is felt he receives the most valuable additional experience.

The amount of time spent training on each job is based upon the past experience and ability of the trainee. For example, if the trainee has meat cutting experience, his job rotation time is shortened by the extent of such experience. Insofar as possible, the assignments required as food clerk, meat cutter and produce clerk are obtained in three different locations as an added means of broadening the trainee's experience.

When the employee has successfully completed his training, the employee relations manager prepares an analysis of the results of the training and submits it to the retail operations manager, at the same time advising him that the trainee is ready for assignment. If, as mentioned, an opening for relief location or location manager is not immediately available, the trainee may be selected to work in a retail store as a food clerk, produce clerk or meat cutter or whichever position provides him with the most needed additional experience - pending his selection as a location manager.

Food clerks in Safeway Stores, Incorporated, are compensated on a flat hourly rate which varies in the different geographical areas where Safeway stores are located. In 1950, the yearly earnings for food clerks ranged from \$2,500 to \$ 3,600.

The compensation for a location manager is based on a contingency compensation plan which takes into account sales and profits for the store. For the year 1950, location managers' earnings ranged from \$5,000 to \$10,000.

An inexperienced college graduate desiring to secure employment with Safeway Stores, Incorporated, would most likely be hired at a salary comparable to that received by food clerks in that particular geographical area.

In order to point out some of the opportunities prevalent in this organization, the long range progress of three men is cited. These men are examples portraying the heights that can be reached in a food chain through perseverance and hard work.<sup>4</sup>

Mr. A began his career with Safeway Stores, Incorporated, over thirty years ago. He started as a food clerk and gradually gathered experience in all phases of store management and operation.. In approximately eighteen months after he was hired, Mr. A was appointed manager of a store. For a few years he was manager of that store and in subsequent years he was transferred to various other stores in that area. Next, he advanced to district manager. By 1939, he had reached his present position of division manager - reporting directly to the president. Look at this line of progress carefully. It is not so very unusual. In approximately twenty years' time, this man had moved from food clerk to division manager - a top executive position with Safeway Stores, Incorporated.

Mr. B began working for Safeway Stores, Incorporated, as a bookkeeper in one of the zone warehouses. Mr. B held this job only a few months when he decided that he would rather be in the field of retail operations, so he applied for a transfer. The request was granted and he became a food clerk in one of the retail locations, with a decrease in pay. Within a year he was appointed manager of a new location and then some time elapsed before he was promoted to district manager. Finally, in 1947, he was appointed a division manager. It took Mr. B just eighteen years to reach the top rung in this promotional ladder, an accomplishment

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<sup>4</sup> Safeway Stores, Incorporated, Oakland, California. Safeway News. Choice of One's Career is a Vital Decision. (March-April 1950). pp. 7-12.

of which he can be proud, for he now holds one of the most responsible positions in the company.

A part-time job with Safeway Stores, Incorporated, was the beginning of a wonderful career for employee C. He started as a part-time clerk in 1926 and in five months he was put on a full-time basis. Within a few more months, Mr. C was appointed manager of the store where he had previously been a part-time clerk. A few years was spent in this capacity and then he was promoted to district manager. In 1947, he was selected as a division manager.

These three men are encouraging examples of success stories. Their progress is designed to illustrate the possible positions attainable for the ambitious man who wishes to make the food industry his career.

Promotions in Safeway Stores, Incorporated, are usually from within the ranks and all opportunities are based on individual merit. Whether or not you are promoted depends partially on how many openings there are but mostly on the outstanding ability that you have demonstrated on your present job and your ability to take on added responsibility.

From food clerk or produce clerk or meat cutter, the employee has the opportunity to progress to the level of location manager. Anyone working in a retail location has, with study and effort, plenty of opportunity to show the initiative, tact, leadership and knowledge needed for a manager's job. This work offers real earning possibilities.

