

# Corporate Citizenship: Wal-Mart, A Case Study



## Summary of Issues and Learning Outcomes

Lesson Outcome	Students will examine a multinational corporation in the context of social responsibility.
Inquiry Questions	To what extent does Wal-Mart practice corporate social responsibility?
Values and Attitudes Outcomes	<ul style="list-style-type: none"><li>3.2 recognize and appreciate impacts of globalization on interdependent relationships among people and the economy</li><li>4.1 recognize and appreciate the impact of globalization on the quality of life of individuals and communities</li></ul>
Knowledge and Understanding Outcomes	<ul style="list-style-type: none"><li>3.6 analyze political and economic challenges and opportunities of globalization (corporate responsibility)</li><li>4.5 analyze impacts of globalization (awareness of global issues, employment issues)</li><li>4.8 analyze how globalization affects individuals and communities (contemporary issues)</li><li>4.9 explore multiple perspectives regarding the civic responsibilities that individuals, governments, organizations, and businesses may have in addressing opportunities and challenges presented by globalization</li></ul>
Key Skills	<ul style="list-style-type: none"><li>S.1.1 evaluate ideas and information from multiple sources</li><li>S.1.3 assess the validity of information based on context, bias, sources, objectivity, evidence or reliability</li><li>S.1.4 predict likely outcomes based on factual information</li><li>S.1.5 evaluate personal assumptions and opinions to develop an expanded appreciation of a topic or an issue</li><li>S.1.9 analyze current affairs from a variety of perspectives</li><li>S.5.6 collaborate in groups to solve problems</li><li>S.7.1 develop, express, and defend an informed position on an issue</li><li>S.7.2 reflect on changes of points of view or opinion based on information gathered and research conducted</li><li>S.7.3 draw pertinent conclusions based on evidence derived from research</li><li>S.7.6 integrate and synthesize argumentation and evidence to provide an informed opinion on a research question or an issue of inquiry</li><li>S.8.1 communicate effectively to express a point of view in a variety of situations</li><li>S.8.5 use a variety of oral, written, and visual sources to present informed positions on issues</li><li>S.9.1 evaluate the authority, reliability, and validity of various points of view presented in the media</li></ul>

## Activity Overview

### Time:

- 2 periods

### Preparation:

- Film: Wal-Mart: The High Cost of Low Price (01:37:37)
- Photocopy a class set of **Activity Master 8.1 Film Study: Wal-Mart: The High Cost of Low Price**
- Photocopy **Activity Master 8.2: Wal-Mart Infomercial Assignment** and **Activity Master 8.3: Infomercial Rubric**
- Photocopy articles Wal-Mart Supports Communities and Globalization and the Wal-Mart Effect

In this activity, students are asked to consider the benefits and problems associated with multinational corporations. Students will examine the issue of corporate social responsibility. Their investigation will focus on one of the world's largest corporations, Wal-Mart.

Students will watch the film Wal-Mart: The High Cost of Low Price (01:37:37) and fill in the worksheet provided. To provide an alternative point of view, students will be provided with an article that suggests Wal-Mart is a socially-responsible company. Students will develop mock infomercials concerning the various business practices of Wal-Mart. This will/may include writing a script and acting out the roles developed. Students may make use of the concepts of irony, parody and sarcasm in their infomercials.

### Key Concepts

- corporate social responsibility; corporate citizenship
- corporate codes of conduct
- civic responsibilities
- employment issues of globalization; global labour pool
- labour rights
- multinational corporation
- free trade; corporate globalization
- corporate greed; profit motive;
- exploitation
- unionization; union busting
- economic nationalism; protectionism
- bias; point of view; prejudice; slanted opinion; objectivity; subjectivity, propaganda; balanced reporting

### Resources

- Movie: Wal-Mart: The High Cost of Low Price (1hour 37 minutes)  
<http://video.google.com/videoplay?docid=-3836296181471292925#>  
<http://topdocumentaryfilms.com/wal-mart-the-high-cost-of-low-price/>
- Mock Infomercial Videos:  
<http://www.Wal-Martmovie.com/commercials.php>
- Outsourcing Greenville (15 minutes)  
<http://freedocumentaries.org/int.php?filmID=216>
- No Logo: Brands, Globalization, Resistance (42 minutes)  
[http://www.learnalberta.ca/content/aeve/movieLauncher.html?movie=smil/no\\_logo.mov](http://www.learnalberta.ca/content/aeve/movieLauncher.html?movie=smil/no_logo.mov)
- The Corporation: available to purchase or in 23 parts on You Tube  
<http://www.youtube.com/watch?v=Pin8fbdGV9Y>



- Resources cont.
- Wal-Mart Supports Communities by Don Longo  
<http://www.learnalberta.ca/OnlineReferenceCentre.aspx?lang=en>
  - Opposing Viewpoints in Context, 2006.  
<http://www.w1d.net/%20/outsourcing/wal-mart-supports-communities/>
  - Globalization and the Wal-Mart Effect by Kerby Anderson  
<http://www.probe.org/site/pp.aspx?c=fdKEIMNsEoG&b=4218005&printmode=1>

**Objectives/Rationale** Students will study how the world's largest company does business. They will evaluate the validity of various points of view presented in the media. Students will then produce an infomercial that presents a possibly humorous look at Wal-Mart practices and how they are perceived by some of the mass media in examples provided.

