Corporate Reputation Management, The Wal-Mart Way: Exploring

Effective Strategies in the Global Market Place

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ABSTRACT

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The global marketplace has experienced an influx of messages surrounding the
issues of corporate social responsibility and the effect of the economy on social values.
Much of this debate is centered on appeals to business, government, and social
organizations to actively pressure structures of commerce to maintain, if not improve,
the quality of life for the public. As the world's largest corporation, Wal-Mart Stores,
Inc. has come under heavy attack from many groups which hope to change the
company's policies in order to better serve the greater community. The rhetorical
discourse between these groups has cultivated an ongoing conversation composed of
complex and strategic maneuvers, many of which are designed to either damage or boost
Wal-Mart's public reputation.

The purpose of this study is to explore the reputation management strategies and
themes present in the ongoing discussion between Wal-Mart Stores, Inc. and their

counter points, specifically within the issues of labor relations and healthcare. This study was conducted in order to identify reputation management strategies employed by Wal-Mart Stores, Inc. and their rhetorical counterpoints. In addition to an extensive review of corporate communication theory literature, the paper demonstrates the pertinence of Wal-Mart Stores, Inc. as a case study. Several themes have emerged throughout the rhetorical activities of Wal-Mart Stores, Inc. which I argue will not pacify the relentless devotion of their foes, but rather spur on more rhetorical action. The paper concludes, then, that reputation management must be a continuous process for corporations. In order to withstand the turbulence of negative events, company's such as Wal-Mart must bolster their images and trustworthiness in an ongoing campaign as opposed to sporadic issue management.

Furthermore, the rhetorical discourse which occurs between the corporate world and its respective foes and surveillance groups requires the participation of all sectors of society to create constructive and progressive solutions. Unless all stakeholders are actively engaged in the problem solving process, the system will continue to disenfranchise various groups of society, further perpetuating a rhetorical cycle that neglects comprehensive, positive, systematic change.

ACKNOWLEDGEMENTS

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INTRODUCTION[1]

If you are like most Americans, just the mention of the name Wal-Mart and you envision a big blue and gray building filled to the brim with discount goods. If you are one of the 176 million people worldwide who shop at Wal-Mart every week, you have felt the benefits of saving a few dollars. You probably like Wal-Mart and rightfully so. They sold you a pair of tube socks for 40 cents less than the other store in town and you had the ability to buy a box of cereal, a pair of sunglasses, and pick up your spouse's allergy prescription all in the same stop for less than $30. In Wal-Mart's case, the consumer and the retailer win. Wal-Mart earned profits in excess of $12 billion in the fiscal year ending 2006 and the average household saved $2,300 a year by shopping there. ("Corporate Facts: Wal-Mart by the Numbers,")

Wal-Mart Stores, Inc. has long been the friend of the working class and families on a budget. The company has experienced phenomenal growth since its conception in 1962 and now operates 6,689 retail units worldwide. Their success can be attributed to the vision of Sam Walton, founder and long time CEO and President of Wal-Mart Stores, Inc. Sam's resilient work ethic and ability to motivate his associates were trademark characteristics that influenced the company's internal rhetoric and shaped company culture. Values of hard work, customer satisfaction, and associate appreciation permeated the Wal-Mart environment.

Today is a different story. The company's reputation has come under a considerable amount of scrutiny. In the wake of company blunders and unprecedented growth their presence has become an issue of community life in cities and neighborhoods across the globe. The big box retailer is now the symbol of urban sprawl and outsourcing in America; only two of the issues that surround the discourse on Wal-Mart. Many of the negative attacks on Wal-Mart are empirically fortified and have potential to affect the company's bottom line. A 2004 study conducted by McKinsey &

[1] This thesis follows the formatting guidelines of *Management Communication Quarterly*.

