

Discuss wall-mart's strategic social challenges

[Business](#)



Their corporate strategy is four parts: Dominance in the retail market, expansion in the U.

S. And International markets, creation of positive brand and company recognition and branch out into new sectors of retail. We will answer some questions and discuss to better understand Wall-Mart's strategies. What are the threats and challenges Wall- Mart is facing? What priorities did CEO Lee Scott set in his " Wall-Mart: 21st Century Leadership" address?

Discuss initiatives outlined in " Supplemental Benefits Documentation: Board of Directors Retreat IFFY". Was damage done to Wall-Mart by the leaking to the public of the Board Benefits Strategy Document? Provide comments on recent Wall-Mart Initiatives from strategy and public relations.

Discuss Wall-Mart's strategic social challenges. Did the 2003 case study provide the evidence of what Wall-Mart is facing? There are a few recommendations which could make the company work better. Wall-Mart has been criticized for their opposition to allowing heir employees to be unionized, and they need to better explain their position.

Recently, they have been targeted for their low wages and lack of benefits offered to their associates. Develop a public relations strategy to deal with negative threats. Wall-Mart must address their threats and challenges to enjoy continued success in creating positive name recognition.

Wall-Mart will need to implement these recommendations so they can remain at the top, while keeping a good reputation and maintaining their

name synonymous with cheap prices and good quality merchandise. IQ What threats and challenges is Wall-Mart facing?

Labor relation issues, cost-cutting effects, other retail companies and public relations are some of the threats and challenges Wall-Mart is facing. Given the nature of this economy, retailers have had to make changes and decisions which cause issues in other areas. The decisions made have opened up a path for other retailers to be more competitive with Wall-Mart, as well as with each other. The major threat and challenges are Labor relations and public relations. Wall-Mart's labor relation has a negative public perception.

With over 2 million employees worldwide,

Wall-Mart faces labor lawsuits and issues when it comes to their associates. The lawsuits/losses deal with benefits, low wages, poor working conditions, health care and their anti-union policies. The high turnover rate is evidence Wall-Mart has an unhappy workforce is just one indicator, as well as approximately 70 percent leave measures to deal with the recession. The recession's effect has hampered Wall-Mart's ability to maintain an adequate staff to run their stores at the level required to meet the customers' need or to their satisfaction.

When cutting cost people are normally the first to be looked at because typically it is the highest cost.

When you cut people you will see the service you provide decrease, and the consequences will be felt in many areas. Wall-Mart customers are seeing longer checkout times, shelves not being stocked and not enough associates

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to assist the customers in need. This is opening up other retailers to the customers because they will seek out other retailers who provide a better service, even though the cost is a little higher. The need for better public relations to counteract the negativity being projected at Wall-Mart needs to be addressed.

The Wall-Mart brand will suffer if they do not do a better job at correcting the record and changing the public perception. Wall-Mart has hired a public relations firm, but they need to do a better job, and Wall-Mart may need to look at other ways to change the public's mind.

SQ What priorities did Wall-Mart's CEO Lee Scott set in his "Wall-Mart: 21st Century Leadership" address (24 Oct 2005)? The priorities set by the CEO were nothing new and have been dealing with jobs, healthcare, community involvement, product sourcing, diversity, environmental impact, but they were being defensive, rather than proactive.

Mr. Scott wanted to start looking at these issues through a different lens to deal with the issues. He feels they need to be more committed to the issues, and as the leader of retail becoming the most competitive and innovated company in the world, they need to be better at attacking the issues mentioned earlier.

As Wall-Mart looks at the issues in a different light it will allow them to grow and become a better company. They will be able to push the envelope and force their competitors to do the same.

It will reduce their cost and provide them with the ability to expand even more locally and globally. These issues can also help solve the challenges and threats they are experiencing now and what they will experience in the future. SQ Initiatives outlined in the “ Supplemental Benefits Documentation: Board of Directors Retreat FYI 06.

The initiatives discussed dealt with three of the biggest benefit-related challenges the company is facing, which are growth in benefits, the associates' satisfaction of benefits and Wall-Mart's healthcare benefits.

They devised a nine limited-risk initiative and five bold steps to deal with the challenges. Limited-risk initiatives is having Wall-Mart to adjust the eligibility requirements for health insurance, minimize the subsidies provided to spouses, provide more healthcare/insurance information on how to use, decrease the life insurance coverage paid by the company, use the savings to better labor productivity, combine best practice care management programs, increase high-performance networks, provide associates with a bundle of benefits to choose from, explore adding health clinics to their stores.

These initiatives will provide a path to making their associates better satisfied. The bold steps will help deal with the challenges the limited-risk did not address.