District manager, retail operations manager, zone manager and division manager is the order in which the successful location manager would progress. Of course, some experience has to be gained at each step of the ladder before advancement can be made, however, the time spent at each level is determined entirely by the employee. His ability to assume the

next highest position and the availability of the position are, as previously mentioned, the two deciding factors.

If the trainee desires, he can request at any time for a transfer to another phase of the business. Positions in the accounting, advertising, warehouse, personnel, research and maintenance departments are available to the trainee who wishes to pursue his career along any of these channels. The positions of chief accountant, personnel manager, warehouse superintendent and advertising manager for a zone are levels which the employee can strive to attain.

The merchandising phase of the organization offers positions as assistant merchandising manager or assistant buyer of the separate departments - grocery, produce and meat. Merchandising manager and buyer follow.

Safeway Stores, Incorporated, also operates about thirty service companies. They provide specialized services for the entire organization. Examples of these include one company that advises on the layout and design of warehouses, another deals with the problems of store fixtures, while still another performs the task of research work on such subjects as customer buying and shopping habits and store location. All these companies, which are owned and operated by Safeway Stores, Incorporated, provide a multitude of paths which the college graduate, who is interested in the food business, might follow.<sup>5</sup>

At present, Safeway Stores, Incorporated, stresses the stores operation field for those graduates desiring to become associated with the company.

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<sup>5</sup> Safeway Stores, Incorporated, Oakland, California. Safeway News. The Story of Safeway Stores, Incorporated. (March 1951). pp. 2-12.



Certain benefits are also available to the employee. Vacations with pay, sick leave (with weekly disability benefits), life insurance and hospital and surgical benefits for himself and his family are some of the more prominent advantages presented to the employee. A retirement plan, eligible to employees who have completed five years of continuous full-time employment with the company and who have reached their thirty-fifth birthday, is another benefit available to the employee.

In summary, it should be pointed out that this is a very large organization and the various phases of its operation offer the college graduate a chance to enter into almost any segment of operations in the food business. Although the stores operation field is stressed, there are many other zone departments such as personnel, accounting, advertising and warehousing, which all present excellent opportunities to the ambitious college graduate.

Safeway Stores, Incorporated, provides the college graduate with a favorable starting salary, an outlined program of training, various employee benefits and a good chance to progress to higher management levels.

With these advantages and opportunities to present to the college graduate, Safeway Stores, Incorporated, should definitely be considered as a possible choice of an organization in which to be employed after completion of a college education.

## CHAPTER VII

STOP AND SHOP, INCORPORATED

393 D STREET

BOSTON 10, MASSACHUSETTS

Stop and Shop, Incorporated, is comprised of a group of retail food markets in New England, although the greatest number of them are established in the state of Massachusetts. The general offices, warehouse and manufacturing plant are located in Boston, at the above address, except the manufacturing plant, which is located at 232 Causeway Street, in Boston. Potato packing houses are operated in Maine.

The present management became associated with the company in 1919, when, at that time, they were operating twenty-seven service-type stores. In 1925, this group of units was incorporated, in Massachusetts, as the Economy Grocery Stores Corporation. In 1932, they had grown to a chain of 442 service markets. This large increase in number of outlets was due partially to the purchase of two food chains in the area.

New stores were built, some were purchased and others were consolidated, all with the aim of making Stop and Shop, Incorporated, a better place to work and a better place to trade. In 1935, the company opened its initial self-service store, known as the "Foodmart". This was one of the first real supermarkets in that section of the country and was considered the "very latest" in food store development.

The experimentation with this type of outlet proved very successful so they continued to pioneer in supermarket development, building new

markets and converting many of the service-type Economy Grocery Stores to self-service Stop and Shop, Incorporated, supermarkets. In 1946, they reached the point where ninety percent of the total volume was being done in the new supermarkets, so the management of the chain decided to change the name of the company from Economy Grocery Stores Corporation to Stop and Shop, Incorporated. Recognizing the trend to self-service as a definite change in shopping habits, the company concentrated on expansion into this field. At the start of 1947, the total number of existing stores was less than one-quarter of the number in operation at the peak of the service-type store expansion. However, the total sales volume of these units was far greater than it had been at the time of that peak.<sup>1</sup>

A brief picture of the financial situation between 1946 and 1950 reveals the post-war trend in overall operations for this company. Table VI gives important key figures for the evaluation of this trend. The data is taken from Moody's Manual of Industrials, (1947), (1949), (1951).

