

Wal-mart human resources

Business, Human Resources



Wal-Mart was the biggest company in the world. With sales at a quarter of a trillion and over 1.3 million employees, it was the biggest retailing success ever. A lot of Wal-Mart's success was attributed to the strong and pervasive culture at the company, which was developed and nurtured by founder Sam Walton. In over four decades of operation, Wal-Mart managed to retain most of the elements of culture it had when it first started out, as well as the entrepreneurial spirit which often drives startup companies to success.

Wal-Mart's culture was characterized by an orientation towards customer service and providing the best value at the lowest prices. This is achieved by proper employee care. Employee well being was also given lot of importance and the company tried to project an image of a socially responsible entity, and is known for its strength and persuasive culture. Walton believed that happy and satisfied employees performed well and were responsible for happy customers. Walton believed that employees play a vital role in the success of a retail business and gave considerable importance to them.

To instill a spirit of equality and oneness among employees, the company adopted the practice of terming employees "associates" thus creating in them a sense of belonging and involvement in Wal-Mart's activities and success. Walton believed that if he took care of the employees, they would take care of the customers in the same manner. He tried to create a positive and cheerful atmosphere in company. Wal-Mart was one of the first companies to introduce profit sharing and stock option plans for its employees. After going public it started Profit sharing plan.

The plan offered an opportunity to its employees to improve their income depending on the profitability of the store. Employees were offered stock options and store discounts. This was to motivate them to take active interest in the working of the company. A system of performance linked compensation and bonus also ensured that employees contributed their best to the organization. One of the unique features of Wal-Mart's human resource policy was that the company did not authorize overtime work, it did not allow store managers to overburden employees with work.

The company also was committed to improving the career prospects of its employees. It also had a system of recruiting 70% of its personnel in managerial positions from the rank of hourly workers in stores. In spite of having so much systems favoring employees , Wal-Mart still have been criticized for certain aspects of its culture. Though Wal-Mart had a strict policy on overtime and company's rule to forbade it, it was observed that, at most of the stores , employees worked between 5 and 15 hours overtime per week. Since company was very strict about not allowing overtime, it was usually done on unofficial basis.