

Good research paper about walmart

[Business](#), [Company](#)



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Introduction

Wal-Mart is one of the largest organizations in the world in terms of employee force and revenue. The business helps people all over the world to live a better life and save money – anywhere and anytime – in their retail stores, through online shopping or using mobile devices. Every week, around 245 million members and customers visit Wal-Mart’s 11, 000 stores in 28 countries under 65 banners and eCommerce businesses in 11 nations all over the world. Wal-Mart reached \$482. 2 billion in sales and employs 2. 2 million store associates all over the world (Wal-Mart Inc., 2015).

Role of External Social Pressures on Walmart Ethics

An organization with the size of Walmart faces several external pressures to their business as they operate in different countries. Some of the external social pressures faced by Walmart are customer loyalty, shareholder’s expectation, code of conduct, corporate social responsibility, government pressure and regulations. Lately, Walmart faced negative press due to their

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unfair employee management practices and were dragged to court by other organizations, their employees and the government on a few occasions. There have also been cases of bribery, which risked organization's reputation and caused their stock prices to fall. Walmart has managed huge success in terms of revenue, but they also earned negative perception after unfair treatment of employees and unethical trade practices. Faced with negative criticism on several fronts, Wal-Mart has embarked on a positive image building strategy to furnish their reputation and soften its impact on local communities, the environment and workers (Ferrell, Fraedrich & Ferrell, 2005, p. 407-423). In 2005, Wal-Mart started to respond to their critics by adoption of progressive community, employee and environmental practices, including their initiatives of cutting use of energy and building eco-responsibility between their suppliers (Shao, 2009). Ethics of business administers their response to both external and internal stimuli. Whenever an ethical dilemma arises, the business falls uses their code of ethics for figuring out the most favorable solution.

Importance of Issues on Walmart Business Decisions

Social pressure causes short-term disturbances to Wal-Mart and makes them think about their business decisions. For Example, Walmart's business philosophy includes providing their customers with quality products at Everyday Low Pricing (EDLP). But their business philosophy also involves paying lower wages to their employees and most of them are not provided health insurance. Overtime, Walmart worked to improve their poor healthcare and low-wage policy, but the company then managed to fall short on their social responsibility as they chose to reduce workforce to circumvent

the loss of revenue. Loss of employees had a significant impact on their service quality as Walmart was unable to satisfy customer needs through the limited number of employees per store. Such social issues impact the business decisions and personal choices of Wal-Mart, but overtime the size of the business and customers' dependence on Wal-Mart helps the organization overcome all such social pressures (Ferrell, Fraedrich & Ferrell, 2005, p. 407-423).

Another issue that rises in the local markets from Wal-Mart's business policy is loss of jobs to third world countries providing cheap labor and production facilities. Walmart also ensures their power centers buy products in bulk and develop relationship with suppliers. Since, they buy in bulk the suppliers bargaining power is eradicated and they need to sell their products at the lowest cost possible. Due to this reason, several American jobs have been shifted to the third world countries where production and labor is cheaper. This negative impact on the domestic job market is the result of the organization's philosophy of sourcing at the lowest cost and selling at the cheapest rates. Walmart cannot do anything about it, as they need products at low rates and the production houses has no other option but to move abroad for competing (Ferrell, Fraedrich & Ferrell, 2005, p. 407-423).

Relationship between Legal and Ethical Issues

Walmart claimed that they did not need a formal ethics program as they would be following Mr. Walton's ethics. But over the past few years, Walmart has been involved with several scenarios where they have used unethical business practices with their employees and stakeholders. In case of Wal-Mart, several legal issues they have faced such as bribery in Mexico or the

class action lawsuits by their employees have been ethical issues too. Most of these legal cases have started out as unethical business decisions by the organization that became lawsuits and forced Wal-Mart to pay large payments for settling the cases. In the retail industry, organizations need to ensure that they follow the standard code of ethics for employee management, customer service and following ethical code of conduct for running their business. Any practice considered unethical in the eyes of law becomes a legal issue that causes business to lose their reputation.

Conclusion

External social pressures impact the operation of business, anytime the business is practicing unethical behavior. In Wal-Mart's case, they are known for unethical business actions that have hampered their reputation the past decade. It is worth noting that social pressures have forced large organizations like Wal-Mart to change their business policies and decisions, ensuring they maintain their reputation over a period of time. Most unethical issues that have been witnessed at Wal-Mart have become legal mandates as the organization gets challenged with social pressures and have been taken to court for breach in ethics by their employees, the government, etc.

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