- Instructional Strategies**
1. Teachers may wish to begin this lesson by considering the role of transnational corporations in our society and world today. The movie No Logo: Brands, Globalization, Resistance (42 minutes) can be live streamed from the LearnAlberta.ca web site: [http://www.learnalberta.ca/content/aeve/movieLauncher.html?movie=smil/no\\_logo.mov](http://www.learnalberta.ca/content/aeve/movieLauncher.html?movie=smil/no_logo.mov) or by finding a current Wal-Mart commercial on You Tube and watching it in class.
  2. Distribute **Activity Master 8.1 Film Study: Wal-Mart: The High Cost of Low Price** for students to complete as they watch the film.
  3. Live stream the film Wal-Mart: The High Cost of Low Price (01:37 minutes) from <http://video.google.com/videoplay?docid=-3836296181471292925#>.
  4. Mark **Activity Master 8.1** either in class or collect it for marking using **Activity Master 8.1: Answer Key**.
  5. To provide an alternative point of view, students will be provided with an article that suggests that Wal-Mart is a socially responsible company. Read articles Wal-Mart Supports Communities and Globalization and the Wal-Mart Effect.
  6. Discuss the perceived validity of the media coverage provided. Is the coverage fair and unbiased? If it is not, can we identify the biases? Are both perspectives, as presented, valid?
  7. Present **Activity Master 8.2: Wal-Mart Infomercial Assignment**. Students are to create an infomercial using the mock samples from, Wal-Mart: The High Cost of Low Price as examples. The mock infomercials can be viewed at [www.Wal-Martmovie.com](http://www.Wal-Martmovie.com). Students will develop their own infomercial that is either critical, supportive or a balanced view of the global business practices of Wal-Mart.
  8. Be sure to explain to the students that infomercial is the proper descriptor for an assignment of this type. They may want to use the term commercial but commercial comes from the root word of commerce and is generally used to refer to advertisements supporting a product or a corporate entity. Any production that is designed to be humorous or negative needs a different designation.
  9. Complete explaining the instructions for students, including suggested topics. Review **Activity Master 8.3: Infomercial Rubric**.
  10. Have the students present their infomercials to the class.



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**Follow Up** Engage the students in a discussion of what they saw in the infomercials in terms of addressing the question posed for inquiry. Was there an infomercial that was highly effective? If so, what made it effective?

Have the students transfer arguments and facts into their essay preparation notes.

**Differentiated Learning** Students who are uncomfortable with acting out the infomercial can participate by having a greater role in creating the concept, writing the script, directing the action or filming the video.

If the necessary equipment is not available then a variety of other demonstration of learning choices could be offered:

1. Create a web page infomercial
2. Write the script and submit
3. Present as a radio infomercial
4. If time/resources are a concern you may wish to approach this project as preparation for a 4-corner discussion or a horseshoe debate. If you choose to complete this activity in either of these ways you can use the assessment guides provided earlier in the unit or from [learnalberta.ca](http://learnalberta.ca)

**Metacognition** Has this activity changed your mind about shopping at Wal-Mart? If you were on a very limited budget would this affect your decision? Might you act differently when you are shopping?

**Assessment** Handout **Activity Master 8.1 Film Study: Wal-Mart: The High Cost of Low Price**  
Marking criteria are included in **Activity Master 8.3: Infomercial Rubric.**



ACTIVITY MASTER 8.1:

# Film Study: Wal-Mart: The High Cost of Low Price



As you watch the film *Wal-Mart: The High Cost of Low Price*, answer the questions below.

