

Is Wal-Mart Perfect?

Wal-Mart is the biggest retail company in the world, and its mastery of the retail market is doubtless. However, is Wal-Mart really good as it seems? I went to a Wal-Mart store in New Jersey to observe the workers and the operation, etc. Before I went there, I thought Wal-Mart was a big company and should have the excellent management, the best workers, etc. After I visited, I realized that Wal-Mart was not perfect like what I thought before. It was hard to evaluate a big global company like Wal-Mart through one store and one observation, but it could show up somethings that Nelson Lichtenstein mentioned in his book, "*The Retail Revolution*", such as the labor numbers, the morale of the workers, the influence for the community, etc. My cognition of Wal-Mart was changed after my observation: It is not the perfect store. Wal-Mart's emphasis on lowering prices to attract customer has resulted in poor wages, employment, and operational practices, that have negatively impacted their customers and the communities surrounding their stores.

In order to lower their prices, Wal-Mart primarily concentrate on lowering wages. Wal-Mart's lower price is its best method to compete in the category of retail. How does Wal-Mart achieve the lowest price? Lichtenstein has claimed that retail was a sphere that sensitive for the labor wages, and Wal-Mart always tried to hold the wages of workers so that they could lower the price of goods(126). They got the biggest amount of labor from workers. At the same time, they made the lower payment for workers because they had to lowest the possible cost to get the lowest price. Some

people believed that this was not harmful for workers, and this was a way to stimulate workers working more for a higher payment.

However, I think the lower wages was very harmful for workers. When I was in the New Jersey Wal-Mart store, every workers were seemed like they did not know how to smile, even when some customers asked them questions, they still just answer them without any other emotions. They did not want to communicate with customers. Sam Walton had ruled that their employees must smile when they talk with customers and they must ask the customers if there is any question they have first when the customers are near them(Lichtenstein 92). During my observation, the rule did no work and the workers did not have motive power. I think it was because the lower wages. Workers did not have hope for a higher wages and they just did what they had to do. I only saw one worker's smile when he talked with another worker about their personal life. So they knew how to smile, but they did not smile to the customers. The reason was the lower wages which was really bruise for the morale of the workers.

It is true that Wal-Mart understaff their stores, and they hired the lower people as possible. When I was walking in the Wal-Mart store, I have made a data about the number of workers in the store. There were about 45 workers(*There might be a little different between the actual value and the statistic value, but the error should between one and three*) in the store at 11a.m. In contrast, the other retail stores like Wal-Mart in China were almost hired one hundred workers working in a store smaller than Wal-Mart, and this might be the reason why they did not make the Wal-Mart myth. Like what I said before, Wal-Mart used the lower possible cost to earn a higher

possible turnover. It was because the leadership thought about the operating costs, and they wanted to lowest them. However, in this Wal-Mart, there were no specific worker in the area like man's or women's clothing area, and I could not find a person help me quickly. What I can do was walking a long way to find a person who might do not know about the clothing. To find the worker was almost took me two minutes. Every workers seemed like did not have a specific responsible area except the service desk and pharmacy desk. In the service desk, one female worker was always behind the desk, and she had good working efficiency. I saw that there were three customers, at most, in line at the service desk, and every customer only took about one minute to get service. One of them was having the problem about prepaid card and another one was having questions about the discount of television. This was a good part that I saw of this Wal-Mart. The service desk was effective: one worker took one minute for one customer. By contrast, the pharmacy desk was totally different. I said that Wal-Mart truly understaffed their store, but it was according to the whole store area. When I went to the pharmacy desk, there were five workers in a twenty square meters room. Three of them were responsible for taking the medicine; one of them was like a doctor; and another one was to collect money. During one hour, there were only three persons came to pharmacy desk, and just one of them had found the medicine that he needed. So for this department, I thought that Wal-Mart did not had the lowest cost.