Company for Wal-Mart revealed that 2 to 8 percent of shoppers discontinued their patronage due to negative press they had heard. (Barbaro, 2005)

Union funded groups such as Wake-Up Wal-Mart and Wal-Mart Watch in addition to elected leaders, NGO's, and other interest groups have launched sophisticated full time attacks on the company. These groups hope to change Wal-Mart by pressuring the company through the media, lobbying, and grass roots movements. The attacks on Wal-Mart cite the harmful policies and effects of the company's behavior on sectors of the economy including, but not limited to healthcare, employer discrimination, urban sprawl, outsourcing, and wage suppression. The messages launched by these groups seek to garner support from all parts of society and raise doubts about the nature and trustworthiness of America's largest company. Ideally, this support would result in public pressure on the company to change its policies.

Wal-Mart's public relations and reputation management history is somewhat non-existent, but with the recent onslaught of criticism the company has been forced to react. In 2005, Wal-Mart created a 'war room' to pre-empt negative attacks and professionally manage all discourse about the company. They hired Edelman, a Washington based public relations firm for a rumored price of $10 million per year to revamp its image. Edelman's staff in Bentonville focuses on heading off negative attacks about the company while publicizing the positive contributions that Wal-Mart makes to the community and economy as a whole. The task is daunting due to the influx of messages that are broadcasted across multiple mediums. Public relations executives work around the clock to insure that Wal-Mart's best image is always projected. The company increased its efforts to publicize its good works and consistently defends itself against allegations through press releases and speeches.

The increasing number of negative attacks on Wal-Mart coupled with public distrust of big business creates trouble for the company in the United States and abroad. Wal-Mart Stores, Inc. has become the target for all fear and anxiety about many issues in America including healthcare and the disappearance of the middle class. Several communities have rejected the opportunity to have Wal-Mart's built in their town for

fear of what Wal-Mart can do to the local economy. Wal-Mart's image has suffered in part due to the increase in negative attacks on the company, many of which are born out of Wal-Mart's missteps and mistakes. Since Wal-Mart Stores, Inc. is the leader in retail they have become the premier corporate role model and by changing Wal-Mart, people hope to change the entire consumer driven system. Wal-Mart has learned that with size comes responsibility and has made some effort to step into this role. Their efforts to convey a positive image in the face of heavy criticism rely heavily on the strategies of the company's reputation management practitioners. Their reputation management strategies are the focus of this study. I hope to answer several questions: 1) What is the role of reputation management in the global market place? 2) What strategies must global companies adopt in order to maintain a positive public image? 3) What can we learn from the successes and failures of Wal-Mart's reputation management practices?

The purpose of this study is to identify and explain the common themes used by Wal-Mart to defend the company's reputation against attacks. In order to maintain growth domestically and internationally, Wal-Mart must buffer their reputation and credibility as an honest and responsible corporation and has taken steps to do so. If Wal-Mart does not act or attempt to tell its story, plenty of groups are willing to do it for them at the expense of the company's reputation. The following sections will address previous work done in the fields of public relations and reputation management and the pertinence of Wal-Mart as a case study. Later sections identify common themes present in Wal-Mart's healthcare and labor relations discourse, and discussion of the findings presented.

LITERATURE REVIEW

CORPORATE COMMUNICATIONS AND PUBLIC RELATIONS

Corporate communication can be defined as "the overall internal/external communication function of the organization"(Hutton, Goodman, Alexander, & Genest, 2001, p. 250). The resulting marketing function of the organization "hopes to forge close relations with the market and, thus, remain sensitive to changes in the needs and wants of present and prospective customers"(Christensen, 1997, p. 198). The literature surrounding the fields of corporate communications, issue management, reputation management, and public relations canvasses a wide variety of theories, problems, and solutions for effectively analyzing and engaging multiple audiences in order to achieve relational stability and responsiveness. Virtually every theory of corporate communications advances a two-way model of communication between the private sector and society. The external communication practices are most often included under the heading of 'public relations; "a process…described by using decision making models and two-way communication" (Clark, 2000, p. 366). Public relations can also serve an internal purpose since some audiences appeal to both internal and external messages. Internal communications through messages such as mission and vision statements foster better working environments and cohesion in decision making (Swales & Rogers, 1995). The messages received and created by organizations and their audiences play a vital role in determining the actions and attitudes of the global market place.

