## **Corporate Culture at Walmart**

Name

School

## Corporate Culture at Walmart

Walmart retail stores have gone from being a regional general/department store in the Ozarks to the major global retailer in about fifty years. It seems obvious that Walmart is doing something right, as its nearly 12,000 stores now span the globe. According to Miller, corporate culture that respects both traditional productivity and the human resources approach, including team-like management, may be the most effective form of business ethos-valuing each worker's needs without disregarding the corporate demand to turn a profit, listening and communicating, and making each employee feel like he or she is a contributing member of the organization (1999). According to one of founder Sam Walton's close associates, this is precisely the type of organizational culture he instituted, knowing it would succeed, and based on the tripartite leadership values: "Respect for the Individual, Strive for Excellence and Serve your Customers" (Bergdahl, 2016, 1); another source adds "Action with Integrity" (Lombardo, 2015, 1). While some question the extent to which Walmart, with its combination of hierarchical and horizontal leadership, lives up to these values, there is no dispute that whatever grew out of Walton's Arkansas humble beginnings can and does resonate with both consumers and employees worldwide. A company that emphasizes communication, respect for the individual, and inspires participation at all levels will motivate and retain productive employees, increasing its chances for success.

In order to explore how these components have contributed to Walmart's success as an employer and a retail giant, two basic research types will be employed in this study, both of which are qualitative. Qualitative studies focus on experience rather than quantitative, empirical data-gathering and experiments. This methodology seems appropriate for an analysis of store culture that does not involve mass experimentation, but rather opinions and perceptions. The first

2

type is to analyze writings that pertain to the topic of Walmart and corporate culture, keeping in mind the positions stated in Miller's text, chapters three and four (Miller, 1999).One of the internet sources, Michael Bergdahl, was an insider at Walmart for years, working closely with founder Sam Walton (2016). His perspective, therefore, is unique in its proximity to the ideals and actions of the founder. Another source is a journalist attending a Walmart opening in an economically depressed urban area (Yates, 2013). A third writer compares Walmart's organizational structure to its organizational culture (Lombardo, 2015). These three writers, on the whole, are fairly positive toward the "Walmart Way." A fourth writer, however, negatively reports on Walmart's authoritarian culture, particularly as it impacts the advancement of women (Lichtenstein, 2011).

The other research method used herein is an interview with a former Walmart employee. Interviews with open-ended questions are effective ways of ascertaining perceptions of those who have experienced a phenomenon and can articulate it in understandable terms (Creswell, 2013). The interviewee was informed that all information was confidential, for academic use only, and given voluntarily.

Bergdahl (2016) and Yates (2013) both indicate an almost cult-like enthusiasm that pervades Walmart employees. Yates attributes this to the excitement of many of the new "associates" to have a job in a high-unemployment area, and the camaraderie-building effect of being part of a time, having almost cheer-like responses ready, and overall community support (2013). Bergdahl, who worked closely with founder Walton, also notes that profit-sharing is available to every employee, providing expectations are met, and that all employees are kept informed of each months' profits and losses (2013). His writing is distinct from other sources in that it is a personal account from a very high level within the company. He notes that this gives

## CORPORATE CULTURE AT WALMART

the employees a form of ownership of the success of the business, and sense of importance concerning their role. Lombardo also commends the inclusive spirit at Walmart, while noting that its strict hierarchy can make for inflexibility and, despite its respect for the individual pronouncement, wages have steadfastly been kept low (2015). What Walmart lacks in wages for incentives, however, it attempts to make up for via employee suggestion programs, annual manager meetings, and departments for major issues such as human resources (Bergdahl, 2016; Lombardo, 2015). Lichtenstein counters that the low wages are in part the result of Walmart's strict anti-union policy, and that, whether intentional or not, its promotion practices result in a glass ceiling for its numerous female employees (a position that was shut down in a recent lawsuit, according to Lichtenstein) (2011). The reasoning behind this contention is that new managers are almost always required to move to stores hundreds of miles away, and work up to eighty hour weeks, both of which may be difficult for mothers raising children but minor inconveniences for young men (Lichtenstein, 2011).

Moving beyond written sources, the interviewee, a former Walmart employee and mother of two, agreed in part with some of Lichtenstein's point that the company limits employees, but for different reasons. She said that her biggest issue with working at Walmart was two-fold: first, the company made sure to send home most of its associates if they came close to having worked a forty hour week, to avoid full-time status and benefits. Second, there was almost no opportunity for overtime. Nevertheless, the interviewee did state that she was treated with respect, especially by her supervisor, who communicated with her directly every day, and that daily breaks and lunches were monitored very closely for all employees. She also commended the profit-sharing plan as a great incentive for all employees—young, old, short-term or career. In conclusion, Walmart's culture is an unusual blend of team-promoting overlain by hierarchy. Individuals are encouraged to make suggestions and their rights are protected, yet there is limited opportunity to advance, or even become full-time, although the corporation emphasizes that every employee has that potential (Yates, 2013). Communication, which is key to many successful workplaces (Miller, 1999) is valued, and although each employee, no matter how low or high has a direct supervisor, that supervisor is encouraged to talk and listen to their subordinates often. Being part of something big, and having hope that one might be that fortunate employee out of thousands who makes it to a higher level, drives associates to work with enthusiasm, and follow the precepts established by Sam Walton. As much as people tend to criticize the possibility of individualism within a behemoth corporation, Walmart does succeed, to some extent, in making that possibility seem real for its employees, thus creating a human resource oriented culture within a strict, production (sales)-oriented hierarchy.

## References

- Bergdahl, M. (2016). "THE WAL-MART WAY"...Cultural Kool-Aid Creates Cult-Like Commitment." *Global Business News*. Retrieved from http://www.globalbusinessnews.net/story.asp?sid=1239
- Creswell, J. W. (2013). Research Design: Qualitative, Quantitative, and Mixed Methods Approaches. London, UK: SAGE.
- Lichtenstein, N. (2011). Wal-Mart's Authoritarian Culture. *New York Times*. Retrieved from http://www.nytimes.com/2011/06/22/opinion/22Lichtenstein.html
- Lombardo, J. (2015). Walmart: Organizational Structure & Organizational Culture. *Panmore Institute*. Retrieved from http://panmore.com/walmart-organizational-structureorganizational-culture
- Miller, K. (1999). Organizational communication: Approaches and processes. Belmont, CA: Wadsworth Pub.
- Statista. (2016). Total number of Walmart stores worldwide from 2008 to 2016. *Statista*. Retrieved from https://www.statista.com/statistics/256172/total-number-of-walmart-stores-worldwide/
- Yates, C. (2013). A culture of corporate at Wal-Mart. Washington Post. Retrieved from https://www.washingtonpost.com/blogs/local/wp/2013/12/04/a-culture-of-corporate-atwal-mart/