

# Organizational structure of walmart essay sample

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



This week we are going to look at Walmart and their organizational structure. We will be comparing and contrasting their organizational structure with a couple other different types of organizational structures to show why the structure they use is best for their corporation. Next we will evaluate how the organizational functions like operations, finance, human resources and marketing influence and determine the organizational structure and how it progresses their corporation. Lastly, we will explain how the organizational design, such as product, matrix, customer-based, departmentalization, functional and geographic, helps to determine which structure will best suit Walmart's needs in their different departments and with the consumer. Walmart is a very large corporation in which they have a wide variety of geographic areas, products, customers, divisions, and departments to discuss, evaluate, research, and come to a resolution to the different matters at hand to ensure a strong and promising future for their corporation and employees.

Walmart operates on a line of business (or divisional) organizational structure which has helped them to move to the top and stay at the top of the retail division. As we can see in the example A-1 below, there are many levels and branches of the Walmart corporation organizational structure that are almost like a family tree.

This type of organizational structure is best for the larger organizations as they have many departments to run and manage whereas a small business has a limited amount of departments and does not require the amount of management staff that a larger business requires. Walmart is a very large company that operates in a wide variety of geographic areas from the United  
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States to China and even India. The corporation has divided the areas up into what is called districts. Each district has a District Manager who over sees all the stores within that district. They have many different stores around the world with a top manager at each store. Each department within the corporation and within the stores handles a different type of product to satisfy the variety of consumers. With each department they have a manager to over see that department. This chain of command is going from the top, or CEO, down to the lower level managers in each department in each store.

The accountability is going from the lower end managers at each store to the top executive or CEO. The functional structure would not work for Walmart because it is an organizational structure that is designed for smaller businesses with little to no chain of command and communication within it's company. The matrix structure " is a hybrid of divisional and functional structure." (Writing, 2014). This particular structure can create power struggles because there are different managers working in one area with the same level of authority. How does the organizational functions like marketing, human resources, finance, and operations influence and determine the organizational structure? With the many different products that Walmart sells along with the variety of areas around the world that they operate in they have to have a department for just marketing and research. This department will study the area and determine the best way to market and advertise their stores to get the most out of the geographic area they are located in. Their human resources department handles a wide range of situations from employee problems to consumer problems, they, in

themselves, are the department to investigate and put forth the solutions to problems within the corporation.

The accounting department handles all the finances within the corporation and ensures that the profit-loss margin is adequate. They manage the budget for the corporation to allow the corporation to expand their locations, products, advertising, services, and even their employees. Without the operations of the corporation there would be no stores to sell products out of and no foundation for the employees or the executives to stand on.

To determine which structure best suits Walmart's needs we will look at the geographical part of the structure first. The Walmart corporation has several thousands of stores within the United States alone. According to Kamboj and Kalia (2011) " The company operate 8, 416 stores worldwide; with over 4, 000 of them in international markets." (p. 1). With so many stores in both the United States and in other countries the corporation has to hand the power within them down the chain to lower level management due to the top end managers cannot be at all the stores at one time. The matrix of Walmart is very important to the structure as it provides corporate affairs, finance, legal, characteristics, and merchandising and product development among other things to the structure and corporation. They have a very wide product line that allows them to accommodate all of there consumers around the world.

The corporation uses departmentalization when they base the product to stock in their stores on the geographic area that the store is in, if the store is in a beach community they stock more beach activity products than a store

that is in the desert areas like Nevada. This can also be identified in the functions within the corporation's structure. The customer-base within the Walmart corporation is a very versatile part of the corporation. Due to them having stores worldwide, they have many different cultures and nationalities shopping at their locations for a variety of things. With this, they have to base their product on their location so that they can provide for the local consumers and keep them coming back.

Out of all of the organizational structures, Walmart would not have gotten where it is today if they used a functional structure or a matrix structure. Using the line of business (or divisional) structure has been very profitable for the Walmart corporation. It has allowed them to divert power among the different store managers and district managers and to build and maintain a customer-base that is devoted to them. Providing a diversity of products, geographic locations, departments within the store, and the advancements of the "superstore" they have enabled themselves to be a power king in the retail industry. The many organizational functions within the corporation, such as marketing, finance, human resources, and operations has allowed them to form a positive line of business structure. The geographic, functional, customer-based, product, service, matrix, marketing, and departmentalization of the organizational design has helped to determine that the line of business (or divisional) structure is the best suited organizational structure for the Walmart corporation.

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