There are many theories on which organizations base their operational communication strategies. Cutlip and Center (1994) offer a four stage model for public relations. The model includes fact-finding and feedback, planning and programming, action and communication, and evaluation (Cutlip et al., 1994). This decision making model, which became the four step management process, relies upon primary or secondary research techniques to uncover an organizational or image problem and the use of communication tactics to solve it (Clark, 2000). The two way symmetrical flow of

information is also confirmed by Grunig and Hunt (1984). Two way symmetrical communication allows both the target company and various publics to adapt behavior and beliefs following well planned and strategic communication. Furthermore, organizations are able to research and prioritize their stakeholder relationships and act accordingly. Efficient two-way communication fosters better relationships, leading to greater organizational effectiveness, stronger ethics, and higher profits (Grunig, 1992). In this respect, two way communication models help companies make connections between their public relations efforts and increases or decreases in sales or public opinion.

Kruckeberg and Starck (1988) describe public relations as community relations. The public relations practitioner must further their community relations as well as "maintain credibility, build solid internal and external relationships, and effectively manage issues" (Clark, 2000, p. 368). Bruning and Ledingham add that this perspective focuses on building and maintaining public relationships as opposed to influencing public opinion. They define the organization-public relationship as the "state which exists between an organization and its key publics in which the actions of either entity impact the economic, social, political and/or cultural well-being of the other entity"(Bruning & Ledingham, 1999, p. 61). These relationships are influenced and managed by the rhetorical function of organizational messages. "Strategic decisions" regarding these messages rely on "targeted assessments of purpose, audience, and message"(George Cheney, Christensen, Conrad, & Lair, 2004, p. 84). Thus, the goal of public relations becomes 'adjusting organizations to environments and environments to organizations' through attentive relational messages (R. E. Crable & Vibbert, 1986).

The two-way communication model operates on the assumption that one entity (ex. the private sector) is obligated to cooperate with or serve another entity (ex. the public sector). On the contrary, Petro Georgiou (1981) claims that no organization has any other primary goal than its own continuance and aggrandizement. Others argue that organizations have a "tendency to develop their own intrinsic logic relatively independent of their environments" (Christensen, 1997, p. 198). One researcher even

concluded that "American practitioners continue to practice one-way models of public relations even when their organizations may not dictate one-way communication with publics" (Vasquez & Taylor, 2000, p. 433).

So what, then, is the incentive for corporations to engage in public discourse? In light of the growing number of corporate scandals in today's society the public is demanding more accountability for the private sector. In order to prosper, organizations learn to communicate with their audiences so that they might advance their own desires through public discourse while simultaneously appeasing public anxiety over private behavior. This accountability is delivered mainly through organizational rhetoric that is "oriented to formal, *public* messages and discourses" (George Cheney et al., 2004, p. 81). Cheney, Christensen, Conrad, and Lair (2004) propose that the defining concerns of rhetoric include 1) situations of uncertainty and possibility, 2) situations in which the intent of a message is ambiguous for the speaker and/or audience, 3) situations in which the credibility or the ethos of the source is problematic, 4) situations in which the nature of the audience(s) for a message is unclear, and 5) situations in which the likelihood of persuasion as the message effect is context-dependent (George Cheney et al., 2004). These situations of uncertainty and ambiguity become more complex in contemporary settings in which "messages are removed from their sources and audience boundaries are unclear and shifting" (George Cheney et al., 2004, p. 82). Corporations are compelled to act out of their own best interest and develop coherent rhetorical strategies to maintain influence in society. Organizations must navigate ambiguous and complex environments in order to reach their audiences and convey an image of responsibility.

