Walmart Case Study

Elaine

[Name of the Institution]

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**Introduction**

Ethics refers to the concept of right and wrong. In businesses, ethical theories refer to practices that better serve the demands of employees working in the organization. Walmart is one of the largest ethical stores has been accused several times of violating ethical practices. The company has been charged with unpaid working hours, poor health conditions of employees, child labor, and extra working shifts. The most criticized was Walmart stance against the union groups. Due to the existing injustices, the employees of Walmart Florida formed a union group to get better working conditions and held the company accountable for the grievances. The union was able to take stand for fired employees, restore the hard working hours and breaks. But soon Walmart took strict action against the employees who were part of the union. The company terminated several employees, some even without getting paid for their work. Soon the UCFW formed a national association to organize Wal-Mart workers, and the attempt was successful in re-establishing a lawsuit against the retailer for its anti-union activities. Although, in the same year Walmart established union groups for 30,000 employees in China, which they called an action done in the light of law to preserve employee rights. The critics believed it was done to satisfy the biggest trading partner. The perception of the company was greatly impacted due to unethical employment practices, and this criticism has resulted in several lawsuits against the retailer.

Walmart human resource practices are greatly under consideration due to their unethical practices regarding employees. The company is based on aristocratic policies where executives are highly concerned about their companies profits. The human resource is given the least priority in company policy making. The company makes the policies which reflect the probability of greater profit irrespective of the fact that they sacrifice their employees for the outcomes. The extra working hours without breaks have greatly impacted the health of their employees. The company strict rules restrict the employees to formally take action against most of the injustices. The union has somehow helped the employees to jointly held the company accountable for disruptive practices. The employees are unsatisfied and lack confidence. They are afraid of losing their jobs due to which they agree to the working circumstances (Benach, Muntaner & Santana, 2007). The company was also accused of hiring illegal immigrants which pose a greater threat to the working environment. The company has not really focused on their human resource needs and focus on productivity and profit. The executive claimed that the didn't know about illegal immigrants were hired. However, it is highly irresponsible of the management that they do not know about their employees.

Walmart was greatly criticized for violating break law during work when 116,000 employees combined lawsuit the retailer for violating the California law. The law states that employees should be provided with 30 minutes lunch break during their shift. The hard-working shifts of Walmart employees have resulted in their dissatisfaction with the company. The lawsuit resulted in $57 million of compensation to the employees. The verdict of California was also followed in other cities as well such as Oregon and Colorado, and ordered to follow the same laws. Similarly, Walmart was also criticized for its strict working conditions which have resulted in poor health of employees. The New York Times reported that employees of Walmart were sick comparing to the national population who are admitted mostly in emergency rooms. In 2006, lawmakers were considering Health insurance legislation that would compel large corporations to provide health facilities to their employees. Resultantly, Walmart announced to provide insurance plans, which will provide its employees with a monthly package to spend on their health. However, the critics believed it was a step to hide the negative image of the retailer by proving the insurance, although the employees were still working under strict conditions. They critics stated that if Walmart wants to cooperate in improving the health conditions, they should focus on their working conditions first inorder to safeguard their employees for health related concerns (Basker, 2005).

Being the largest retailer company, Walmart ethical decision making was not in favor of its employees. The company was held accountable for ethical considerations many times, however, it did not efficiently respond to employees need. Due to the judicial pressure, some of the laws were executed by the company but still, the ground realities were quite different. The decision making framework was largely in favor of the company and prefer the profit over its employees. The company annual income is above $11 billion, in which the workplace practices can be improved on a larger scale but still, it is not there priority. Almost 5,000 lawsuits are filed each year against the company which shows their irresponsibility towards its employees. The company was a lawsuit for exploiting its workers by minimum wages, overtime work, and even workers were subjected to physical violence by their managers. The cost-benefit analysis was largely in favor of the company instead of employees. It was reported that the company did not provide gloves to employees for fabric cutters due to high prices. However, due to the increasing criticism, the company decided to hold the suppliers for working violations and decided to conduct unannounced inspections in foreign countries. However, more problems arise such as child labor due to which the company was fined $135,540 for child laws violations. When the hurricane Katrina happened, Walmart provided $17 million in assistance and aid to the region for its global reputation. However, they failed badly to assist their employees who suffer because of companies poor policies (Ann & Carr, 2010).

Walmart needs to adopt strategies which are highly in favor of their employees. The company is built on a strong foundation of employees who work hard and play an important role in the companies success. They need to adopt inclusive strategies to engage their employees in the decision-making process and should provide them with incentives for better performance. The company is annually engaged in lawsuits for different reasons which needed to be overcome. The need to adopt employee centered policies not only profit-oriented policies which will give them a competitive advantage in the market. Companies like Amazon and eBay are highly investing in their employee satisfaction and are constantly updating their policies. Whereas on the other hand Walmart is constantly accused of poor working conditions. If the employees are not satisfied, the company will regularly face criticism for their policies. Simultaneously, they will invest much amount to maintain their image globally. Thus this amount can be spent on their employees, they should be provided with better incentives and flexible working opportunities. This will increase employee satisfaction and will reduce the rate of leaving the company. The company also need to conduct regular inspection on their overseas retailers, to check the working conditions. They need to incorporate the working laws while making policies. The company needs to regularly conduct employee satisfaction surveys and employee performance evaluation to check the perception of employees about the company. Also, organizations that adopt bottom-up approaches are more likely to achieve progress instead of those executives who impose policies that do not reflect the needs of all employees. In order to compete in the globalized world, firsly, it is important to solve the internal issues.

**References**

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