

Organizational Behavior of Walmart

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Abstract

The paper analyzes key organizational concepts within Walmart. Walmart is one of the best companies in the U.S. and leads in the Fortune 500 list. The success of the company and its continued growth can be linked to organizational behavior, which has been able to establish a culture and structure focused on success. The paper identified areas of challenge that have been solved through a change in the areas of organizational behavior. The human resource practices, communication, diversity, leadership, and organizational culture have transformed the company over the years. Walmart's organizational behavior is unique, which gives the company a competitive advantage over its rivals.

Organizational Behavior of Walmart

Organizational behavior includes a set of values, processes, and procedures that guide the operation of an organization. Organizational behavior is developed over time to regulate the behavior of employees and create a culture that should be followed by the organization. Organizational behavior cuts across human resource activities, decision-making, communication, and leadership. It is through these important components of an organization that behavior is developed and adopted by the organization. Each function has to develop its guidelines that create a culture and behavior that can be associated with an organization. Each organization has a unique behavior that determines the success of its operations. Strong organizational culture influences the behavior of employees, which reduces **turnover as well as maintains higher** levels of job satisfaction.

Walmart is the leading Fortune 500 company operating in the U.S., primarily serving U.S. customers. Sam Walton established the company with the belief that the retail business could bridge the gap between producers and consumers. Walmart has higher capitation with the largest number of clients and a larger workforce, which ensures that the company's operations touch millions of people daily. The company operates in close to sixteen markets with over 7,800 stores, which are estimated to serve an average of 100 million clients annually. Apart from the retail business, the company offers other services in e-commerce, which help to improve the efficiency of its operations (Lombardo, 2017). Walmart operates the largest grocery store, which has complex operations, since it is equivalent to twenty percent of the entire company.

To be able to serve a wide base of customers, the company relies mostly on the efforts of its sales associates. The company has been able to establish an organizational culture that regulates the behavior of its employees. Organizational behavior at Walmart is credited for its success, which has seen the company remain top of the fortune 500 list for several years running. This paper analyzes the organizational behavior of Walmart through its human resource practices, team behavior, diversity, organizational culture, leadership, and conflict resolution. These areas of organizational behavior provide an opportunity to make recommendations to address the challenges faced by the company in its operations.

The paradigm shift in the company occurred simultaneously since the industry was undergoing dramatic reforms in the product market due to the existence and entrance of new merchandisers such as Walmart in the industry. Walmart has been rated among the leading grocery retailers all over the United States. Statistics in the sector indicate that it commands a market allocation in the grocery sector of 20 percent. The company has been on an expansionary path ever since it was established (Shoraj & Llaci, 2015). In 1993, the company had 10 stores, which grew to over 2500 by 2015. The company poses a competitive edge among other players in the global market as well as proving to be stable based on particular dynamics in Human Resource practices. Research evidence indicates that the development of tall box stores has an enormous impact on the labor market. However, the current developments emphasize the interplay of wages and employment dynamics at the county level, mainly based on the entry of Walmart.

Walmart's first strategy was focused on the establishment or expansion of stores in the upcountry. Retailers, however, overlooked the company's perspective, and the move enhanced the competitive advantage over other players. In effect, the Company's articles were priced relatively lower compared to those of local retailers, thus being able to oust other small and medium entities from the industry. The company was always successful in maintaining a steady cash flow by endeavoring the loss of expenditure. To ensure such an achievement, they invested in higher buyer enthusiasm across the market and extensively involved all stakeholders (Manzoor, 2013). Moreover, the management made use of economies of scale. Despite such enormous investments to curb market dynamics and setbacks, the company's competitive advantage underwent various changes over time.

Walmart had taken over the rural areas due to its massive investments and grand entry. However, there was a major setback in the adoption and utilization of efficient processes, hence dampening their expenses. Consistently, they strongly believed in employing and renewing the IT framework to their advantage, including caring to strengthen and maintain stakeholder (distributors) relationships. In addition, the information networks were improved, the communication structure was boosted, and frameworks to relay the collected information were enhanced. There was also the streamlining of inventory delivery and related frameworks. The company thus improved the strategy to produce higher volumes and expense on cheaper commissions. Ultimately, the company had a considerable impact on the economies of scope that resulted from the interplay of mass food and product.