Corporate Rhetorical Strategy

According to Cheney, Christensen Conrad, and Lair (2004) the typical categories of corporate rhetorical strategy are responding to existing rhetorical situations, anticipating future rhetorical situations, shaping or framing projected rhetorical situations, and shaping organizational images and identities. Addressing current

situations includes attempts to persuade audiences that the organization is not at fault for a current problem, apologia for mistakes, and other responsive strategies. As mentioned earlier, maintaining relationships with different audiences requires organizations to anticipate future trends and adapt their behavior accordingly. Forbes (1992) called this anticipation function 'environmental scanning.' Properly surveying issues and future situations allows organizations to represent their side of the story before their opposition presents it for them (Schmertz, 1986).

In concordance with anticipating future events, organizations have the ability to proactively shape attitudes and opinions about future situations. The ideal strategy is to "communicate with an aware public early enough so that the public does not form negative opinions about the organization"(Clark, 2000, p. 376). Organizations can also initiate trends and frame issues according to their own standards. The fourth category, shaping organizational images and identities, refers to the organization's attempt to center all messages around one central set of values. The resulting messages have a unified persona which communicates the beliefs and values of the organization.

Clark (2000) combined the leading strategies for public relations and corporate social responsibility to create a communication-management approach for corporate communications. The model attempts to "use the knowledge of identifying stakeholder groups and a corporation's responsibility to them with the ability to strengthen these relationships through effective communication"(p. 374). The CMA model proposes three steps: 1) stakeholder analysis (including the vital historical, social, and political dimensions of the issues facing the stakeholders) which produces a stakeholder issue profile for each group, 2) communication analysis (including past and present methods of communication used by both the organization and stakeholders), and 3) communication management that can "establish, inform, mitigate, or maintain his or her relationship with key stakeholders"(p. 375). Clark asserts that corporate social responsibility and public relations are similar in that they are both trying to establish and strengthen relationships between the organization and key stakeholders and that communication is essential for the success of either strategy.

The US Council Foundations created a public relations strategy somewhat similar to Clark's CMA model. The project aims to make good corporate citizens out of the Learning Organization by combining external relations, community relations, employee relations, and a reputation for integrity. The public relations map includes the following strategies:

> (1) Engage in proactive public education on a range of social issues all the time, even before the media notices it, or before a partisan group adds the issue to its agenda; (2) Monitor public opinion through polls and other telecommunicated measurements constantly; (3) Organize stakeholders and shareholders in order to advocate and lobby; (4) Plan direct partnerships with government to reach knowledge-based goals (Badaracco, 1998, p. 269).

The Council's model goes further than most traditional models of public relations. Its emphasis on multiple-stakeholder assessments, issue management, and regulatory partnerships creates a well-rounded and management intensive strategy. The modern day corporation is expected to take on each of these functions in their public relations strategies.

Reputation and Issue Management

The concentration of my corporate communication analysis in this study centers on the disciplines of issues management and reputation management. Reputation can be defined as a "perceptual representation of a company's past actions and future prospects that describe the firm's overall appeal to all its key constituents when compared to other leading rivals"(Fombrun, 1996). Fombrun and Rindova (1999) suggest that reputations are valuable for two reasons: 1) their bottom-line effects on firms and 2) their ability to "buffer firms from the immediate reactions of stakeholders in their environments when controversial events occur" (2001, p. 79). The corporate world agrees. According to a survey of some the world's leading CEOs and organization leaders, "Corporate

reputation is a more important measure of success than stock market performance, profitability and return on investment" ("Corporate Brand Reputation Outranks Financial Performance as Most Important Measure of Success," 2004).