Another part that caused I did not thought that Wal-Mart was perfect was my impression of workers about uniform. I have said that they did not smile to customers. In the mean time, They did not have the same uniform, the clothings were different

even all of them have the closer color, dark green(It might because of the Wal-Mart requirement). Since there was no standard uniform, I had difficulty identifying employees. However, it did not mean I could not find the workers. I still know who were the workers because they had a bigger nametag except the workers who freighted the goods. I thought the workers who did not have the nametag was because they had a lower payment than the workers who worked at the store and needed to face with customers all day. Freightng the goods only need physical power, and they had less influence for the corporate image. I also made a data about the number of female and male workers. Lichtenstein said, “More than 70 percent of company employees have always been female, even more in the stores themselves”(87). The fact was fit with Lichtenstein’s number. There were about 29 female workers and 14 male workers. This Wal-Mart had more female workers, but the leadership were all male workers. Lichtenstein mentioned that the gender discrimination in Wal-Mart(330). It was a big problem of Wal-Mart, if the female and male did not have the equality condition, there would be a lot of conflicts and troublesome problems, such as *Dukes v. Wal-Mart*. Even Wal-Mart won in this case, they needed to pay attention to the gender problem if they did not want more class actions.

For the operation of Wal-Mart, it was clearly that Wal-mart did not like union, because in the unionized environment, the workers wages are 20 percents higher than non-unionized(New York Times). Wal-Mart was sensitive with union issues. Lichtenstein had talked that Wal-Mart closed a store in Canada because of the union issue(253). Wal-Mart exterminated every possible sign that might cause unionization.

If they found one worker wanted to disseminate unionization, they would fire this worker immediately. So it made workers in Wal-Mart were hardly to organize themselves into labor unions. The unionization seemed like an impossible thing in Wal-Mart. Wal-Mart treated its workers with lower wages, and also brought a damage for local society.

Wal-Mart brought a huge negative influence for the local society. “The fact that Wal-Mart allegedly ‘destroyed’ mom-and-pop businesses (Boyd, 1997), the bedrock of the American economy, and that it did so in perhaps unfair ways by exploiting both suppliers and employees, further fueled that interest” (Bonanno). The New Jersey Wal-Mart was located at suburbs. Near the store, there were no other local smaller store except a children toy shop and an Old Navy. Lichtenstein had talked about “the obstacle to Wal-Mart’s California expansion” (316). I have began to understand why California rejected Wal-Mart. Wal-Mart would bring a big damage for the local supply chain, and the other smaller stores such as “mom-and-pop” businesses could not survive under Wal-Mart’s absolute control of market. In contrast, I thought that one benefit that Wal-Mart brought was the lowest price for customer, in Wal-Mart, I saw many advertising boards like “Low prices. Every day. On everything.” As a customer, the most important point for me was the price, Wal-Mart was definitely had the attraction. But if we thought deeply. Wal-Mart used the lowest price to ruin the local supply chain which meanted people lost their quondam jobs. “The Southern African Clothing and Textile Workers Union says that a University of Bonn study shows that for every two jobs that Walmart created when it opened stores, three were

destroyed as the competitors could not survive”(Parker). This showed that Wal-Mart would bring an increasing unemployment rate to the community. If it was my turn to choose, I would choose a job because that was my income guarantee. Even so, I found one business rising when Wal-Mart came. On the outside, I saw that there were many gas stations near the Wal-Mart, I analyzed that because of Wal-Mart’s location and the car popularization. People had to drive to Wal-Mart because they wanted the lower price. And it led to a growth in the gas stations. People drove car, and people needed gas, so it was a benefit that Wal-Mart brought for gas stations. However, more car and more driving meant that there was more pollution which was inevitable.

The big influence of Wal-Mart was obvious. Considered all things, I thought that Wal-Mart magnificent myth was based on a lot of negative effects, and some of them were huge influences such as the damage of local supply chain. But Wal-Mart brought the lower price for customer, and that was what the customer more cared about. The price was the important thing for customer. Sam Walton and his Wal-Mart world were successful in retail because he caught this point. Wal-Mart used the lower price to attract customer, it is a simple but best way forever.

The location of Wal-Mart: 500 New Jersey 38 Cherry Hill, NJ 08002.

Time: 10:30 to 12:00, 4-20-2013.

Works Cited

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