Wall-Mart needs to address the cost and make decisions that will affect the bottom line. The first two steps address the health plans, which associates will be allowed to it is restructuring to provide associates with better options to save for retirement. The final three steps are dealing with making the <https://assignbuster.com/discuss-wall-marts-strategic-social-challenges/>

associates healthier, limiting out of pocket expenses and improving communication of the benefits they are providing.

This will help with the public perception, sway the critics and help shape the state ND national healthcare outcomes. SQ Comment on two recent Wall-Mart initiatives from the standpoint of strategy and public relations.

The two recent initiatives Wall-Mart announced were hiring veterans and increase the dollar amount of American made products. Wall-Mart has promised to hire 100, 000 veterans in the next five years. This move has been applauded by other Coos and Michelle Obama, it is a noble promise for a company to make.

The number will be a difficult challenge to meet because Wall-Mart will need to hire 20, 000 a year, which will be about 4% of the new hire Walter does annually. The buying 5 billion dollars more in American made products over the next ten year, which is one-third of its annual new spending.

However, the number is being criticized because in a speech by the CEO provide information which Wall-Mart already sources about two- thirds of their products in the United States. Some believe this is just a stunt to make them look good when they can show they blew the goal away, and it also a way to not have to solve social issues.

Wall-Mart is about bring the lowest prices to the customers, and if they can help out the country and the veterans then it is a good thing. Just know they will abandon any thing that keeps them from what Wall-Mart is all about. SQ Discuss Wall-Mart's strategic social challenges.

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Walter's social challenges are ever changing and they change quickly. They need to be able to adapt to the changes. Activist have the ability to immobile and change the public opinion, which will put a company on the defense. Being on the defense takes away a company's ability to make changes in a thoughtful way.

The leaders need to be looking ahead and doing what they can to get in front of social trends.

When they build strategies to combat the social responsibility, they need to edge their bets that will create value in the social and political arena. Coos will need to collaborate with others, have different plans, ensure the organization are unified and on the same page to their approach. SQ Were all the issues Wall-Mart now faces already evident in the 2003 case study? The case study provide evidence to what Wall-Mart is now facing.

Being the largest retail store, having the most employees employed by a company and growing globally will always bring challenges. They were discussing the future of Wall-Mart, finding new ways to provide services they believed the customers would want and deed. The same issues still exist in which they were dealing with back in 2003.

The difference would be the economic downturn we went through enhanced some of the issues and the healthcare change. Recommendations Wall-Mart's main issues deal with the public opinion or perception.

Wall-Mart is doing some wonderful things and helping out a lot of communities. They are getting beat up in the court of public opinion, which

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my recommendation would be to create a better Public relation campaign to combat the negative press Wall-Mart receives. They need to develop better outreach programs and make sure the decisions they make are calculated and provide better public relations. They do not want the union in Wall-Mart.

Eliminate the labor issues, which gives the critics ammo to claim this is why Wall-Mart needs to be unionized.

Tackle the low wages and benefits that are usually a big concern for why unions believe they need to be involved with Wall-Mart. Wall-Mart would strengthen its position if it would do better on the wages and benefits. Wall-Mart has discussed bringing in clinics to the store, this should be started and not talked about. This is an area they could help save money, and also bring a great infinite to the associates.

This investment would provide on-site medical needs to address minor injuries and could be used to establish get fit/health living programs.

Preventative care needs could also be addressed by these clinics. Start programs that can develop career management strategies to eliminate the turnover rate they are experiencing. Providing advancement opportunities to help the low wage employees' gain the knowledge and skills needed to grow within the company. Survey the associates to see what would make them stay and would also provide upper management with insight on what employees want.

Offer educational benefits to the associates, which may provide another benefit to persuade them to stay.

Wall-Mart could re-examine the profit margins or the amount they invest back in to Wall-Mart, and see if they could invest it into their employees. This would be another way the company could increase its perception with their associates and the public. It also can provide a psychological change to motivate their employees, which can increase the bottom line. Caring about the people and showing you care build a thought process which gets the employees to want to do a good job and feel good about doing the job.

Conclusion Wall-Mart being the largest retailer, has grown from a small town company to a global company must keep attacking the future.

The company will grow and can make great strides with strategies making it competitive against other retailers and also competing globally. They need to address the public relations issues they are experiencing now as well as what they can expect in the future. Wall-Mart would greatly benefit in taking the lead and increasing the wages for their associates, enhancing the benefits and providing better healthcare for them as well.

Wall-Mart addressing these issues only helps with their public perception. They are on the stage to demonstrate responsible leadership and also increase the social responsibility which comes with being the big corporation on the retail block.