

# Corporate social responsibility and wal- mart

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Corporate Social Responsibility and Wal-Mart Corporations deal with a wide variety of social issues and problems; some directly related to their operations, some are not. Corporate Social Responsibility (CSR) can be defined as “ the actions of an organization that are targeted toward achieving a social benefit over and above maximizing profits for its shareholders and meeting all its legal obligations” (Ghillyer 78). If this is the case, establishing appropriate and practical ethical guidelines in the workplace seems to be a reasonable request as a basis for corporate operations.

Wal-Mart should be an example in determining what constitutes the values associated with its fundamental purpose of Corporate Social Responsibility. The four components of CSR are financial, legal, ethical, and philanthropic (Barnett). These areas of CSR ought to exist within every company's infrastructure; however, the organization's primary focus is usually on performance and profit not on social conscientiousness. Financial being the first component of CSR is often the major factor in a company's consideration of ethical standards. The main goal of any business is to keep its costs low and to earn a profit.

Financial responsibilities in regards to CSR means that society expects that a corporation will produce needed goods and services that are desired by customers and sell those goods and services at a reasonable price while still earning a profit. The organization strives to be efficient and profitable along with keeping the best interest of the shareholders in mind (Barnett).

Financially, the Wal-Mart Corporation is a multi-billion dollar industry with close to two million employees worldwide. On the positive side, Wal-Mart's

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motto is “ Always low prices. Always! They uphold this motto by providing low prices to consumers with a high return on investment to satisfy stockholders. On the negative side, with jobs currently being scarce, Wal-Mart seems to manage keeping costs low by demanding high productivity from their associates (employees) with seemingly low compensation. In addition, most associates cannot afford to be covered by health insurance. The consequence of this treatment of personnel is a high employee turnover rate, which seems to question management’s view that the organization is a family (“ The NEW Age of Walmart”).

The second component of CSR, which is representative of the legal standards and obligations, refers to the expectation that a corporation will follow the rules set down by society. This means the organization is to comply with government laws used to protect employees’, stakeholders, customers, suppliers, the community, and other competition in the marketplace. An individual business could have thousands of legal responsibilities governing almost every aspect of their operations, including consumer and product laws, environmental laws, and employment laws (Barnett).

The legal challenges that face Wal-Mart are numerous. Before Wal-Mart decides to build a new store, it researches and visits specific site locations in conjunction with considering the neighborhood. It does so discretely as not attract attention attempting to protect against opposition to the development of a new store. Defenders of Wal-Mart propose the overall advantages to the community, which includes economic benefits and

consumer choice. Opponents to a new Wal-Mart have concerns over traffic congestion, public safety, and competition to small business.

Often there can be protests from labor unions, environmental groups, and other wary citizens ("The NEW Age of Walmart"). Ethics is the third component of Corporate Social Responsibility. The ethical responsibilities concern societal expectations that go beyond the law, such as the expectation that organizations will conduct their affairs in a fair and just way. This means that organizations are expected to do more than just comply with the law, they are to do what is considered right by society's standards.

Organizations should make proactive efforts to anticipate and meet the norms of society even if the law does not formally enact those norms. Ethics are a necessary and critical ingredient in any business that wants to be successful (Barnett). Wal-Mart seems to address the fact that there should be a code of ethics. The application of corporate ethical behavior needs to be dealt with on a personal and professional level. The key for Wal-Mart is to help their associates identify if their actions are right or wrong. They rely on a system of training and business practices started by its founder, Sam Walton ("The NEW Age of Walmart").

Lastly, one of the most overlooked areas of CSR is the fourth component of philanthropic and discretionary responsibilities. In other words, this means society expects that corporations be good citizens that they will show concern for humanity. It may involve such things as performing charitable actions, supporting programs that benefit a community or nation, and donating expertise time and/or services to worthy causes (Barnett). In this

area, the future of Wal-Mart looks promising if it is willing to recognize their duty to society.

With its tremendous size, the organization is faced with being an example to other corporations. It is trying to make efforts such as supporting the environment, but they have just begun to scrap the surface. It will require balance between profit and social responsibility ("The NEW Age of Walmart"). Works Cited Barnett, Tim. "Corporate Social Responsibility." 2010. Reference for Business: Encyclopedia of Business, 2nd ed. Web. 27 Dec. 2010. . Ghillyer, Andrew W. Business Ethics: A Real World Approach, 2nd ed. New York: McGraw- Hill, 2010. Print. "The NEW Age Of Walmart." CNBC Originals. 23 Sept. 2009. Video. 27 Dec. 2010. .