

**BA (Hons) Leadership and Management Skills for the
Workplace**

Component 1

Organisational Culture

LCLM 5005

Individual Report

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Abstract

Walmart's organisational culture strongly influences its structure, decision making, and performance. Rooted in efficiency, customer service, teamwork, and discipline, this culture drives standardisation and control across global operations while enabling strategic responses to competition, technology, and consumer expectations. Despite challenges like limited communication, heavy workloads, and innovation barriers, Walmart's culture enhances productivity and customer value. Recommendations stress employee wellbeing, creativity, leadership, and technology, with future success hinging on balancing discipline and flexibility.

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1. Introduction

Organisational culture is a key determinant of the way the employees think, operate and behave in an organisation. It is a mirror of the values, beliefs, norms, and assumptions that are shared in organisational life, and it has an impact on all areas of organisational life, such as communication, leadership, motivation, and performance. The organisational culture has been explained as a pattern of shared basic assumptions that an organisation acquires through time in the process of resolving problems. It is also the grouping of the programming of mind that determines the way people think, act and what makes one organisation special and the other special (Geller, 2020). These views emphasize the fact that culture is not just symbolic but practical since it defines behaviours and decisions at all levels of an organisation. Organisational culture is even greater in big multinational corporations, which are characterised by geographical diversities, international competition and the necessity to have standard values that can be used in international operations (Hill, 2024).

This report is based on Walmart, one of the biggest retail companies in the world. Walmart has thousands of stores which are located in several continents and has a highly diverse workforce, and it was founded in 1962. The company is also known to have a good organisational culture based on cost leadership, customer service, efficiency and continuous improvement. The culture of Walmart has been influenced by the values of its founder Sam Walton who focused on frugality, teamwork and respect towards the individual that continues to shape its operations even nowadays. Being a global retailer, culture that has been adopted by Walmart influences not only its internal operations but also how the company treats its suppliers, customers, as well as external stakeholders.

This report aims to critically evaluate the impact of the organisational culture of Walmart on its structure, the decision-making process, and performance in general. The report will describe the nature of culture found in Walmart based on the applicable theoretical frameworks, how it fits within the external environment, how the company is coping with them, whether the culture is a limiting factor, and how it affects the organisational performance. The report will end by giving suggestions on how to improve the organisational culture of Walmart's to ensure long-term success and global competitiveness.

2. Organisational Analysis

2.1 Organisational Culture

Organisational culture is defined as values, beliefs, behaviour, and assumptions common among the workforce that determine the behaviour and practices of the employees. It influences the organisation in terms of expectations, decision making and problem solving (Mullins and Christy, 2016). The culture is manifested in the everyday activities like rituals, communication patterns, and behavioural norms in the workplace. Walmart has a well-established organisational culture that is founded on efficiency, customer service, respect towards individuals and the unending minimisation of unwarranted expenditures. The associates and managers are perceived to be carrying out direct communication with one another, and concentrate on providing low prices to customers throughout their daily activities.

Basic Assumptions Theory

An important concept that can be used to explain Walmart's culture is the fact that culture is constructed based on strongly held assumptions on which behaviour is guided. Training, leadership behaviour, and repeated organisational practices are some of the ways through which these assumptions are transferred to new employees. At Walmart, the founder Sam Walton has set assumptions that affect the company to date: efficiency will result in customer value, the team would raise productivity, and the cost savings would be transferred to a customer. Such beliefs still affect the priorities of employees when it comes to task-setting and making operational decisions (Hatch, 2020).

A great example of this culture is the Walmart Cheer which is an ancient tradition that is being carried out at the beginning of every shift of the employees to create excitement and cohesiveness. Goals and day-long performance and values like customer service and teamwork are communicated through morning huddles. These traditions enhance a sense of belonging and a collective way of thinking among employees (Collins, 2021).

Role and Task Culture

Walmart has also featured of role and task culture. The role culture can be observed through the fact that the company relies heavily on job descriptions, standard operating procedures as well as

the strict performance targets. Meanwhile, the element of task culture can be observed in the collaboration that is necessary both within the grocery, electronics, and customer service departments to meet the daily sales goals and ensure the smooth operations of the stores (Ferguson and Rivera, 2021).

