

Organizational Issues in Walmart Inc.

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Company Introduction

Walmart Inc. is a global retail giant with over 10,500 department stores, operating in 19 countries and serves more than a million customers every day (Corporate Walmart, n.d.). Walmart is known for its commitment to offering low prices and providing a wide range of products, including groceries, apparel, electronics, home goods, and pharmaceuticals. Walmart's slogan, "Save money, live better," presents a clear mission and vision to improve the quality of life for its customers by making essential goods more affordable and accessible (Corporate Walmart, n.d.). Walmart's impact and influence play a significant role in the global economy, setting industry standards for pricing and demonstrating adaptability in a rapidly changing market.

As one of the largest employers worldwide, Walmart has a workforce with over 2.3 million associates across their locations (Corporate Walmart, n.d.). Walmart, being a globally large employer, presents many organizational challenges. Their key organizational challenges include employee satisfaction, employee retention, and workplace safety and health standards. Walmart's large employee force emphasizes the need for more effective organizational behaviour strategies to create a positive, safe, and inclusive workplace, which is explored in this project outline.

Key Issues

Employee Dissatisfaction

One problem Walmart is facing as an organization is labour disputes between the corporation and its employees. More specifically, the organization has abused its financial and legal power to try and stop its employees from unionizing for several decades (Freeman, 2024). The initial reasons workers wished to unionize were their wages, working conditions, and benefits. These were already frustrating enough for the employees of this organization to

deal with, especially considering the fact that the formation of any kind of union that could resolve such issues was being obstructed by the very organization they were working for. This has taken a toll on the overall satisfaction of Walmart's employees, as it ranks the highest in employee dissatisfaction among the US's largest companies (McIntyre, 2023). It is unknown as to what the particular reasons are for this ranking, however, one could assume that the issues of wages, working conditions, and benefits for employees, as they were previously discussed, are likely the reasons for such low satisfaction.

Another business that has faced a similar issue in the past is Unilever. For Unilever, the well-being of their employees was always a priority, however, the COVID-19 pandemic presented many challenges that affect the wellbeing of employees such as work-life balance, isolation, and job insecurity (Webber, 2020). The firm put in place a plan to deal with these issues that affect the satisfaction and well-being of employees, which was to make well-being a factor that is considered when assessing the performance of their employees and leaders. In addition, the well-being of employees is also considered when assessing the performance of leaders in the firm as a way to hold leaders accountable for any behaviours that may negatively affect the well-being of employees. This alleviates some of the pressure employees may feel if work becomes more difficult for them due to their cognitive or physical health suffering temporarily as they can rest assured that management will consider these factors when assessing their performance. The company accredits their employee engagement and well-being during the pandemic to this plan as well as their ability to recognize the need to put more effort into the welfare of its employees during this time.

Low Employee Retention

Another key issue concerning Walmart is its controversial "no quit" program. This program requires that employees meet with management prior to making the decision to

resign. This is of course designed to persuade employees to stay with the corporation, which has many employees feeling pressured into staying as a result. This is especially frustrating for employees as many of them are actively trying to leave the organization, as their turnover rate is quite high, while it is thought that this policy was originally implemented as a means of resolving this issue (Patel, 2024). This, of course, has not been a very well-received way of resolving such an issue as the corporation has come up with several tactics, such as manipulation and lengthening of the resigning process to keep employees working for them. Another one of these tactics is newly added retention bonuses, which incentivize employees to stay at the firm longer as a means of earning more for their work. Since one of the biggest complaints for many workers is their wages, the effect of these retention bonuses is amplified.

Other businesses such as Google and Paragus have confronted similar cases of high turnover quite effectively in the past. Google, along with many other tech firms at the time, was experiencing high employee turnover. In response to this issue, they decided to have management prioritize employee engagement by building an organizational culture based on the needs of its employees, one that makes employees feel inspired and included (Hays, 2023). Another part of their plan to lower turnover rates was to communicate very clearly to employees that there are ways to advance their careers with the company. One way they went about doing such was by providing career-growth courses and job boards which encourage employees to seek new positions within the same business.

