

# Walmart

Business



Walmart is one of the largest public multinational corporations which run departmental stores and warehouse stores all over the world. The company was founded in America in 1962 and since then it has significantly expanded its operations to 15 other countries though under different names. Currently the company has remarkably grown in size and influence globally.

The huge buying power and market share makes Walmart the price leader and a significant economic player in America and other nations across the world. This paper will seek to explore the impacts of Walmart to the workers, small businesses, communities and to the environment. It will also analyze the various allegations that the company has continued to receive. The continued Walmart expansion policy makes it one of the leading private employers in the America. Its many departmental stores have continued to offer jobs opportunities to many and in 1999 it surpassed General Motors and became the largest American private employer.

Internationally, Walmart has employed close to 2 million workers. However, it has to face numerous lawsuits due to low wages, inadequate health care and poor working conditions. The company is also known for its strong anti-union policies which make it hard for the workers to negotiate better terms. The high turnover rate shows its negative impacts on the workforce. It is believed that nearly 70% of its employees leave their jobs within the first year.

Walmart dominates the retail industry in the market since it practically sells everything from sports products to groceries. Due to its size, Walmart has been the price leader in the market and it has always sold its products at

lower prices compared to other small businesses. The size also allows their stores to sell all consumable items that people needs. This pricing strategy has continued to threaten the present and future operations of the small scale businesses in the market. The take advantage of their large economies of scale to suppress the existence of the small businesses in the American market. Its success has forced the small businesses to change their marketing and operational strategies in order to survive in the market.

The overall impact of Walmart to the communities is positive. This is because its super stories have efficiently supplied them with all they need at discounted prices. Their economic power has significantly enabled them to drive down the prices of consumer goods effectively more than the U. U government policies. The company has also employed more people thus raising their living standards. The all-inclusive nature of the store significantly reduces consumers' movements as they are able to get all what they need in a single point.

The massive growth of Walmart outlets in America and other countries have all along posed great threat to the environment. This is mainly due to the heavy traffic congestion and non-biodegradable pollution from the stores products. But recently the company has significantly improved its operations in order to clean up its tainted past image. They are advocating for the use of bio-degradable packaging materials which will lessen environmental pollution. They have also initiated plans to reduce carbon emissions by elimination their 20 metric tons greenhouse production across the globe.

The program is however scheduled to be effective by the end of 2015. This policy measures are aimed at reducing the amount of penalties and fines that the company pays due to its pollution annually. Many environmentalists have continued to argue that Walmart's pro-green efforts is somehow insignificant compared to its eminent pollution. They therefore urge the government to establish strict policies to regulate all companies which threatens our environment. Walmart has been accused of not providing health insurance to the majority of its workers. By the year 2005, they had only insured approximately 44% of their employees, a proportion which is way too low comparing to their competitors.

They are also accused of spending little on the cover compared to other retailers in the market. Walmart is accused of having poor remunerations to their workers, a move which disqualifies many to the state welfare programs. They are also alleged of forcing their employees to work many hours without an overtime pay. Walmart succeeds in this since they hire part-time workers, with little or no skills at all. Their staffs are also denied rest and lunch breaks which are important to their health, something that the company does not care much about.

Because of this there have been many class-action suits against the company, which have positively yielded some fruits though not to the expected limit. All these problems are believed to have been caused by the company's pressure against any labor union formation. Walmart is alleged of discriminating its employees in matters regarding pay rise and promotions depending on their gender and sexual orientation. This has aroused some lawsuits in the past, notably the 2005 *Dukes v. Wal-Mart Stores, Inc.*

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this has however changed in the recent times as the company is praised for its anti-discriminatory policies towards its employees. Walmart is accused of being a great threat to the environment, for its continued massive pollution in their packaging and other processing activities. This has however made the company suffer penalties and fines in the past, and thus their recent policy change on the environment. On the outsourcing issue, Walmart has been accused of dominating the product pricing for its suppliers. They are able to do this because of their economies of scale. They are also accused of paying little to their service providers who in turn offer substandard services to them and thus posing a threat to the consumers.