Business Research Project

James, Kevonna Atkins, Fernanda Benevides, Jagbir Dhanda, Melissa Fondevilla, Erik Olsen

QNT/561

November 9, 2015

Heidi Carty

Business Research Project

Shop Mart is a major industry all across the United States and Canada but in the recent years the company's stock prices have declined.  Public perception of this company has taken a fall as well due to the company's policies and practices.  To correct this problem the company must make a change as a whole and find a way to measure public perception.  Are Shop Mart's employment policies and practices having a negative impact on the price of the company's shares?

**Part 1**

**Background and Business Problem**

Shop-Smart is a major global retailer with thousands of stores in the US and Canada. General public perception (based mainly on hearsay) is that the company treats its employees poorly. Practices that lend to this perception include: 1) Keeping employees hours below 32 hours per week so that the company is not obligate to provide health insurance, paid time off, and other benefits. 2) Paying wages at or just above minimum wage so that the majority of their employees are below the poverty line. 3) Requiring employees to work on Holidays and very late or early hours during promotions to maximize profits. Shop-Smart's stock price has been steadily declining for the past four years. Some managers within the company believe that this decline is the result of a low public opinion of the company stemming from its employment practices.

**Team Role**

Over the course of the following 4 weeks, Team A will be analyzing data pertaining to Shop-Smart. Using independent and dependent variables, set sampling methods and data collection plans, descriptive statistics, and hypothesis testing, the team will endeavor to find a conclusion, limitations, and provide future recommendations to Shop-Smart.

**Variables**

**Independent Variable**. Shop-Smart's practices are affecting the moral of the organization and in turn it is affecting how the company is being viewed. They are one of the largest corporations and have many employees on staff. The hearsay of the treatment of the employees has impacted the company's overall success. This project will determine if providing employees with more hours and benefits will lead to employee job satisfaction. This can be measured using the number of hours as well as a y/n variable in regards to the employee’s perception of insurance eligibility.

**Dependent Variable**. Employee satisfaction will help in rebuilding the reputation of the company and also help to improve the organizations declining share prices. Shop-Smart considering a change to employee hours and benefits could make a significant change in the organization as a whole. The morale will increase, employee's satisfaction will rise, and employees will be excited to continue to be a part of the corporation. The dependent variables used in this research project for measurements will be the following:

Employee Satisfaction=1-10

Public Perception of Employee Treatment=1-10

Likelihood to Purchase Shares of Stock=1-10

**Hypothesis**

Based on the question in regards to Shop-Smart two theories have emerged. 1) Shop-Smart's employment policies and practices has had a significant negative impact on the company's stock price. 2) Shop-Smart labor struggles have affected its stock price. When corporations have unpopular labor practices, its stock prices decline.

**Conclusion**

As outlined above, in the next few weeks Team A will be developing a case study, by applying statistics with variables and independent variables as well as two hypotheses, of how Shop Smart poor employment practices have been affecting its stock prices and public perception. Based on tests results, Team A will make policy recommendations to the board of directors of Shop Smart on verifiable strategies that will improve its bottom line and reputation.   Shop Smart is the second largest employer in the USA, with high visibility and scrutiny, and should no longer ignore the need of revamping its policies in order to stay more competitive and profitable.