

CHAPTER 3 – ORGANISATIONAL CULTURES AND DIVERSITY

CASE STUDY ANALYSIS

Doing Things the Walmart Way; Germans Say, “Nein, vielen Dank”

Across the globe, Walmart employees **engage** in the “Walmart cheer” to start their day. It is a way to show inclusivity and express their pride in the company, and can be heard in many different languages. Walmart not only operates in 14 countries but is also a leader in diversity in the workplace. In June 2007, Walmart was named one of the top 50 companies for diversity by DiversityInc magazine. However, despite Walmart’s multinational presence and representation, its internal culture **proved** to be less than **satisfactory** to the German market.

Comment [1]: join

Comment [2]: show st is true

Comment [3]: có thể chấp nhận đc

Comment [4]: negative

Walmart has experienced **a fair share of negative PR over the years**, so it is no surprise that some may have **adverse** reactions to news of Walmart moving into the neighborhood. Before the unflattering buzz, Walmart sometimes discovers that even the best intentions can fall flat. Walmart entered the German market in 1997 and **stressed the idea of friendly service with a smile, where the customers always come first**. Even before the employees walked onto the sales room floor, employee dissatisfaction became clear.

The **pamphlet** which outlined the workplace code of ethics was simply translated from English to German, but **the message was not expressed the way Walmart had intended**. It warned employees of potential supervisor employee relationships, **implying** sexual harassment, and encouraged reports of “improper behavior,” which spoke more to legal matters. The Germans interpreted this to mean that there was **a ban on any romantic relationships in the workplace** and saw the reporting methods as more of a way to **rat out** co-workers than benefit the company. As we saw in Chapter 3, ethical values in one country may not be the same as in another, and Walmart experienced this firsthand. Another employee relations issue that **arose** dealt with local practices.

Comment [5]: tờ gấp

Comment [6]: ý định, kế hoạch

Comment [7]: bao hàm, ngụ ý

Comment [8]: tố cáo

Comment [9]: occur

Walmart has never been open to unionized employees, so when the German operations began dealing with workers’ councils and **adhering** to co-determination rules, a common practice there, **Walmart was less than willing to listen to suggestions as to how to improve employee working conditions**. As if this was not enough, Walmart soon **experienced problems with customer relations** as well.

Comment [10]: tuân thủ, stick to smt

Doing things the Walmart way included **smiling at customers and assisting them by bagging their groceries** at the Supercenter locations. This policy **presented problems in the German environment**. **Male employees** who were ordered to smile at customers were often seen as **flirtatious** to male customers, and **Germans do not like strangers handling their groceries**. These are just a few reasons that customers did not enjoy their shopping experience. This does not mean that everything Walmart attempted was wrong. Products which are popular in Germany

Comment [11]: sexual attraction

were available on the shelves in place of products that would be common in other countries. **Enhanced** distribution processes guaranteed availability of most requested items, and efficiency was pervasive.

Comment [12]: improve

Despite some successes and good intentions and numerous attempts to improve the German stores, **the Walmart culture proved to be a poor fit for the German market**, and Walmart **vacated** Germany in 2006. Unfortunately, Walmart learned the hard way that in the retail or service industry, **local customs are often more important than a strong**, **unyielding** organizational culture. The challenge to incorporate everyone into the Walmart family certainly fell short of expectations. If the Walmart culture does not become more flexible, or locally relevant, it may be **chastised** from numerous global markets, and the company could hear, “no, thank you” in even more languages than German as it continues to expand.

Comment [13]: leave

Comment [14]: inflexible

Comment [15]: punish/criticize

QUESTIONS

(Work in group and prepare your answer on Powerpoint file on Msteams in your group's channel)

1. Why Walmart failed in Germany?

Walmart face 2 problems when carrying out the new policy:

- Employee relations:
 - Workers didn't understand the workplace ethics clearly since the rule was translated into Germany imprecisely. Staffs need to report improper behavior such as legal issues but they thought that romantic relationship is abandon. As a result, Germany employees believed that the reporting methods as more of a way to denounce co-workers than benefit the company.
 - Customer relations
 - Walmart stressed the idea of friendly service with a smile: smiling at customers and assisting them by bagging their groceries. Male customers felt flirtatious when male employees smile, and Germans do not like strangers handling their groceries.
2. Summarize what your groups learned from the case study about the interaction between national culture and organisational culture.
- In the retail or service industry, local customs are often more important than a strong, unyielding organizational culture
 - When a company participates in a new market, their organisational culture should be flexible or local relevant