There is no certain amount of education or experience needed to become a member of the Stop and Shop, Incorporated, organization, nevertheless, these are points for consideration by the employment officer. Stop and Shop, Incorporated, wants to employ men whom the executives think can be developed into future department and district managers. However, it must be realized that the employee without a college education has as good a chance to advance as the college graduate and the fact that one has received a degree is no assurance of an executive position. Intelligence, initiative and hard work are important factors hastening the rise to the

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<sup>1</sup> Stop and Shop, Incorporated, Boston, Massachusetts. Welcome to Stop and Shop.

TABLE VI

## THE OVERALL TREND IN POST-WAR OPERATIONS OF STOP AND SHOP, INCORPORATED

(Fiscal year ends June 30)

	<u>1947</u>	<u>1949</u>	<u>1950</u>
Net Sales	\$33,385,265	\$45,897,052	\$50,039,306
Operating Profit	984,056	1,319,326	1,486,647
Number of Stores	94	84	92
Number of Employees	1,882	1,797	2,345
Cash	1,421,071	1,883,528	2,129,590
Current Assets	4,911,698	5,923,750	5,777,802
Total Assets	7,163,700	9,047,883	10,128,883
Current Liabilities	1,413,577	2,320,615	2,191,755
Total Surplus	3,038,977	4,044,141	6,571,425

management level and these elements, whether in a college graduate or an employee without a college degree, determine how quickly a man advances.

When interviewing people for employment in the retail stores, the employment manager is instructed to watch for certain characteristics in an applicant. According to Mr. Andrew C. Kuhn, personnel director of Stop and Shop, Incorporated, some of these traits are:

1. Integrity
2. Appearance
3. Manners
4. General character
5. Physical and mental status
6. Ambition
7. Courtesy and friendliness
8. Background - work and education
9. Possibility for future growth.

These factors are not listed in the order of their importance but the man who rates high in these traits will, undoubtedly, move ahead rapidly. Of course, an important aspect to be considered here is the development of a man by his immediate superiors. The employee may possess many or all of these qualities yet without proper guidance from his superiors his qualifications pass unnoticed.

The training program for Stop and Shop, Incorporated, produce, grocery and meat clerks is mostly informal. The checkers'<sup>2</sup> training program is of the formal type with an instruction school located in Boston.

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<sup>2</sup> A "checker" or "cashier", as stated in this chapter, is the person who operates the cash register at the check-out stand. The words are used synonymously.

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All new checkers are required to take this three-day course, which teaches them the fundamentals of good and accurate checking. There is a short indoctrination period for the new employees, during which they are given facts and details about the history of the company, together with its aims and policies. Then, the training instructor discusses the need for thrift, bringing to light the relationships between the checkers, net sales, profit of the store and company profits - as a result of their efficient work at the check-out stand.

Personality, cooperation, friendliness and care of equipment are also discussed. Stop and Shop, Incorporated, desires to have friendly and courteous employees to work in the stores and, therefore, some time is spent discussing these points. Some of the main categories for consideration are:<sup>3</sup>

1. Arrangement of merchandise on the check-out counter
2. Fingering of the keyboard
3. Change making
4. Sacking, or bundling, of merchandise sold
5. Use of the scale - computations, reading
6. Fractions
7. What to do in case of an error
8. Bottle returns
9. Handling of checks
10. Courtesy at the check-out stand
11. Balancing the register at the end of the day.

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<sup>3</sup> Stop and Shop, Incorporated, Boston, Massachusetts. Stopics. Checkers' Training School. (September 1951). p. 8.