Reputation management refers to the set of strategies that companies develop to cope with the expectations of their audiences, manage interpretations those audiences make, and to build favorable regard (Fomrbrun & Rindova, 2001). Most of the concerns of these audiences are centered on specific issues. Hence, the incorporation of issues management is essential. The term 'issues management' was coined to define the strategies used in an attempt to counter the efforts of activist groups putting pressure on legislators for stricter control of business activity (Heath & Associates, 1988). In 1978, the Public Affairs Council defined issues management as "a program which a company uses to increase its knowledge of the public policy process and enhance the sophistication and effectiveness of its involvement in that process"(Heath & Cousino, 1990, p. 8). Reputation management is more directly involved with the monitoring and development of stakeholder relationships while issues management is more concerned with the development and progression of public issues concerning the company. They are, however, intricately linked. A strong reputation will decrease the challenges of issue management and competent issues management will bolster reputation.

Good reputations are rewarded in various ways. Investors when they bid up the price of the company's market shares, customers pay premium prices for the products of reputable companies, and employees are happy to work for reputable companies (Fomrbrun & Rindova, 2001). Not only are employees happy to work for them; annual surveys report that MBA graduates are attracted to jobs in higher-reputation companies. It can be inferred that there exists tangible economic benefits for a strong reputation. Corporate Reputation also has behavioral consequences. If an employee experiences an event that has a negative effect on the company's reputation his or her beliefs about the company's organizational identity may be negatively affected. Negative effects on organizational identity can then create a lack in motivation and commitment within the

workforce (Fomrbrun & Rindova, 2001, p. 80). Thus, a weak reputation has both internal and external effects on the behavioral and economic performance of a company.

Many organizations have recognized the importance of reputation management efforts in their overall business strategy. This trend is reflected both in corporate communication spending and beliefs as to what constitutes a company's public relations objectives. Hutton, Goodman, Alexander, and Genest's (2001) survey of 72 *Fortune* 500 companies reported a mean of $21.6 million in corporate communications budgets. Furthermore, the study found that no company with a "relatively large corporate communication budget (greater than about $5 million) had a poor reputation"(p. 252). Thus, there exists a correlated link between reputation and corporate communication spending. The study also found that among the company's surveyed, the dominant philosophy of the role of corporate communications was "managing reputation." Furthermore, the more specific a company's philosophy of managing reputation, the more likely they were to have a strong reputation. (p. 255) In summation, those companies actively engaged in managing their reputation through corporate communications had relatively strong reputations.

In the book, *The Expressive Organization*, Hatch and Schultz (2001) clarify other terms important for the study of reputation management. They maintain that "the field of corporate identity has been concerned with the notion of the central or distinctive idea of the organization and how this idea is represented and communicated to a variety of audiences"(p. 13). Corporate identity is believed to have the ability to add value to a corporation and its services and products. Organizational Identity refers to the way "organizational members perceive and understand 'who we are' and/or 'what we stand for' as an organization"(p. 15). Organizational Identity can vary across organizational members since organizations are communicating multiple messages simultaneously and different members will identify with these messages on different levels. Barney and Stewart (2001, p. 37) add that if the organizational identity is "the central, distinctive, and continuous core of a shared organizational schema, it can act as a framing mechanism for organizational decision-making." Organizational identity, then, has the

ability to align members' goals with the goals of the organization (G. Cheney, 1983). For diversified companies, organizational identity strategies can unite members along the lines of the organization and create cohesion in business decisions.

Reputation Management Strategy

Reputation management strategies are inherently rhetorical in that they attempt to persuade an audience to trust the organization or to regain the public's confidence after its image has been damaged. Dukerich and Carter (2000) recognize that "corporate reputations are based on perceptions and it is those perceptions that drive reputational assessments, regardless of the reality of the situation"(p. 98). The public's reliance on perception creates opportunities for organizations to intervene in the rhetorical process. Organizations bolster their reputations through proactive strategies, but are often engaged in reparative actions in response to negative press or direct attacks. Dukerich and Carter (2000) define these two functions as assertive and defensive. Assertive actions, reputation management actions that enhance an already well established reputation, include "achieving equal opportunity employment, contributing to charity, developing non-polluting products, advertising, and creating philanthropic foundations. Defensive signals and activities include verbal accounts through press conferences, written accounts through press releases, and letters to shareholders, among others"(p. 100).