The cohesive and consistent culture within global operations of Walmart's demonstrates that ingrained values define behaviour, performance anticipation and response to customers. The consistency in this culture allows stabilized operations and reliable service in thousands of locations (Majluf, 2021).

2.2 Company Structure

The organisational structure employed by Walmart is hierarchical and functional that fits well in the management of its giant retail business worldwide. It has a structure with centralised decision making, well-defined lines of authority and functional departments that are specialised like the merchandising, logistics, human resource and the finance divisions. This is the structure which helps Walmart's to be global and to guarantee uniformity through thousands of stores. Hierarchy allows the organisation to have control, streamline operations, and effectively manage large number of employees, which is necessary in the case of Walmart's with a work force of more than two million employees (Wilson, 2021).

Culture-Structure Alignment Theory

Walmart has a structure that is highly consistent with its organisational culture. Low cost leadership, operational efficiency, and productivity as a culture presupposes a structure that allows the tight coordination of the stores, the regional managers, and the corporate headquarters. Structural decisions and working behaviour are influenced by cultural assumptions like discipline, punctuality, efficiency and control. The organisational structure of Walmart's enhances the ability to have good performance expectations, service delivery, and close monitoring of the activities of the day-to-day operation (Schein, 2021).

The reflection of such alignment is shown by Walmart's logistics and supply chain departments. Centrally made decisions are made locally on matters regarding the stock levels, delivery schedule, and inventory rotation. This is to create consistency with some modification to suit the local

demand. This organisation helps Walmart's to achieve low prices through elimination of waste, minimization of operations, and efficient processes in the supply chain.

Role Culture in Structure

The nature of Walmart's culture is indicative of role culture, where the formal rules and distinctly defined roles are predominant. Each worker, cashiers, department managers, etc., has a particular job that will contribute to stability, predictability, and uniform service in stores. The customer focused culture is also supported by the structure as the leadership is easily represented to frontline employees through operational decisions (Handy, 2021).

Comprehensively, the structure and culture of Walmart's go hand in hand, enabling the company to be globally consistent, operationally excellent, and competitive advantage.

2.3 Decision Making

The organisational culture of Walmart's has a very strong influence on its decision-making processes at all levels. The company focuses on efficiency, customer satisfaction and the reduction of costs, and these priorities reflect on the managerial activities and operation decisions that may be made on a daily basis. The cultural assumptions that direct the decision-making process in the company include low prices, low efficiency and coherent customer service (Schein, 2021).

Decentralised vs. Centralised Decision Making

Walmart employs a centralised and decentralised decision making. At headquarters they make strategic decisions like pricing policies, branding and corporate strategies. Centralisation ensures uniformity in stores and also enables Walmart to keep its brand promise of Everyday Low Prices. This goes in accordance with the notion that the companies with significant control enjoy the advantage of centralised decision making (Griffin, 2022).

Indicatively, when Walmart changes the prices of the national products or when a new technology system is introduced, the decision is made on a central basis and applies across all stores. This will be consistent and will reinforce the competitive strategy of the companies.

Power Distance Concept

There is decentralisation of operational decisions that deal with customer service. Walmart gives store managers the autonomy to address the needs of local customers, change the staffing, develop local displays, or collaborate with the local suppliers. This indicates an average power distance, in which workers at upper ranks are permitted to exercise power still, whereas the managers are still allowed to adapt to the local demands (King and Lawley, 2022).

Participative Decision Making.

Participative decision making also goes in Walmart in its open-door policy which allows employees to communicate with managers regarding matters or proposing suggestions. This cultural value is manifested in the form of daily store meetings, performance feedback sessions, and employee involvement programs. Open communication cultures tend to make superior and quicker decisions because of the broader information circulation (Nordby, 2022).

