

# Wal-mart's organizational structure essay sample

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Wal-Mart opened their doors to the public back in 1962 in Rogers, Arkansas, Sam Walton; the brilliant mind behind the idea of Wal-Mart never could have imagined the type of success his business would eventually build. Wal-Mart evolved into a multibillion dollar company that earned over \$15 billion in 2011 (Walmartstores. com, 2012). The evolution of Wal-Mart could not have been successful without careful planning, impertinent strategic implementation, and proper control of its business processes. Without these major factors it would have been almost impossible for Walton to choose the correct organizational structure that would help run this business still today.

#### Current Structure

Wal-Mart has been successful since the start of the business back in 1962; none of this success could have been possible without a great organizational structure. Wal-Mart's current structure is a formal, bureaucratic structure which is better suited for a more complex/larger organization. Within this structure it clearly defines the roles and responsibilities of the employees and has a high respect for merit. There are three operating divisions within Wal-Mart that are logistics, real-estate, and store operations. These divisions are under a leadership team that is ultimately unified within the company. Within the leadership team it is broken down into three geographic business units: West, North, and the South.

With these divisions being under one leadership team it has taken Wal-Mart into the geographic departmentalization setting. As far as the chain of command with Wal-Mart, the chain of command is very clear, and is known throughout all of the company and has many levels of management from senior executives to regional management, all the way down to department

store managers. The span of control within the company is very narrow, which means that management teams decide how merchandise will get priced, how items will be shipped, and how other items throughout the store will be handled. With this structure Wal-Mart has continued to be successful and as long as the structure is followed through the years, it will continue to be a successful business. Why Wal-Mart's Method is Successful

Wal-Mart's success is owed greatly because of the excellent organizational structure that has been implemented and is currently still being used.

Bureaucratic structure is the type of structure that is mainly used for large complex organizations. The reason Wal-Mart's method has been so successful is because of the structure that is construed, within the structure it has rigid and tight procedures and policies, and is also very reluctant to change anything that has been being done since the beginning of the company. That quality alone is what helps Wal-Mart stay so successful, Walton saw what worked and has stuck with it. Another thing that keeps the business so successful is that fact that within this structure an organizational chart exists within each and every department.

Having an organizational chart throughout each department helps keep all executives, managers, and employees on the same page when it comes to tasks and priorities throughout the company, whenever a question or issue may arise the chart is available for the management to look at to ensure that the correct people are getting the proper job done. All in all, Wal-Mart's method has been used since the beginning back in 1962, and has continued to work with their growing success.

References:

Wal-Mart store Inc. (2012). Retrieved from <http://news.walmart.com>