1. Why do you think Lee Scott, President and CEO of Wal-Mart, says that Wal-Mart has, “generated fear, if not envy in some circles”? (1 mark)

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2. Why can't small businesses compete with Wal-Mart? (3 marks)

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3. What advantages do small businesses have over Wal-Mart? (2 marks)

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4. What incentives do local governments provide Wal-Mart to encourage it to come to their communities? (3 marks)

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5. What negative effects does Wal-Mart have on communities? (4 marks)

a. Property values:

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b. Local businesses:

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c. Town centres:

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d. Traditional community cohesiveness:

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6. How does Wal-Mart keep labour expenses low? (4 marks)

a. Employees:

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b. Wages:

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c. Benefits:

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d. Government Welfare Programs:

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10. What do critics say about how Wal-Mart treats employees who are women and visible minorities? (2 marks)

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11. Why does Wal-Mart build its stores on the edges of municipalities? (1 mark)

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12. What problems are created when a large corporation like Wal-Mart is supported with government (taxpayer) revenue? (1 mark)

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13. Why was Donna Lisenby, Catawba Riverkeeper, frustrated with Wal-Mart's reaction to the environmental concerns she raised about the storage of fertilizer on Wal-Mart parking lots? (1 mark)

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14. How does the film describe conditions in Wal-Mart's factories in China? (3 marks)

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15. How do Wal-Mart's business practices affect world business standards? (1 mark)

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# Film Study: Wal-Mart: The High Cost of Low Price **Answer Key**

As you watch the film *Wal-Mart: The High Cost of Low Price*, answer the questions below.

1. Why do you think Lee Scott, President and CEO of Wal-Mart, says that Wal-Mart has, “generated fear, if not envy in some circles”? (1 mark)

Responses will vary - Wal-Mart is the largest corporation in the world, very wealthy, very powerful.

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2. Why can't small businesses compete with Wal-Mart? (3 marks)

Wal-Mart receives incentives given by local governments, lower prices, more selection/variety of products.

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3. What advantages do small businesses have over Wal-Mart? (2 marks)

Small businesses often carry specialty items and have better service

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4. What incentives do local governments provide Wal-Mart to encourage it to come to their communities? (3 marks)

Local governments often provide tax incentives/abatements, subsidies, infrastructure like roads and sewers.

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5. What negative effects does Wal-Mart have on communities? (4 marks)

a. Property values:

fall, especially in downtown business core.

b. Local businesses:

close, deteriorate, suffer; lowers retail wages

c. Town centres:

vacant buildings, empty, loss of centre of town culture

d. Traditional community cohesiveness:

erosion of community bonds

6. How does Wal-Mart keep labour expenses low? (4 marks)

a. Employees:

fewer employees forced to do more with less

b. Wages:

low, no overtime

c. Benefits:

inadequate/poor plans that are often unaffordable

d. Government Welfare Programs:

employees encouraged by Wal-Mart to offset poor wages and benefits.



7. How does Wal-Mart discourage organized labour (unions)? (5 marks)

use of anti-union response team.  
profiling employee organizers.  
monitor employee behaviour – prevent employees from communicating/organizing at work, intimidation.  
political tactics – tell one group of employees raises will be frozen because of the demands of another group.  
snitch line – 24 hr. hotline to report employee behaviour

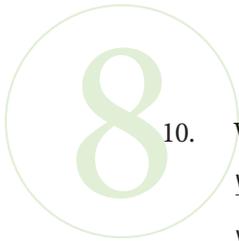
8. Do any unions exist at Wal-Mart? (1 mark)

Yes, in Germany.

9. How does Wal-Mart get more work out of its employees without adding to its labour costs? (3 marks)

no overtime paid.  
employees must often work off the clock or face dismissal.  
employ illegal immigrants.





10. What do critics say about how Wal-Mart treats employees who are women and visible minorities? (2 marks)  
Women: culture of male chauvinism tolerated. Women asked to perform menial jobs like cleaning bathrooms, women overlooked for management positions. Visible minorities: culture of racism tolerated.

11. Why does Wal-Mart build its stores on the edges of municipalities? (1 mark)  
Building on the outskirts of communities forces local governments to provide incentives (infrastructure, subsidies) by pitting one jurisdiction against another.

12. What problems are created when a large corporation like Wal-Mart is supported with government (taxpayer) revenue? (1 mark)  
Services and programs like emergency response services and education programs suffer due to underfunding.

13. Why was Donna Lisenby, Catawba Riverkeeper, frustrated with Wal-Mart's reaction to the environmental concerns she raised about the storage of fertilizer on Wal-Mart parking lots? (1 mark)  
Wal-Mart was not very responsive and appeared to have no environmental policies or mechanisms in place to deal with the problem.

14. How does the film describe conditions in Wal-Mart's factories in China? (3 marks)  
Wal-Mart appears to take advantage of workers:  
- long hours  
- low wages  
- unfair policies, for example, charging employees rent and utilities  
- poor working conditions  
- poor living conditions

15. How do Wal-Mart's business practices affect world business standards? (1 mark)  
As the world's largest company, Wal-Mart sets the standards other companies follow.