Walmart competes with other retailers in their primary market, such as Target and K-Mart, particularly

in the grocery business. The competition has left Walmart to identify a target market, which it serves with the dedication to enhance its competitive edge. The market extends to other countries through the company's global division and its associations. The company is continually seeking to grow by expanding into new markets. The growth strategy is in line with the company's mission and vision statements, which provide the necessary motivation in the volatile business environment (Yue, Rao & Ingram, 2013). The focus of the company on its mission and adoption of technology, mainly in e-commerce, has enabled the company to sustain competition. The strategic decisions made by the company's leadership indicate the kind of organizational behavior that is present at Walmart.

The behavior targets constant improvement through employees who are inspired to perform their duties with little supervision. A dedicated and motivated workforce at Walmart has seen the company achieve the rare feat of being the top company over the years. Organizational behavior is best explained through Walmart and how the organization juggles numerous challenges to gain a competitive edge in this kind of industry (Lombardo, 2017).

Group and team behavior are vividly expressed in the culture of Walmart. Ever since it was established and managed by Sam Walton, Walmart has always believed in the spirit of teamwork. The initial founders understood that employees were ordinary people and it was through collaboration that they could be able to achieve their goals individually and collectively. The spirit was incorporated into the company's culture, which allowed employees to value the need to grow together as well as accomplish goals as an organization (Yue, Rao & Ingram, 2013). The spirit of teamwork and team engagement is still present at Walmart, which sees its employees working together to serve the clients. The single-mindedness that comes with working as a team has seen the company achieve tremendous goals. Employees have additionally learned the importance of valuing one another and following guidelines to avoid conflict. It is through the group behavior that Walmart has seen the growth through teamwork and synergy that establishes a common course of action.

One of the strides that Walmart has made is in the communication frameworks. The company has an updated digital network that is well known as the Retail Link. Since its establishment in 1991, the link has been a vital data store for the provision of everyday data required for operations. Access to data and information today for the suppliers and other contributors is super-fast and in real-time (Clampit, 2013). One can be able to access information on the available goods, shipments, pricing, commands, and sales. The processes are enhanced through the Retail Bridge. The improved status of the company's communication seems to be one of a kind in the retail industry. Initially, on a traditional front, people were denied information and thus power, but with Walmart's investment in modern communication structures, contributors and retailers can no longer hoard information. Retail links have brought about connectivity and made people see the value of sharing available information (Arnold & Schoonman, 2016). Walmart's RFID can be credited with bringing out the benefits of shared knowledge. Through information, most of the contributors were able to understand the distribution channels of the company.

It is through effective leadership that Walmart can manage the complex operations of the company.

The company has several stores, which offer management challenges. Walmart has established trust among its store managers, who are given the authority to run the stores on their own. Coordinating activities in these stores is time-consuming, and allowing managers to lead the stores independently has seen the growth of individual responsibility among employees. The trust that has been bestowed on the managers by the management has seen an improvement in the performance of the company. The trust creates motivation among employees who, in turn, focus on customer satisfaction. It is through servant leadership at Walmart that the belief in leading by example by being servants to the customers has led to the development of organizational behavior (Doh & Quigley, 2014). Walmart leaders interact with employees and customers, leading by example at the stores, which creates a culture of being at the forefront while serving customers. The company's leadership position and success have established a unique organizational culture and structure.

In its operations, Walmart has a huge function of managing the largest number of its associates. Walmart has close to two million associates located in all its stores. The company has therefore put up policies to manage the huge number of employees who are important in improving the efficiency of the company. To value its employees, Walmart has resorted to naming them associates to have a feeling that they are part of the company and that their efforts are recognized. Walmart understands that it cannot be able to achieve its mission and goals without these associates and it has to initiate programs aimed at improving the welfare of employees (Hellriegel & Slocum, 2015). The hiring process, as well as the remuneration structure, has been designed to reward skilled associates better. Walmart values merit, and highly skilled associates who occupy roles that come with much responsibility are offered improved remuneration.

The move is aimed at promoting talent and hiring skilled staff who can easily transform the organization. This has become part of the organizational culture, which has kept the company sourcing talent and rewarding them based on their skills. Walmart provides health coverage to its associates, together with their families. The company values the health of its employees so that they can work for the company. The use of technology helps in closing cash tills automatically to allow employees to take breaks. The same technology offers accurate information on the time worked by employees, which is then reflected in their payments due to overtime (Hellriegel & Slocum, 2015). Decision-making has been decentralized, giving employees the opportunity to come up with solutions to problems facing the company. Despite the criticism that Walmart is a bad employer, which discriminates against women and pays low wages, Walmart is working to resolve these issues to be an employer that values equality.

