

Current event article



Current Event Article: Article Wal-Mart to Offer Workers Online-Degree Assistance, published in the Wall Street Journal, on 3rd June retrieved from URL Which type of (or lack of) corporate responsibility is being described in the article (check one):

Economic responsibility — to be fiscally responsible to stakeholders.

Legal responsibility (regulatory compliance) — a belief that a firm must abide by the laws and regulations that govern society.

Ethical responsibility (social responsiveness) — a concept of right and wrong conduct serving as a guide to moral behavior.

Philanthropic responsibility (charitable principal) — the giving of voluntary aid to individuals less fortunate or to organizations that provide community services.

Briefly in 2 pages explain why:

The article titled Wal-Mart to Offer Workers Online-Degree Assistance featured on the 3rd of this month on the prestigious Wall Street Journal. Of the four categories of corporate responsibility mentioned above, the article falls under the ‘ Philanthropic responsibility’ category. This is because, Wal-Mart is neither legally or economically obliged to offer education assistance for its employees. The Online-Degree Assistance program could be considered as an act of ‘ Ethical responsibility’ too, but ‘ Philanthropic responsibility’ is a more apt description.

As of now, Wal-Mart is the biggest retail store chain in the United States and employs nearly 1. 4 million workers in various positions. But most of the employed workers are store-assistants, who are not generally well-educated. This is the backdrop for Wal-Mart top management to collaborate with American Public University, which offers online higher education degrees.

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Workers of Wal-Mart, with reasonable work experience with the company and positive performance reviews from their managers, special college credits will be awarded, which will expedite the process of completing the degree.

The author of the article Miguel Bustillo does not critically scrutinize the real intentions behind this program. The article can only be considered a ‘press release’ issued by the Wal-Mart top management on the occasion of the program’s initiation. Hence it is important to place this Wal-Mart initiative in the context of the company’s general reputation with respect to corporate philanthropy. Given the long list of employee grievances against Wal-Mart top management, this initiative should be viewed with skepticism. For example, it is a well-documented fact that Wal-Mart does not provide adequate medical insurance and reasonable wages for its employees. The cheap prices offered to the consumer are as a result of savings made through such means. Moreover, since most of the retail store assistants are employed on a part time basis, they are not eligible to get employer sponsored health insurance and other benefits.

Further, a few years back, the exploitative nature of Wal-Mart manufacturing contracts with companies in the Third World came to light. For example, for every \$20 shirt sold in a Wal-Mart store, the Bangladeshi worker who tailored it, gets paid only a fraction of that price. The conditions under which they work and the subsistence level wages they get can only be described as exploitative. Similarly, Wal-Mart’s shoddy record with respect to the environment is also well-documented in Wall Street Journal and other periodicals.

Considering all this, it is highly unlikely that the Wal-Mart top management

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initiated this program out of benign intentions. The whole exercise is likely to be a Public Relations stunt, designed to compensate a little for the company's stained reputation that goes back many years. So although the Wall Street Journal article in discussion is technically qualified as one on Philanthropic Corporate Responsibility, the reality might be far from it. Having said all that, the online degree program might actually help the employees in getting educated. But that outcome would be incidental to the cause.