3. Types of Culture

Seven Cultural Dimensions

Trompenaars (1997) offers a valuable theory of interpreting the culture of Walmart's based on his Seven Cultural Dimensions Theory. Walmart exhibits an achievement-oriented culture in which the success of the employees is founded on effort, measurable outputs and contribution to the operational objectives. The culture is based on efficiency and hard work because promotions and recognition are determined by productivity and performance.

The second dimension that is relevant is specific culture orientation. Walmart has an open communication line and a straightforward reporting relationship and meetings that are task-oriented like daily huddles and weekly updates. These habits support a culture of role and responsibility, and expectations being well spelt out in the support of Walmart's focus on discipline and performance that is quantifiable.

Competing Values Framework

Blettner (2023) elaborates on it by introducing the Competing Values Framework that points to clan, hierarchy, adhocracy, and market cultures. Walmart is a blend of market culture and the hierarchy culture. The culture of hierarchy is reflected in the formal guidelines within the company,

the coordination, and the standardised operations procedures. This guarantees stability and a uniform service of thousands of stores.

Walmart's emphasis on competition, outcome, and quantifiable goals is apparent in the market culture. The success at Walmart is measured through sales data, inventory turnover and customer Satisfaction. Managers and employees will be expected to attain performance goals on daily and weekly basis that will support Walmart's long-term strategy of providing low prices and leading the industry. With these types of cultures, Walmart is efficient, disciplined and very competitive.

4. Organisational Culture and the External Environment

The external environment has a major impact on the process of organisations adaptation, innovations, and competition. The culture of Walmart's is closely associated with its capability to react to the global competition, economic changes, technological progress, and alterations in customer expectations. The organisational culture defines the way the external signals are perceived and the formulation of the strategic responses (Miroshnik, 2023).

Contingency Theory

According to the Contingency Theory, the performance of an organisation relies on the fit between the culture and the external environmental demands. Walmart has proven this fit by investing in a high level of operational efficiency, massive scale of coordination and cost management facilitating quick reactions in response to disruption in global supply chains and high fuel prices. When the global supply chains were disrupted and fuel prices went up, Walmart reacted by enhancing its relationship with suppliers and increasing distribution centres to ensure product availability.

The customer focused culture of Walmart's enhances its responsiveness to changing tastes. Walmart alters operations to accommodate the changing consumer needs through customer analytics, flexible pricing, and redesign store layouts (Xu et al., 2023).

Rapid Decision Making

Culture that enables speedy decisions is necessary in organisations that operate in highly competitive environments. The standardisation and performance measurement systems at

Walmart's allow logistics and supply chain processes to be changed promptly (Schneider et al., 2024).

Technology Adoption

The rich technology environment necessitates learning oriented cultures. Walmart pays attention to automated inventory, self-checkout machines, and innovative forecasting tools, which proves that the company is prepared to implement innovations (Packard, 2024). On the whole, the fit between the culture and the external environment enables Walmart's to be effective and competitive.

5. Organisational Culture and Barriers to Effective Functioning

There are also barriers that can be generated by organisational culture and deter the proper functioning. Walmart encounters barriers like resistant to change, difficulty in communication as well as dissatisfaction of the employees. Powerful cultures run the risk of turning inflexible, making it less flexible and restricting the innovation (Davies, 2021).

Cultural Rigidity Theory

According to Cultural Rigidity Theory, strongly held cultural norms are hard to alter, thus organisations will have a problem with adjusting. The use of standardised procedures and firm performance controls in Walmart's may deter ideas of innovation and responsiveness and slows down innovation by employees.

The employees might be reluctant to propose any changes since they do not want to go outside the normal pattern, and this restricts the capacity of Walmart's to respond promptly to the changes in the market.

Cost focused cultures can also lead to low levels of job satisfaction because of high pressure environments. The persistence of attention to efficiency and performance goals can lead to stress and burnout, decreasing the motivation and output of the employees.

Communication Barriers

Top-down communication is inhibited by hierarchies. The company can have an open-door policy but still, employees might not be comfortable questioning decisions or expressing their concerns

(Bank Munoz, 2022). This limits the circulation of information that is required to make good decisions and solve problems.