The other area of organizational behavior that is critical to Walmart's success is diversity. Diversity refers to the ability of the company to accommodate different views and individuals from different backgrounds. Walmart is taking significant steps to create a diverse environment by adopting diverse practices. The company promotes a working environment that enhances the professional growth of its associates. It additionally promotes excellence by cultivating a culture that promotes intellectual growth (Lombardo, 2017). Walmart has reviewed its recruitment policies to have a diverse workforce that can operate in different locations where diversity is a critical issue. The company has also

established a panel in charge of employment that looks into ways of improving diversity in the organization and fostering equal employment for all potential associates (Gentile, 2016). Walmart has seen its entire senior staff trained on the issues of diversity so that they can be able to manage employees and deal with customers from different backgrounds. Women are now being absorbed into leadership positions, which shows that the company recognizes the need to have a diverse workforce in the organization.

The company heightened its aggressiveness in buying of the articles from the contributors at rather lower prices. On the side of negotiations, they focused more on the upper management of the contributors rather than engaging the regional sales agents. To ensure that there is a winning situation, the organization has previously threatened to terminate its operations by moving elsewhere in the event that the contributors failed to agree on competitive prices. The company used the strategy to achieve economies of scale and keep and attract more customers. On the same continuum, Walmart was able to gain dominating energy in the distribution of dub brand products, which were available at discounted commissions. Hence, the company has come out to be a market leader locally (Arnold & Schoonman, 2016).

Being a leader, Walmart needs to focus on the efficiency of its operations and aim its efforts toward the movement of goods. In effect, it would be an advantage to the customers due to the loss of commissions at the company's distribution centers. In addition, it needs to put more money into projects that will ensure improved distribution and knowledge that cannot be easily imitated by its rivals. In another strategy, the company should consider expanding its operations on a global front where it has not ventured. The company has made great steps in the operational frameworks by ensuring a charged, diverse, and motivated environment. However, there are still key areas that need to be improved on for the associates to work effectively.

There needs to be strategic policies for the company to make a turnaround and shape its public image. In some instances, the company has been negatively displayed in the media due to poor operations. There have been some criticisms from community organizations and women's rights groups. There have also been litigations due to discrimination against female associates in wage distribution and higher salaries for male counterparts. The female associates have also been sidelined in management positions and opportunities. To get right on track, the company should take affirmative action to ensure gender balance and address the concerns raised by the women associates and the community-based organizations.

Lower wages have also been a major concern for most of the associates. Remuneration has been low compared to the quantity of work, a move that has been adopted for the benefit of the customers. The company is currently offering wellness benefits and providing healthcare policies for its associates as well as offering overtime pay. Efficiency in remuneration has also been enhanced through advanced IT systems in the payroll so that the employees receive timely payments. However, the management needs to consider fairness and rationalization of the wages to ensure the associates have a good standard of living.

Besides, Walmart should expand its open-door policy for its employees, where they can express their issues. A direct communication channel should also be established for employees to communicate with their supervisors and managers. In so doing, escalating issues can be minimized. An operational framework also needs to be developed to ensure all associates are factored into the management. By using technology, the company can track its daily operations and processes and thus virtually interact with employees at the lower level.

Walmart is, no doubt, a global leader in the 21st century. The strides made from its establishment are an indication of a top company in the industry. As a global leader in the grocery sector, it has made a significant difference both in the United States and in other markets. The success is credited to an effective operational framework enhanced through modern technology. Despite not being the best paymaster in the industry, it has invested in necessary strategies to keep its associates at a competitive remuneration. Some considerations have to be factored in even as the enterprise continues with its operations. The working environment needs to be enhanced so that the associates can feel motivated and efficiently work towards realizing the company's goals. A motivated associate will always work hard and ensure excellent performance in their line of work. Motivation can be achieved through fair remuneration, open communication, proper working environment, among others.

Communication is essential to ensure teamwork and sustain the company's organizational culture. Walmart can ensure an open-door policy for its associates where they can express their feelings freely. Communication channels can be established to allow interaction between the upper management and the associates. Team leaders should ensure effective association with the team players as well as consistency in communication. Such strategies will ensure reduced employee grievances and, thus a smooth working environment.

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