"Guessing" and "memorizing", the two cardinal errors made by checkers, are taught to be avoided. The instructor explains how profits, customer relationship and the amount of the employee's bonus depends upon following the correct procedures outlined in the course.

After three days of classes, the employee is ready to report for work in her assigned store. Upon completion of the training of this group, the instructor makes out a report on each trainee. This includes her attitude toward the course, results of certain arithmetic tests and, on the whole, how well the training was performed.

When the new checker reports to the store, she is given three, small, two-page booklets entitled:

1. "A Stop and Shop Checker is a Good Checker"
2. "Your Second Week as a Checker at Stop and Shop"
3. "Your Third Week as a Checker at Stop and Shop".

These are used as a self-check method for the trainee. At the end of one week, the checker should be able to answer the questions listed in the first booklet. For example, one question is, "How is merchandise arranged on the check-out counter?". Another is, "What is the proper way to make change?". These are things that the trainee should have learned in school. Even though it is a self-test, the manager should make it his responsibility to see that the checker knows all the answers thoroughly. Similar questions are in the booklets for the second and third weeks of employment. Also, tips on courtesy, friendliness, accuracy and efficiency are included in each pamphlet.

Eight weeks after finishing the training course, the manager of the store in which the employee was assigned makes out a cashier's progress



report. This is used as a method to evaluate the employee as well as the progress she is making on her new job. Any weaknesses of the cashier can easily be detected and attempts made to correct them.

This is the story of the checker in this organization. It is worthwhile to note that these three factors - initial training, supervision and follow-through - soon enable the employee to do a complete and efficient job at the check-stand.

The reason for such a detailed explanation of the checker training program is to point out that positions in the food industry are not limited to men only. Checkers play a very important role in the operation of any supermarket and this is one job which is dominated by women. Similar to any other position, the employee has to begin on the ground floor. In this case, the prospective woman executive has to start at the retail level also. After a suitable period of experience, the cashier can become a head checker, a training instructor and move higher into the executive ranks, the same as any man would advance in a food organization.

When a new employee begins work he is first introduced to all other store workers by the grocery manager and is then shown around the store. Next, he is given a careful explanation of the job he is to undertake, making sure he knows exactly what to do - in order to get off to the right start.

If the new employee is to work in the grocery department, he is given three booklets similar to those presented to the checker but which apply to the duties of a grocery clerk. Questions such as, "What is the correct lifting method?" and "What is the proper way to clean and defrost

the ice cream chest?" are examples of queries included in these publications. Again, tips on friendliness, courtesy and efficiency appear.

There is no definite length of time that the worker has to stay on any one particular job. He may be rotated from the grocery department to the meat department to the produce department as often as conditions require. This is advantageous for it gives the man a chance to work in these different sections thus broadening his overall knowledge of store operations.

At the end of certain periods during this informal training, the new employee is shown the progress he is making thus helping him correct any weak points he may have. This is an effective way of making good working conditions, improving customer relations and having the employee feel he is a team member.

Late in 1950, Stop and Shop, Incorporated, published a new manual for use in the meat department. It is clearly worded and illustrated so as to give the new employee in the meat department some introduction as to how this phase of the store operates. Up to the time that the manual was printed, there was no uniform method of cutting meat in the retail outlets but with this new publication as a guide the same cuts of meat are ensured for all customers and costly waste of meat has been greatly reduced, if not entirely eliminated. It has also arrested the confusion previously brought about when a meat clerk or meat cutter transferred from one store to another.<sup>4</sup>

Once again, if the new employee is to begin work as a meat cutter or meat clerk, he is given booklets pertaining to that job. Questions such as, "What is the correct way to cut ham?", "How and when should

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<sup>4</sup> Stop and Shop, Incorporated, Boston, Massachusetts. Stopics. Introduces New Manual - Assures Uniformity of Operation. (November 1950). p. 16.

knives be steeled?" and "What points are followed to make sure that merchandise is rotated properly?" are included in these small pamphlets. These, as well as suggestions on cleanliness, good personal appearance and pleasant manners assist the employee in becoming a better worker with a more pleasing personality - essentials in the operation of any retail establishment.