Another business that dealt with the same issue similarly to Google was Paragus, an IT firm out of Massachusetts that experienced annual turnover rates of ten to fifteen percent (Bean 2019). Like Google, the firm also focused on career development as a way of keeping employees but also decided to embrace turnover rather than discourage it. The way they went about embracing turnover was to incentivize employees to make lasting positive impacts on

the organization and leave on good terms. While this may not seem like the most effective way of reducing turnover rates, what this is effective at doing is lessening the negative effects associated with turnover through encouraging employees to leave the firm having made a positive impact on the organization's culture and community. This makes employees feel more included and valued in the organization and as a result, makes them more likely to stay.

Workplace Safety and Health

Workplace safety is a significant concern for Walmart, with the company facing criticism over incidents related to inadequate safety measures, employee injuries, and insufficient training. In 2017, the Occupational Safety and Health Administration (OSHA) cited Walmart for failing to secure stored merchandise properly, leading to an employee's serious injury when items fell from storage racks (Security Staff, 2023). This citation was upheld by the Occupational Safety and Health Review Commission in 2023, which ordered Walmart to rectify the hazards within six months (Security Staff, 2023).

Concerns about safety were further amplified by the tragic death of a 19-year-old Walmart employee who was found dead in a walk-in oven at the company's Colorado location in 2024. Investigators determined there was no foul play involved, but the incident has raised questions about safety protocols, employee training, and the adequacy of supervision in potentially hazardous environments (Lethang, 2024). The case also highlighted significant gaps in ensuring employees are aware of and trained to navigate risks in such settings. While specific details of how the employee ended up in the oven remain unclear, Walmart has faced growing scrutiny over whether sufficient safety checks and procedures were in place to prevent such a tragedy (Lethang, 2024).

Additionally, the National Council for Occupational Safety and Health (COSH) has highlighted concerns regarding gun violence in retail settings, emphasizing the stress and

potential harm to employees. Such incidents not only pose immediate physical dangers but also contribute to long-term psychological stress among workers (Hall, 2024).

These safety issues are closely related to organizational behaviour, as they impact employee morale, productivity, and overall organizational culture. A workplace perceived as unsafe can lead to decreased employee engagement, higher turnover rates, and potential legal liabilities. Addressing these concerns requires a commitment to comprehensive safety training, effective communication, and the implementation of robust safety protocols to foster a secure and supportive work environment.

Recommendations

Employee Dissatisfaction

One of the key issues Walmart is facing, labour disputes, is mainly caused by Walmart's managers' intolerance of unionization activities and the communication boundaries across different levels of the organization. Therefore, changing the company's attitude toward unionization could potentially resolve the issue in the first place. Global News reported that Walmart established the first unionization of its warehouse in Canada in 2023, involving workers but excluding managers, supervisors, and team leads (Global News, 2024). While unionizations strive for companies to understand workers' pursuits and needs, communication between top management members and the workers will be ineffective without the contribution from the management level. The management level should actively participate in unionization activities and establish transparent negotiations to enhance communication with workers. Moreover, common ways to resolve labour disputes include arbitration, litigation, and mediation. Arbitration arose in 2024 due to its advantages in cost savings, speed, and efficiency (Canadian Lawyer, 2024). Arbitration processes are more customized and private compared to litigation. The ongoing disputes between Walmart workers and managers

suggest that the two groups have intractable conflicts of interest. Therefore, if moderate mediations fail to resolve the issue, intervening arbitration may serve as an alternative solution.

