

# Being the World's Biggest Target

How Wal-Mart will deal with its discrimination lawsuit. **By Michael "Bird Dog" Bergdahl**

**W**ith 1.4 million employees, Wal-Mart is the largest employer on the planet. With a combination of turnover and the opening of a new store every day somewhere in the world, the company's appetite for people of all types and varieties is insatiable. According to Wal-Mart's own Web site, the retailer is "the leading employer of people of color in the United States. More than 160,000 African-Americans and more than 105,000 Latinos work at Wal-Mart and Sam's Club Stores and Distribution Centers nationwide. Additionally, it is one of the leading employers of senior citizens in the United States, employing more than 164,000 associates 55 and older. Wal-Mart has been recognized as one of the leading employers of disabled people in the nation. In an annual poll by *Careers for the Disabled* magazine it was named first among all U.S. companies in providing opportunities and a positive working environment for people with disabilities."

So is there any merit to all the news we keep hearing regarding alleged discrimination by the company against women?

The company is loved by its millions of customers but oft-times is despised by competitors and special interest groups. When Wal-Mart was a smaller, less visible organization competing out in rural America, it was able to fly below the radar, rarely the target of competitive flak launched by jealous rivals and special interest groups. But not anymore. The company is the target of lawsuits, government investigations, wage and hour claims, boycotts, immigration raids, sweatshop allegations, accusations by animal rights groups and conservation organizations, discrimination claims, a corporate union-organizing campaign and grassroots anti-big-box efforts by small towns across America. Detractors aren't buying into the company's professed golden rule values and smiley-faced customer service accusing the world's largest retailer of using child labor, predatory pricing, false advertising, paying low wages, sending American jobs overseas, destroying historic and natural resources, being downright anti-union, and destroying small towns everywhere. Entire Web sites are devoted to anti-Wal-Mart movements. It was a lot easier for Wal-

Mart to run its business when it wasn't perceived as a threat by anyone. But that all changed when it became perceived as a global retail predator.

The National Organization for Women pulls no punches referring to Wal-Mart on its Web site using the term, "Merchant of Shame," due to its belief that Wal-Mart discriminates against women in both pay and promotional decisions. I talked to Carolyn Sapp, who is a former Miss America, who runs an organization called Women versus Wal-Mart. She said, "Women make up two-thirds of all hourly store jobs at Wal-Mart and they comprise 80% of the hourly supervisory positions, yet only one-third of all salaried management jobs are given to women, and less than 10% of the store manager jobs and above are given to women."

Whether these numbers are accurate or not, the fact remains that U.S. District Court Judge Martin Jenkins has seen enough to motivate him to

certify a massive class action law suit, ruling that six current and former Wal-Mart employees from California may represent all female employees of Wal-Mart who worked at its U.S. stores anytime since December 26, 1998. This nationwide sex discrimination class action lawsuit, *Dukes v. Wal-Mart Stores*, is the largest civil rights class action ever certified against a private employer, and damages could cost the giant retailer over a billion dollars.

When I worked for Wal-Mart back in the days when Sam Walton was still alive, I saw and heard Sam and some of Wal-Mart's corporate executives aggressively and publicly promoting the idea of women in management at their renowned Saturday Morning Meetings, contrary to recent concerns expressed by women's rights groups. Well over a decade ago, Wal-Mart formally made diversification of its workforce a priority by declaring diversity one of

the pillars of its total quality/continuous improvement efforts. They aggressively and uniformly communicated their beliefs about diversity to all of their managers through the Walton Retailing Institute in Fayetteville AR, at a mandatory and ongoing week-long cultural indoctrination program for all store, distribution and home office managers. New managers from across the country were brought to Arkansas for cultural training and one module focused specifically on the importance of building a diverse team of employees. The problem with diversity, like any other corporate strategy, is that 10% of that strategy is communication and 90% of it is execution!

My own boss at the Wal-Mart headquarters was a female executive who was a member of the executive committee. Her successor was an African-American. Maybe things have changed at the world's largest retailer, but I'd like to believe that the company, which personifies American values to many around the world, still follows and embraces the beliefs of its leadership icon, Sam Walton. I am confident Wal-Mart's executives will take the steps necessary to prove to the world through their actions and results that their culture does indeed personify the American values of equal opportunity for all.

Will the burden of this lawsuit bring the company to its knees? Not likely. Will Wal-Mart's leaders learn from this experience? Without a doubt! There is actually a silver lining in this cloud if you are Wal-Mart's executives. My prediction is this: Culturally, Wal-Mart's leaders will learn and grow from this experience and, as the saying goes, "what doesn't kill you makes you stronger." Unfortunately for Wal-Mart's competitors, the retail giant will come out of this latest episode a more diversified and even tougher competitor. Will their efforts satisfy everyone? Never. When you are the world's largest company you also have the world's largest bull's eye on your back.

*Michael Bergdahl is a speaker, business coach and author. He has recently completed a book about his experiences at Wal-Mart working with Sam Walton entitled: What I Learned From Sam Walton: How to Compete and Thrive in a Wal-Mart World, published in the USA and Canada by John Wiley's Jossey Bass Division in August 2004. Internationally, the book will be available September 2004.*



## Your Wal-Mart Story



Michael Bergdahl is doing research for his next book and in it plans to write about the competitive experiences of people just like you. He plans to incorporate your stories—both positive and not so positive—about your experiences trying to compete, survive and thrive, domestically and internationally, in a Wal-Mart world.

If you or someone you know has an experience you'd like to share about competing in a Wal-Mart world as a retailer, non-retailer, manufacturer, contractor, real estate developer, shopping center executive, municipal official, mainstreet organization leader, labor union leader or member, vendor or supplier, you can bet readers around the world are eager to learn about your experience. Your

story may be about successes or failures you've experienced personally in pricing, operations, culture, key item promotion, expenses, talent or service. This is your opportunity to share your Wal-Mart story with readers from around the world.

To share your story, you can submit it on the form provided on his Web site: [www.michaelbergdahl.net/successstory.shtml](http://www.michaelbergdahl.net/successstory.shtml) or e-mail it to him: [mbergdahl@aol.com](mailto:mbergdahl@aol.com)

Please be sure to include your name, phone number and e-mail address. If your story submission is used in the book you will be credited if you wish or it can be printed anonymously; however, even if you do not want to be credited in the book, all submissions must include contact information. Stories submitted without verifiable contact information will not be used.