## Why has wall-mart tended to improve performance

Business, Management



Do you think Wall-Mart is doing enough to become more sustainable? 2. What are the problems Wall-Mart has faced, and what has the company done to address them? 3. Why has Wall-Mart tended to improve performance while other retail outlets have been suffering financially? 1. Personally, I do not feel that Wall-Mart has done enough to become more sustainable. Although they have certainly setgoalsas a company, they are still in it for the bottom line.

Everything I have read is about how they are cutting costs on this ND that, which means moremoneyin the company's pockets. There are good points and bad points to this. While the company has made a conscious effort to go " green", including training and products, it is because they are trying to garner more support in communities with stakeholders, as well as realizing that the global business world is more socially and environmentally responsible as a whole; they need to get with the program or be left behind.

I still believe all of these measures are for the sole benefit for Wall-Mart to attempt to change public opinion of them, and not due to any eel desire on their part to change their ethicculture. Even as they make changes that seem to be socially responsible and ethical, they are still fighting with employees concerning pay and benefits, as well as communities to enlarge their company at the expense of other small businesses. The business world is letting them know that they basically have no choice but to make these changes.

But the way Wall-Mart is accomplishing that leaves a lot to be desired in my eyes. 2. Some of the problems Wall-Mart has faced are as follows: Putting

Page 3

other companies out of business Reduction in overall payroll wages in areas Wall-Mart enters the market Pressure put on suppliers to comply with Wall-Mart policies Wall-Mart's questionable treatment of employees Fraud and theft within Wall-Mart top management just to name a few. Having read some of the solutions on how the company dealt with these issues makes me wonder if Wall-Mart is sincerely repentant of their actions at all.

Due to Wall-Mart policies and low cost, they cannot help but put other companies out of business by undercutting prices so other stores cannot compete. There is no ay around this issue for them as communities are refusing to allow Wall-Mart expansion in their locales. Reduction in payroll wages, and indeed, Wall-Mart policy for paying low wages overall, as well as manipulating time cards and overtime has resulted in several court cases that have cost Wall-Mart substantial settlements, as well as loss of public support.

As far as Wall-Mart suppliers go, due to the company's demand for criteria that costs the suppliers more to maintain in the US, it has basically forced these suppliers to relocate their supply business overseas to reduce sots, taking Jobs away from Americans, as well as reducing the quality of standard of living Tort ten areas affected . I Nils seems to Downtrend art -M little as teeny continue In their own goals to maintain a profit.

In Wall-Mart's questionable treatment of employees, they have again found themselves in court numerous times, not always to their detriment. They have fought, and lost cases concerning ill treatment of employees, as well asdiscriminationcases, settling millions on the employees involved, as well as

Page 4

fines for law-breaking. This was a continuing issue for them as hey were involved in several discrimination suits from 2005 to 2009. In 2003 they were also involved in the hiring of illegal aliens, which cost the company millions in a landmark civil settlement.

One would think that Wall-Mart would learn its lesson after the first one, but apparently not, as it took several lawsuits and millions in settlements before they made changes to correct these issues. Still, it cannot be denied that Wall-Mart stands today as one of the largest, if not the largest, employer in the US. The most concerning issue for me was the fraud and theft discovered at he highest level of Wall-Mart management. If this can go on, undetected, for years, what does that really say about Wall-Mart's ethical culture and foundation?

How long was this going on before even being detected? Although Thomas Slouching was persecuted and punished, was it enough to repay the public for betraying their trust? Even though this happened in 2005 and 2006, it forced Wall-Mart to take a public stand to define its ethical foundation and beliefs as a company. Moving forward, Wall- Mart has worked hard to correct past issues and mistakes, making a conscious effort o let the world know that it has learned its lesson, at least in these issues.

This again, leads me to be leery, and very distrusting of Wall-Mart's changes in policy and ethics. It makes me wonder if this is a gambit for public sympathy and opinion to lean their way, or if they truly have changed to a better, more socially and ethically conscious company. Only time will tell. 3. Wall-Mart has tended to improve performance while other retail outlets have

Page 5

been suffering financially due to the undeniable return to their creations basic policy. In he beginning, Sam Walton believed in customer satisfaction andhard workwould make Wall-Mart a success.

Wall-Mart has returned to thatphilosophyafter years of trial and error. The biggest draw that saved Wall-Mart through the recession was its well-known low prices. Consumers flocked to Wall-Mart stores to make their dollars go as far as possible during this difficult financial time. Wall-Mart's past reputation and marketing concept for low prices were already a plus in their corner. Other companies were playing catch-up and so suffered. Wall-Mart is still exercising that name philosophy and keeping prices low.

They seem to be listening to their stakeholders, and finally paying attention. The smart investments, as well as the savvy improvements that Wall-Mart has undertaken in the last 3 to 4 years has again garnered public attention, this time for Wall-Mart's good. Their analysts have done the company good service in the " going green" addition to Wall-Mart, as well as the changes in women executives, benefit and payroll rate changes, and overall customer satisfaction. Change is coming for the global economy, and Wall-Mart seems to be adjusting accordingly to that change.