Addressing labour disputes begins with a fundamental shift in Walmart's attitude towards unionization. With a shift in the company's attitude toward employee dissatisfaction, Walmart would be able to build a collaborative work environment. To implement this course of action, steps include regular training, policy revisions, and internal communication improvement. We specifically target regular training at the top-management level to highlight the benefits of unionization, particularly in transforming executives' attitudes towards unionization into one that is acceptable. Policy revisions are crucial as they serve as an official endorsement of workers' rights to unionize. Moreover, improving internal communication involves the establishment of transparent negotiation channels. Joint committees serve as an example, demonstrating their efficiency in complex policy discussions and fostering transparent relationship development. Additionally, the development of transparent relationships is crucial to the ultimate goal of executive training, which is the inclusion of management teams in unionization activities. This inclusion encourages managers to communicate and understand workers' needs from a different perspective, and it fosters an understanding of conflicts of interest between stakeholders and shareholders. Overall, the implementation plan will establish trust within a collaborative working environment by executing regular employee training at the management level, revising policies to officially support workers' rights, and developing transparent communication passage across employees at all levels. However, if the employees are still dissatisfied after the change, the organization should be well-prepared with arbitration processes.

To establish a comprehensive arbitration process, Walmart should develop policies defining the scope, procedures, and enforceability across all kinds of decisions. Moreover, to conduct mutual trust between labour and management levels, the company can develop a group of neutral arbitrators as the arbitration panel. Specifically, the issues that are continuously brought into arbitration are crucial for a company to understand its systematic problems and concerns because disputes are only escalated to arbitration when mediated resolutions fail to work out a consensus between labour and management levels. Enforcing comprehensive arbitration policies and the panel allows the company to regularly review and analyze the outcomes of various arbitration cases, thereby understanding recurring issues and implementing specific changes to address them.

Low Employee Retention

Walmart's controversial "no quit" program and its impact on employees have an adverse effect on the company's retention rate and further provoke dissatisfaction among its employees. Despite the program being a retention strategy that Walmart deployed to optimize the situation, its coercive nature must be revised to help boost employee morale. Instead of relying on coercive retention strategies like this "no quit" program, Walmart can improve employee retention by adopting a plan that truly helps the organization understand the root cause of the low retention.

The study conducted by Latorre et al. (2024) provides a structured framework that Walmart could adopt as well. The plan should begin by gathering information to analyze the causes of turnover. Walmart can conduct surveys and interviews with employees to understand the underlying reasons for turnover. The organization can deploy a discrete choice model to quantify the various factors influencing employees' decisions to stay or leave. Once a potential cause has been identified, the organization can start to develop employee benefits

that address the specific needs and pain points identified in the previous analysis phase. Walmart can introduce small but targeted subsidies to attempt to alleviate the pain points expressed by employees.

An example is affordable rewards, where the organization can provide low-cost incentives such as discounts or gift cards to enhance the perceived value of benefits. This method was shown in the study of Latorre et al. (2024) to increase retention without a significant financial burden to the organization. Special employee programs that provide a sense of security can also be developed alongside the benefits as another incentive to persuade employees to stay. Once these benefits and programs are in place, balancing the cost and benefits of deploying these new implementations would be appropriate. The model proposed by Latorre et al. (2024) suggests a balance between the cost of providing the benefits and the savings from reduced turnover. Walmart executives and decision-makers are encouraged to adopt similar models to optimize the investment in new employee benefits. While the new benefits system is being developed, decision-makers can consider including employees' preferences for various job-related benefits in the decision-making framework. This inclusion is to ensure that the benefits provided not only reduce turnover but also improve employee satisfaction. Walmart can continuously collect feedback and adjust the benefits design to tailor to different employee preferences. When improvements are seen from the newly developed plan to the employees' side, Walmart can shift its focus to the corporate side, where it can encourage advancements in the human resources department. The organization can consider using prescriptive HR analytics tools to transition from predictive to action-oriented strategies (Latorre et al., 2024). This strategy will allow for a more proactive management of employee turnovers.

Based on the study of Latorre et al. (2024), this recommendation framework should provide increased stability (relatively, at least) in Walmart's employee retention issue. As the

plan progresses long-term, the organization can build benefits that can adapt to long-term workforce trends and ensure that these benefits remain effective and sustainable as the organization evolves. This recommendation plan should demonstrate a data-driven, prescriptive analytics approach to designing benefits that address Walmart's key turnover causes and enhance employee satisfaction.