Defensive actions, also called reputation-repair behaviors can take many forms, ranging from the denial of the problem to policy changes within the company. Dukerich and Carter (2000) stress the importance of understanding how and when to engage in reputation repair in addition to creating appropriate steps to do so. The size of the response is often dictated by the size of the problem. However, the resulting self-generative, self-identifying and self-protective models may overwhelm other functions of the organization (George Cheney et al., 2004). Most reparative actions are geared towards external audiences, but this is not always the case.

Organizations also engage in 'auto-communication,' "a set of self-referential communication practices through which the organization recognizes and confirms its own images, values and assumptions" (Christensen, 1997, p. 1). Christensen (1997) claims that organizations must engage in auto-communication to confirm its social identity and do so through external messages. This auto-communication organizes the organization around its own perspective and images (organizational identity). The organization can then become preoccupied with its own values and perspectives, prohibiting it from effectively responding to external audiences, and thus, abandoning the two-way model of effective communication.

Organizations can not respond to all negative cues. Dukerich and Carter (2000) propose that organizations are more likely to respond to attacks on their personal identity and character than other types of negative cues. They also propose that organizations "look to particular stakeholder groups when making decisions regarding to whom they should pay attention"(p. 102). This theory is elaborated by Mitchell, Agle and Wood (1997). They argue the three primary attributes which contribute to stakeholder salience are power (in ability to carry out desires despite resistance), legitimacy (in desires and terms of engagement) and urgency (the issue is time sensitive and critical). Salient groups contain all three attributes. If groups do not contain all three, "it is likely that they will be ignored or downplayed—at least in terms of a response aimed at external stakeholders of the organization"(Dukerich & Carter, 2000, p. 102). In turn, they offer three pieces of advice to organizations. First, the organizations must have mechanisms in place to monitor the opinions of external stakeholders. This function enables groups to monitor sentiments about certain issues and their development in relation to the organization. Second, organizational members must "fully understand the impact of different stakeholder groups on organizational effectiveness"(p. 109). Lastly, they advise organizations to be aware of the impact that organizational identity has on the organizational members' ability to accurately assess reputational cues from key stakeholders.

Jeffrey Resnick (2004) offers a similar model for reputation management. Noting that leading CEO's increasingly value reputation and are the driving force behind successful management strategies, he proposes four steps to monitor stakeholder perceptions: identification of the areas of reputational risk, identification of relevant stakeholders, establishment of systems capable of assessing current standing with critical stakeholder groups (such as surveys), and lastly the implementation of a four step action sequence. Resnick advises companies to identify and prioritize areas of weakness, devise action plans with time frames and performance targets, agree to regular reassessment, and develop plans to contain the impact of potential reputational distress that can not be stopped in time. He also notes that virtually no company can go through the rigors of existence without undergoing some sort of negative attention and companies must be ready to deal with such issues. Forbes (1992) also advocates for a strategically planned strategy consisting of six steps: scanning the future, building scenarios, reviewing the mission, setting objectives, strategies, and policies, implementing strategy and evaluating and updating the plan. The recurring nature of the model suggests that reputation management is cyclical and constantly evolving. Corporations must always be evaluating and assessing their reputational status and strategy.

The main priority for reputation management practitioners is to selectively highlight legitimating features of their firms. Firms enhance their perceived legitimacy by providing explanations of company practices following good news, but offer excuses of justifications designed to attenuate corporate responsibility for controversial events and bad news (Salincik & Meindl, 1984). Fombrun and Rindova (2001) go beyond impression-management communications and suggest that companies shift to expressive communication to achieve transparency. Stakeholders, they claim, are likely to reward the company with a deeper sense of trust and commitment.