6. Organisational Culture and Organisational Performance

The organisational culture is an influential factor on the performance outcomes like productivity, leadership effectiveness, customer service and long-term competitiveness. The culture of efficiency, customer service, and cost control at Walmart's has a significant impact on its operational and financial performance (Unger et al., 2022).

Daily store operations are supported by teamwork, discipline, and good customer value orientation that guarantees uniformity in service delivery across the stores.

The culture of continuous improvement

The performance of Walmart's is reinforced by the focus on the continuous improvement. Store reviews, performance metrics and data driven decision making are useful in guiding the employees on what is expected of them and the progress against expectations and remind them of the need to make organisational achievements.

Employee Engagement

Motivation and productivity are boosted through reward system, recognition programs and internal career development opportunities. Engaged and satisfied employees help in the performance of the store and also propel organisational objectives.

Culture Competitive Advantage

Culture is also a strategy that can work out as an advantage when it is unique, valuable and an asset that cannot be easily imitated. The culture of Walmart, which has been formed through decades and has become an integral part of the mechanisms, also leads to the consistent functioning and good performance of thousands of stores (Quan, 2023).

7. Recommendations

Improve Employee Wellbeing

The company should focus on employee wellbeing through supplementing support programs to alleviate stress and work pressure. Even though efficiency is a key to the Walmart operation, the work environment can be a contributor to burnout and lack of motivation due to its high level of demand. The implementation of flexible work hours, wellness activities and mental health would provide a healthier and more involved workforce (Hatch, 2020).

Enhance the Internal Communication

Though Walmart encourages open door culture, the hierarchical system would easily cause employees to be unwilling to raise concerns. The company will need to embrace more open communication methods, which include anonymous online surveys, feedback form, and formal feedback sessions between managers and associates. Enhancement of communication will develop a trust, promote prompt identification of problems and make employees feel appreciated (Majluf, 2021).

Promote Innovation and Creativity

The emphasis of the strong standardisation practised by Walmart may restrict innovation at times. As a way to keep up with the fast-paced retailing nature, Walmart ought to allow more experimenting on store and regional levels. Workshops on innovation, problem solving teams, and incentive programs on inventive ideas would assist the employees to make efforts towards the customer service and operation improvement (Griffin, 2022).

Support Leadership Cultivation

Leadership is very important in providing cultural consistency throughout global operations of Walmart's. Walmart needs to intensify leadership development initiatives that aim at achieving emotional intelligence, cultural awareness, communication competence, and employee support. Highly trained leaders are likely to establish a more favourable workplace and make Walmart's cultural values sound across the regions (Blettner, 2023).

Promote Digital Transformation by Training

With Walmart adopting a high-end technology, the workers should be continuously trained to feel comfortable with new systems. Digital training programmes and change management will be provided in an extensive way to minimize resistance and enhance operational efficiency (Griffin, 2022).

8. Conclusion

In conclusion, organisational culture of Walmart's is a significant aspect determining its operations, how it takes decisions, and overall performance. The efficiency, customer service, discipline and cost leadership culture has assisted the company to grow to become one of the largest and most successful retailers in the world. The analysis established that Walmart is savouring the benefit of having a cohesive culture that is quite powerful and provides it with direction and stability especially in its international operations. Through the cultural models, it was shown that Walmart has both structured and performance oriented cultural characteristics that enable it to achieve consistency in operations and competitive advantage.

However, the study had also discovered that there are certain cultural dimensions that can develop as barriers. High pressure working environment, lack of horizontal communication and resistance to innovation are some of the strains that can affect the long-term operations of the organisation. Notwithstanding, the cultural strengths of Walmart are quite high and may be attributed to productivity, supply chain excellence, and customer satisfaction.

The given recommendations are likely to help Walmart become even stronger in terms of its culture with its focus on employee wellbeing, enhanced communication, innovation, and producing culturally competent leaders. These spheres would help the company to become more adaptive, open and flexible culture without losing the values that led the company to its success. Overall, Walmart has an organisational culture that is one of the main elements of its identity and a root of its further evolution.

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