Workplace Safety and Health

Improvements to workplace safety could foster a more positive organizational culture and create a safer environment as it affects employees' well-being and overall productivity. To ensure the recommendations for improving workplace safety at Walmart target its deficiencies, surveys should be issued to employees across various Walmart locations to understand how they perceive current safety practices, their awareness of protocols and the challenges they face in adhering to them. Walmart can then implement a structured, standard safety training program for all employees, focusing on hazard recognition, proper merchandise handling, and emergency response procedures to address recurring issues. According to Sorensen et al. (2018), effective workplace safety programs are those that comprehensively integrate safety, health, and well-being into training, ensuring alignment with broader organizational goals and worker engagement. Walmart should adopt training methods that include both theoretical knowledge and practical applications, enabling employees to handle dangerous situations such as falling merchandise and workplace violence confidently. Companies like Unilever and AT&T integrate mental health support programs, creating an environment where employees feel supported, which enhances retention and morale (Frost, 2024).

Moreover, employees must be equipped with a set of mandatory knowledge and the skills to effectively respond to various real-life hazardous scenarios, and enhance their

readiness and response to managing emergency situations. Similar to the approach implemented by Honeywell Aerospace, which proved highly beneficial in enhancing its workforce's preparedness and response protocol capabilities, Walmart can effectively prepare their employees by incorporating scenario-based simulations (Herbert, 2020). Such drills provide hands-on experience and reinforce procedural knowledge, as supported by Sorensen et al. (2018), who emphasized the importance of tailored, participatory training modules to maintain worker engagement and adaptability. Also as seen in Boeing's safety programs, it further proves the point and serves as a benchmark that integrating real-life scenarios into training can significantly reduce workplace incidents (Campbell Award, 2019). Walmart should also conduct safety audits and observation studies with external safety consultants to assess the current safety protocols and identify areas for improvement for a targeted, inclusive approach to create a safer workplace environment. OSHA's guidelines also emphasize regular and thorough safety education which can lower injury rates and ensure compliance with workplace safety standards (Security Staff, 2023).

Another approach to improve Walmart's workplace safety is to adopt a multifaceted approach by enhancing physical security measures, such as increasing the presence of trained security personnel, installing advanced surveillance systems, and conducting regular threat assessments. For instance, advanced security technologies like facial recognition, as considered by retailers such as Iceland, can help identify potential threats, deter shoplifting, and reduce assaults on employees by enabling proactive intervention (Warburton, 2024). Implementing similar systems at Walmart stores would not only mitigate risks such as theft and workplace violence but also create a safer environment for both employees and customers, promoting a greater sense of security and reassurance.

Walmart can implement these recommendations in three steps. First, they should conduct surveys and safety audits within six months to gather insights into employees'

perceptions of safety practices, identify gaps in current protocols, and pinpoint high-risk areas that require immediate attention. Concurrently, Walmart should begin enhancing physical security measures by increasing the presence of trained security personnel and installing advanced surveillance systems. Next, within 12 months, Walmart should initiate a structured, standardized safety training program for all employees. Finally, within 18-24 months, Walmart should integrate feedback loops, such as follow-up surveys and focus groups, to assess the effectiveness of the implemented measures, refine the training programs, and ensure they contribute to a more positive work environment and improved employee morale. These iterative steps will help Walmart foster a safer environment, promote a positive organizational culture and improve overall productivity.

Conclusion

The recommendations outlined in this paper provide Walmart with a roadmap to tackle these issues holistically, targeting key areas to enhance employees' well-being, foster a sense of security and inclusivity, and promote a more supportive and productive organizational culture. Strategies inspired by best practices from industry leaders such as Google, Boeing, and Unilever demonstrate the potential to transform and improve Walmart's organizational culture. Overall, these recommendations reflect Walmart's dedication to fostering a supportive and secure workplace environment but also positions the company as a leader in setting industry standards for workplace practices.

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