Issue Management

Corporations can go further than reputation management by also engaging in issue management. Issue management models guide companies to "identify emerging issues and respond to them before they become public knowledge" (Gaunt & Ollenburger, 1995, p. 201). Rather than overreacting to stakeholder criticism, companies can track and analyze the causes of the trend that has become a critical issue. Issue management is also seen as profitable for business because it has the power to shape public policy. A properly managed issue gives the organization a head start on influencing public opinion and concern over an issue. Companies cannot operate independently of their public policy environments, therefore making issue management strategies critical to company operations. Issue management is proactive. It is done by dealing with issues before they have a detrimental effect on the organization. Issue management is an avenue for public relations practitioners to become more involved in management decision-making.

Issues arise in internal and external environments and are "created when one or more human agents attaches significance to a situation or perceived 'problem'"(R. Crable & Vibbert, 1985, p. 5). "Internal issues stem from declining employee satisfaction" and "can alter the organization's performance if left unnoticed or unaddressed"(Gaunt & Ollenburger, 1995, p. 204). External issues originate in sources outside of the organization and require public policy scanning and early intervention to counter negative effects such as unwanted legislation. Efficient "issues management has the ability to show the interplay between factors as diverse as social concerns, news events, cultural values, and corporate goals, an approach which demands a high level of context sensitivity" (Murphy, 1996, p. 103).

Crable and Vibbert (1985) describe the life cycle of the issue in five stages: potential status, imminent status, current status, critical stage, and dormant. It is important to note that the issue never dies; it merely becomes quiet. Hainsworth (1990) also developed a model to describe the issue's life cycle. These four stages include:

origin, mediation and amplification stage, organization stage, and resolution.The Chase/Jones Issue Management Process Model was developed in concordance with the research on the life cycle of the issue. This five stage process "embodies a results-oriented philosophy of management, combining solid management technique with the growing knowledge available from the social, political, and communication sciences" (Jones & Chase, 1979, p. 9). The management process begins with identifying and prioritizing emerging issues. Issues can be defined by executives, designated committees responsible for developing issues, or other methods such as scanning media resources. The second step of analysis calls for analysts to examine theory and research about topics most important to the organization in order to determine the origin and evolution of an issue. In the third stage, organizations select basic strategies for dealing with certain issues. At this point, companies decide how and where they want to fight their battles. Next, organizations must adopt policy to support the selected change and adopt goals and objectives. The last step if result evaluation. Much like reputation management, issue management is cyclical in that it requires the constant evaluation of trends and behaviors in order to constantly stay ahead of the game.

Murphy (1996) claims that even despite successful issue management, issues resemble chaotic systems and as a result it may be difficult to "locate appropriate leverage points for communication"(p. 103). She also contends that interest groups are in themselves chaotic which limits the organization's ability to 'manage' such groups. When issues escalate and become crises Murphy claims that organizations may have to allow events to play out. Using chaos theory, Murphy characterized crises as "bifurcation points that permanently redefine an organization in a new and unexpected light"(p. 106). Furthermore, "uncertainty will always dominate relations with publics during volatile times, and improved research and measurement may not in themselves improve outcomes"(p. 108). Chaos theory, then, disregards a planned approach to public relations. Chaos theory can help organizations recognize bifurcation points in societal trends and thus, encourage them the chance to act early and set the agenda.

Methods of Message Dissemination

There are many mediums for corporate communications. Perhaps the most visible of these is the media. Dukerich and Carter (2000) maintain that "newspaper articles, daily radio or television news, as well as other printed material outlets, such as magazines or trade journals, may provide organizational members with cues as to how their stakeholders view the organization's reputation" (p. 99). Investor confidence levels, shareholder resolutions, mission statements, annual reports, letter-writing campaigns, picketing and other advertising methods all serve as communication mediums in the two-way symmetrical relationship between the organization and its publics.