New produce clerks are also given booklets. One question listed is, "What are the steps to follow in breaking down the counter for the night?". Another is, "What produce items are kept under refrigeration?". These are facts that every good produce clerk must know and the manager should make sure that the answers and reasons are clear in the mind of the employee.

Grocery, meat and produce department managers are not neglected in the training of efficient personnel. One night each week, for thirteen weeks, the managers attend classes in job instruction, job relations training and supervisory techniques. These courses in human relations are taught by instructors in the Boston School Department, who are invited to speak to the group on various phases related to job instruction, job relations and supervisory techniques.

In brief, the course emphasizes the best instruction methods, understanding the learner's viewpoint and the value of encouragement. This makes for efficient personnel, who are well-trained in all phases of store operation. Also, it assists managers and employees to become members of a team working for better personnel relations. Managers report they have found the course invaluable in working with employees and customers.<sup>5</sup>

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<sup>5</sup> Stop and Shop, Incorporated, Boston, Massachusetts. Stopics. More Than 100 Graduates. (July 1951). p. 20.

Summaries of the progress of a few men in this organization help show the opportunities present in the company.

Employee A was hired in March, 1949, as a grocery clerk. In January, 1950, after a suitable term of training, Mr. A's ability was recognized and he was promoted to head grocery clerk, with an increase in pay. As a result of general wage increases in March and November, his salary was raised still more. In March, 1951, the man was promoted to training instructor of the three-day checker training course. The training instructor supervises the three-day course at the very beginning of the week and during the remaining two days of the week he visits the retail units to check on the progress of the cashiers. After only two years of employment, this man had raised himself to the responsible position of training instructor. As is seen, this man has a great deal of potential and future promotions seem certain.

In September, 1946, employee B started work as a grocery clerk at the minimum wage. One year later, he was promoted to head grocery clerk. In August of 1947, employee B was advanced to the position of grocery manager - the most responsible position in the store. The grocery department manager in each store is the person who coordinates the operations of the meat, grocery and produce departments and he is the one who reports directly to the district manager in his district. Although the other two managers - produce and meat - exercise control in their respective departments, the grocery manager is considered the overall store manager when a debatable point has to be settled with a single decision. After about five and one-half years, employee B had almost doubled his salary, revealing that the opportunities are there, advancement depending upon the ability of the man himself.

As a matter of contrast, compare employee C to employee B. They were both employed at the same time yet employee C is still a head clerk in the grocery department. Employee C is a good worker, however, he is not capable of assuming the responsibility attached to the position of department manager. This is probably the highest level that employee C will reach in this company because he does not seem to have the potential ability to rise to an executive capacity.

In analyzing employee progress, there are two points that need to be taken into consideration. One is the fact that all employees are not promotable material. This is borne out by the comparison of employees B and C. Two, all qualified people cannot be promoted because of limitations of opportunity. Sometimes, the openings are not available and, obviously, advancements are retarded. This is true in any organization.

Since the greatest majority of people are employed to work in the retail stores, an inexperienced college man would most probably start as a utility grocery clerk at the salary of \$50.00 to \$55.00 per week. There are periodic increases every four months, which would raise the salary of the worker to about \$60.00 to \$65.00 per week after a duration of one year. However, this figure can easily be raised by promotions for the employee, provided he shows the ability and the opportunities are available.

The experienced college graduate would start at a higher salary, depending upon the amount and type of training previously completed. Once again, periodic increases are granted and the way is always open for promotion. Stop and Shop, Incorporated, has a policy of promoting from within the organization. District managers are selected from

successful department managers and department heads are chosen from promising head produce, grocery or meat clerks.