**TOTAL: /35**



## Wal-Mart Infomercial Assignment

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### Task:

1. View examples of infomercials in the Special Features section of the DVD, Wal-Mart: This High Cost of Low Price.
2. Working in groups of \_\_\_\_\_, develop your own infomercial that is critical or supportive of the business practices of Wal-Mart. Your project should:
  - Be 30 seconds to one minute in length.
  - Send a message about the topic you selected (see #3 and #4 below)
  - Contain accurate information about Wal-Mart
  - Be presented in class or be filmed with the understanding that it will be viewed in class.
  - Use one of the other options provided earlier.
3. Use the film, Wal-Mart: The High Cost of Low Price, and/or the article, *Wal-Mart Supports Communities* as resources to help you decide what **topic** to focus on. Some suggestions are:
  - Wal-Mart's efforts to save money at the expense of its employees
  - The effect of Wal-Mart on employment
  - Wal-Mart's environmental policies
  - Wal-Mart's corporate generosity
  - Wal-Mart's effect on communities/local businesses/local economies
  - The source of goods available in Wal-Mart stores (locally made versus imported)
4. **Important: The message of your infomercial needs to be clear. Either you support Wal-Mart or you are critical of Wal-Mart.**
5. You will get \_\_\_\_\_ class periods to prepare.

Your presentation is due \_\_\_\_\_



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## ACTIVITY MASTER 8.3: Infomercial Rubric

Student Name: \_\_\_\_\_

CATEGORY	EXCELLENT (5)	PROFICIENT (4)	SATISFACTORY (3)	LIMITED (2)	POOR (1)
<b>CONTENT – ORIGINALITY AND ACCURACY</b>	An original and highly interesting product that expertly and accurately addresses the issues.	An original and interesting product that competently addresses the issues.	Some originality in a product that generally addresses the issues.	Little originality in a product that addresses few of the issues.	Product demonstrates no originality and haphazardly addresses or does not address issues.
<b>PERFORMANCE AND AUDIENCE AWARENESS</b>	Highly persuasive. Fully prepared, carefully dressed, and well-rehearsed in speaking and use of technology. Demonstrate excellence in awareness of audience and in presentation or public speaking skills, including use of gestures, eye contact, and body language. All group members participate.	Persuasive. Prepared, appropriately dressed, and rehearsed in speaking and use of technology. Demonstrate strong awareness of audience and use of presentation or public speaking skills, including gestures, eye contact, and body language. All group members participate.	Generally persuasive. Prepared, some awareness of dress, speaking technique, and use of technology. Demonstrate awareness of audience and use of presentation or public speaking skills, including gestures, eye contact, and body language. Most group members participate.	Minimally persuasive. Some preparedness and awareness of dress, speaking technique, and use of technology. Demonstrate some awareness of audience and presentation or public speaking skills, including gestures, eye contact, and body language. Some group members participate.	Unpersuasive. Little or no preparedness and awareness of dress, speaking technique, and use of technology. Demonstrate little awareness of audience and presentation or public speaking skills, including gestures, eye contact, and body language. Few group members participate and/or do so haphazardly.
<b>SEQUENCING OF INFORMATION</b>	The infomercial includes titles and credits and meets time limits. It is expertly organized in a clear, logical sequence that is easy to follow.	The infomercial includes titles and credits and meets time limits. It is competently organized in a clear, logical sequence.	The infomercial includes titles and credits and meets time limits. It is generally organized in a logical sequence.	The infomercial may include some titles and credits and struggles to meet time limits. Little organization and sequencing is evident.	The infomercial includes few if any titles and credits and does not meet time limits. Organization and sequencing is not evident.
<b>CLARITY OF LANGUAGE AND IDEAS</b>	Ideas are expressed very clearly. Exciting, engaging and inspirational words are used throughout. All spoken and written words are easily understood.	Ideas are expressed clearly. Many exciting words are used. Most spoken and written words are understood.	Ideas are expressed satisfactorily. Some exciting words are used. Spoken and written words are generally understood.	Ideas are expressed confusedly. Few exciting words are used. Spoken and written words are not clearly understandable.	Ideas are expressed haphazardly. Exciting words are not used or are not used appropriately. Spoken and written words are not clearly understandable and may use clichés and empty phrases.
<b>VIDEOGRAPHY</b>	Video is expertly produced. Many different and excellent "takes," camera angles, sound effects, and/or use of zoom provides variety and clarity.	Video is competently produced. Many different careful "takes," camera angles, sound effects, and/or use of zoom provides variety and clarity.	Video is satisfactorily produced. Several different "takes," camera angles, sound effects, and/or use of zoom provides some variety and clarity.	Video is carelessly produced. Few different "takes," camera angles, sound effects, and/or use of zoom provides little variety and clarity.	Video is haphazardly produced. Little if any effort at different "takes," camera angles, sound effects, and/or use of zoom provides no variety and clarity.

