

Studies examine Walmart's sustainability journey: Cases follow retailer's move from vision to implementation

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In November 2011, Walmart opened its first U.S. store with 100-percent LED sales floor lighting. The LEDs in the Wichita, Kan., Neighborhood Market use 40% less energy compared to traditional florescent lights.

Business researchers at the University of Arkansas and colleagues at the University of South Carolina have launched a major project examining Walmart's 7-year-old sustainability effort. Although intended as a teaching tool, the project analyzes the range of issues the world's largest



retailer experienced in envisioning and implementing a broad strategy. It will also help other companies understand obstacles and the difficult choices that both organizations and individuals face when adopting a sustainability strategy.

"That's really what it is – a strategy," said David Hyatt, clinical assistant professor in the Sam M. Walton College of Business. "The strategy is to embed sustainability within the core business supporting the company's vision for a more sustainable Walmart. Numerous initiatives, some of which are documented in the case series, are part of this strategy that led to international recognition of Walmart's sustainability leadership."

Hyatt and Andrew Spicer, associate professor at the University of South Carolina, are lead contacts for the Walmart Sustainability Case Project, a collaborative effort to develop teaching case studies based on challenges Walmart encountered through the various stages of implementing its sustainability strategy. Based on interviews with key company employees, the individual cases examine the founding vision; strategic goals and processes; implementation both with products and business practices; and measurement. As a whole, the cases also identify specific decision points at various stages of the company's sustainability efforts.

The project is unique, Hyatt said, because the series of cases focus on one topic and one organization over a specific period of time. It is also unique in that most of the information was gathered directly from sources within the company.

The cases explore a set of essential questions across three levels – societal, organizational and individual. For example, at the societal level, who should set standards for sustainability – government, society, consumers, scientists or companies? At the organizational level, who evaluates and measures sustainability, who should make decisions about



strategy and how should the strategy be implemented? At the individual level, what does sustainability mean to the consumer or employee? The studies ask several other questions pertaining to each level.

The first case study looks at former CEO Lee Scott's founding vision, as articulated in his October 2005 "Leadership in the 21st Century" speech, in which he publicly announced Walmart's <u>sustainability</u> goals. The next study moves from the question of vision to emergent strategy by examining how the company designed goals, structures and processes. Additional case studies, some of which are still in development, focus on strategies related to specific products – bottled water and seafood – rather than firm-level implementation. The researchers then shift toward issues related to sustainable business practices. They examine <u>Walmart</u>'s effort to install LED lights in stores and find environmentally friendly shopping bags. The final study looks at the critical issue of defining what is a sustainable product.

Hyatt said the studies will be offered as open source material, available free online to educators and managers.

Provided by University of Arkansas

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