As previously mentioned, the company's retail store organization consists of three departments - grocery, produce and meat - so the possibility of attaining any one of these three positions should certainly encourage the employee to try and advance himself. Generally, department head salaries range from \$75.00 to \$125.00 per week, depending upon the size and volume of the store. In addition, there is a profit-sharing plan in operation in this company, the amount of participation depending upon net sales of the particular store, the employee's seniority and the position he holds in the store. As in other organizations, Stop and Shop, Incorporated, has employee sickness and accident benefit programs as well as group life insurance which is available to all employees after a prescribed length of employment.

At present, there is no formalized store manager training program but the executives in the company are thinking in terms of a course of this type. No definite plans have been made as the program is still in the formative stage. The long-range planning of top management calls for a definite, formal, outlined-type of manager training program. The reason is that in the future, they look toward the centering of the store's operations under a single manager, rather than the decentralized system of store management now being followed. When the arrangements for this program are completed, there will be openings for trainees who meet the requirements - physically, mentally and educationally - which the executives desire in a potential supermarket manager.

In addition to the stores operation phase of the food business, Stop and Shop, Incorporated, also has accounting, personnel, sales, advertising and research departments. However, only under unusual circumstances would a man be employed to work directly in one of these departments. That would be when the need arises for an experienced man or a man with specific qualifications and when there is no one in the organization who could qualify for the position. Therefore, they would not ordinarily employ an inexperienced college graduate to work in one of these departments. They do employ college men to work in the retail stores and their movement within the company from then on would depend upon their ability to fill other positions in the organization. The greatest majority of men working in the aforementioned departments have come up through the ranks and a large number of men now holding key positions in these departments began work in the retail stores. There is no formal training program for a person who is transferred into one of these departments. Knowledge of that phase of operations is gained through informal training and experience on the job.

From the manager level, the employee can move to district manager (who supervises about fifteen stores). The next step would be to advance to vice-president in charge of stores operation.

Currently, Stop and Shop, Incorporated, has a policy of opening at least six new stores each year, without combining any others, therefore, this necessitates the need for more department managers, more district managers in the near future and more personnel in general.

Advancement opportunities to responsible executive positions in the company are dependent upon the need for additional executives and the

ability and performance of the individual concerned. The current policy of expansion creates the first part of the opportunity, it is then up to the employee to fulfill the second part of the statement.

A starting salary comparing favorably with that offered by other companies, a chance to be located in one state - Massachusetts, good earning opportunities and the fact that the company is expanding are all in the college graduate's favor.

With these points foremost in mind, it is easily seen that the future chances are very bright for the ambitious, hard-working college graduate to advance rapidly in this progressive organization.



## CHAPTER VIII

### SUMMARY

For a long time, the grocery business scraped the bottom of the barrel in its search for competent employees. Too many people believed that a job in a grocery store was something a person took when he could not get employment elsewhere. In effect, it had long been a field without prestige but with each succeeding year the fallacy of this statement is being revealed more and more.

As an industry, the food business has not done a very good job of educating the general public on the mechanics of its distribution system and the average person has very little understanding of the wide range of activities involved in supplying his dinner table and practically no appreciation of the fascinating, romantic aspects of food merchandising. Parallel to this, most individuals do not realize the need and opportunity for capable executives in this basic and competitive industry.

There was an era when the retail food field was at a competitive disadvantage with many other industries in wages, hours, working conditions and employee benefits, however, that condition no longer exists. There is only one main reason why the food business should not be able to compete successfully for its share of the best personnel available and that is, not enough people know what the food industry has to offer in the form of job opportunities.

This thesis is written to assist in correcting the condescending attitude toward the grocery business and to arouse an active interest

and understanding of the food field. The main appeal was directed toward college students, however, the entire general public should be made aware of the mechanics of the food distribution system and the employment possibilities in the area of food merchandising and supplying.

Too often, persons refer to a store manager as a "glorified grocery clerk" with little else to do but help stock shelves, keep track of the money in the cash register and nibble grapes displayed on the produce counter. This is the type of thinking that must be altered by executives in the food industry.

In order to illustrate that the food industry is truly the world's biggest business, numerous research figures point out that, tomorrow (if it is not Sunday or a holiday), more than 50,000,000 Americans will walk into over 500,000 retail food stores and spend about \$100,000,000. The larger supermarkets of today employ between fifty and one hundred persons, serve thousands of people each week, carry inventories of well over 5,000 different items and do a volume of between \$30,000 and \$75,000 per week. This is almost \$4,000,000 per year in sales for only one store - big business from any angle. The managers of supermarkets like these have to be well trained in such tasks as work planning, sales promotion, inventory control, customer and personnel relations and record keeping. Compensation for work of this type generally varies from \$5,000 to \$12,500 per year, depending upon the volume of business done by the store. With this picture in mind, it should be realized that a job requiring a man with the ability such as is needed to manage an operation this large and receive a salary of \$100 to \$250 per week is no longer in the category of "just a grocery clerk". The position begins to assume a certain amount of prestige and a rather sizable dollar income.

A career in the food industry does not limit a person to the retail food chain field. The processing, manufacturing, magazine, broker, wholesaler, meat packing and equipment fields are a few examples of the various other phases into which the college graduate may direct his interests. Since the food industry is the largest business in the world, a multitude of job possibilities is made available to the individual desiring a career in this field.

This dissertation relates mainly to the stores operation phase of the food chain industry, however, other areas such as personnel, accounting, advertising, research and warehousing must not be neglected. Even though most food chain executives agree that perhaps more opportunities are in the stores operation phase of the business, the possibility of entering into other departments of the company should not be overlooked.

As a result of this research work, certain observations concerning employment in the retail food chain industry can be made.

A factor of importance to applicants for positions in the food chain field is the interviewing procedure and the characteristics desired by companies in potential employees. When personnel managers interview prospective employees, no one definite point stands out in their minds, but rather, a combination of many traits gives the interviewer a chance to evaluate better the applicant. The employment officer in each company places more emphasis on certain items than on others, however, as much information as can be obtained about each candidate is weighed carefully prior to his selection as an employee. Some of the more pronounced points for consideration are:

1. "Why do you want to work for this company?".
2. Ability to meet, work and get along with people.

3. Ability and desire to get ahead.
4. Clean and neat appearance.
5. Desire to work in the retail food chain business.
6. Potential to develop into executives.
7. Initiative.
8. Ambition.
9. Courtesy and friendliness.
10. Good conversational ability.
11. Physically and mentally capable of performing any jobs assigned.
12. A degree of maturity in accordance with the applicant's age and experience.

If job applicants are aware of the traits that food chain companies desire in their employees, then they are able to conduct more accurately a self-evaluation, measuring their characteristics against those standards generally applicable to college graduates desiring employment in the retail food chain industry. If the applicant is weak in some points, he can recognize them more easily and attempt to correct them. In this manner, he increases his chances for employment, enhances his opportunity to be of service to the company and strengthens his possibilities for subsequent promotion.

From an analysis of the information gathered, it can be noted that, at present, there are two extremes practiced in the food chain field regarding training programs for individuals. One, some companies make no distinction between the college graduate and the employee without a college education. Two, other companies have rather definite, outlined programs of training usually limited to college graduates. The former

is generally termed an informal or on-the-job training program while the latter refers to a formal or planned training program.

The formal training programs, similar to those offered by the Kroger Company and the Grand Union Company adhere to prepared outlines of training which set aside a proposed length of time in which the training is to be completed. However, there is some flexibility attached to these training programs. If, for example, a person has the ability to grasp quickly and to retain fully the basic fundamentals of each job, then he may complete the training course in a shorter period of time than the individual who, although capable, requires the full length of time in training.

Informal training programs are conducted in the store itself, although they may be interspersed with occasional classroom instruction. There is no definite time limit in which the program is to be completed. The man's ability to learn controls the amount of training he receives in each phase of store operation. Stop and Shop, Incorporated, and the Jewel Food Stores Department of the Jewel Tea Company, Incorporated, follow this method of training.

Even for informal training programs, there is a marked difference in the length of time spent in training. The Kroger Company's 40-week special training program for store management and the Grand Union Company's 18-month trainee program illustrate this point very aptly. No range could be mentioned which would relate to the length of time spent in informal training programs. The main determinant is the ability of the man to grasp the fundamental points and to move ahead rapidly.

Some food companies use classroom teaching and discussion to supplement their on-the-job training program. This can be considered as a middle course between the strictly informal and formal training programs. Safeway Stores, Incorporated, has a program similar to this.

Currently, probable starting salaries for inexperienced college graduates range from \$50.00 to \$70.00 per week. Beginning salaries for experienced college graduates fluctuate with the extent of experience. A few food chains grant periodic increases to the trainee while others compensate the man upon his merit and ability in performing jobs assigned to him.

The promotional lines in each chain seem to follow relatively the same pattern - particularly in the stores operation phase of the business. Department clerk to head clerk or assistant manager to department manager and then to overall store manager constitutes the channel of promotion at the store level. Store or department manager to district manager (supervising about eight to fifteen stores) to general district manager to stores operation manager to branch manager and then to vice-president in charge of stores operation is the usual line of advancement in the positions above store or department manager. For the man who wishes to enter into the merchandising or administrative phases of the business, the promotional line would probably be from store manager to assistant buyer or merchandiser to buyer or merchandiser to merchandise manager to branch manager and then to vice-president in charge of merchandising. In the administrative phases, one can rise to assistant to the department head, assistant department head, department head and then branch manager. Vice-president in charge of some specific function and then president of the company are the top executive levels to be reached.

Executives of these food chains realize the value of employing college graduates who meet the requirements stipulated for employees in the organization and, consequently, there is increased emphasis placed on attracting college graduates into the industry. These men have the educational background to get ahead and, with the proper amount of experience, they should be capable of assuming managerial or executive positions. If companies employ college graduates, then the chance of receiving executive material is increased. Food companies offer the applicant certain employee benefits, good wages and working conditions and an opportunity for rapid advancement. The college graduate presents to these companies his educational background and potential executive ability.

A noteworthy point is that each company investigated has a number of benefits to offer prospective employees. Paid vacations, holidays with pay, sick leave payments, profit-sharing plans, group life insurance coverage, hospital and surgical benefits and retirement funds were the most common among these companies.

Some companies now operating stores under the three-department manager plan are altering their organizational pattern at the retail store level to one involving a single, overall store manager. Along with this tendency is the trend toward establishing more formalized types of manager training programs. Most companies have recognized the need for a program of this type, in order to give potential store managers a background of information and experience in all phases of store operation, prior to managing a supermarket.

Any individual interested in learning more about the food business is urged to consult the bibliography to this dissertation. The references

listed provide much valuable information pertaining to the food industry in its entirety.

Such periodicals as Chain Store Age, Grocer's Digest, Progressive Grocer, Food Field Reporter, Food Topics and Super Market Merchandising all furnish excellent background material and current data relating to the food industry.

If the reader wishes additional information regarding job opportunities in other food chain companies, he should contact the personnel directors of any organizations in which he is interested.

In final summary, the author wishes to emphasize that the food chain field offers many advantages to persons desiring to enter into that industry. Security, starting salaries comparing favorably with those paid in other industries, training programs, profit-sharing plans, various employee benefits and, above all, a chance for rapid advancement are all presented to college graduates interested in a career in the retail food chain industry.



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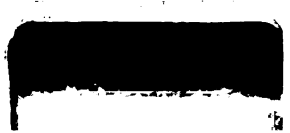
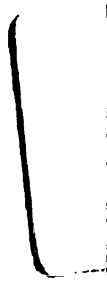
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