Reputation management strategies go beyond verbal communication. Demanding publics want to see corporate social responsibility in product research, development, manufacturing and advertising (Badaracco, 1998). Critical audiences want to see organizations communicating messages of corporate social responsibility and economic accountability in their investment strategies, labor practices, and public relations campaigns. Messages are transmitted through virtually all of an organization's visible rhetorical, political, and economical activities and the public has unprecedented access to the facts behind the retail shelves. The challenge, then, is to create cohesive reputation management strategies united around one corporate culture which stresses morality and responsibility.

Challenges within Reputation and Issue Management

Reputation management appears to be a broad overarching function, but others warn that "reputation is a meaningful concept only as it applies to specific audiences or publics, and that no across-the-board measure of reputation is or can be valid for all stakeholders"(Hutton et al., 2001, p. 249). The modern day corporation deals with multiple stakeholders in various environments. These multiple audiences include among others, "local citizens, governmental regulators, stockholders, employees, pressure

groups, and politicians"(Dukerich & Carter, 2000, p. 99). Schultz, Hatch, and Larsen (2000) maintain that "all stakeholders…have to be nurtured and sustained over the long run"(p. 2). In order to do this, organizations must have coordinated efforts that involve the entire company and strategies that integrate issues of identity, reputation and the corporate brand. Furthermore, organizations should direct messages at specific audiences. This requires that organizations conduct thorough assessments of each group according to their concerns, interests, and goals and do not allow messages to go to unintended audiences.

Organizations employ internal messages to persuade members to identify with organizational goals and to adopt organizationally desired decision premises. More commonly observed, organizations send external messages in an effort to influence audiences' opinions or repair tattered images (George Cheney et al., 2004). These messages, however, are not isolated and may be directed at both internal and external audiences simultaneously. Internal audiences, such as employees, can ascribe to external messages that depict the dedicated work ethic or friendly service of a company. Hence, the boundaries of such messages become unclear. Tailored messages can be highly effective, but it is important that rhetorical practitioners do not create contradictory messages available to unintended audiences. To combat the inconsistencies between messages, organizations try to establish univocality and advance a particular image of the organization itself (George Cheney et al., 2004). A unified approach, however, often limits the organization's ability to adapt to its audience, thus, hindering the two-way symmetrical model of public relations.

In addition to creating univocality centered on a unified corporate identity, organizations have the challenge of establishing and maintaining credibility. This is primarily accomplished by a company simply fulfilling rhetorical claims. If an organization can establish its credibility with the public, their communication strategies will be more effective and trustworthy. When rhetorical claims are not fulfilled, corporations may face public and regulatory pressure.

Collins, Zoch, and McDonald (2004) assert that corporations do not have the same right to respond to their critics as critics have in leveling that criticism. When Nike employed reputation management strategies to combat attacks about the production practices of the company, its efforts were classified as 'commercial speech' and thus subject to California unfair competition and false advertising laws. California resident Marc Kasky filed suit against the company claiming that their reputation-management efforts were directed toward improving the company's bottom line. The California Supreme Court found that Nike's campaign was "specifically focused on rebutting criticism about the ways its products are produced" and fit the qualifications for commercial speech. They concluded that "when a corporation, to maintain and increase its sales and profits, makes public statements defending labor practices and working conditions at factories where its products are made, those public statements are commercial speech that may be regulated to prevent consumer deception" (p. 414). This ruling means that company's are subject to false advertising allegations in states that do not protect commercial speech. If organizations do not literally 'walk the talk' they can not talk. Thus, corporation's First Amendment rights are limited and rhetorical practitioners must exercise caution within their communication strategies.

The abundance of messages in the market place further complicates organizational discourse and reputation management (George Cheney et al., 2004). Organizations constantly compete with each other for the attention of audiences. This competition drives organizations to seek out new ways to appeal to different groups, all the while inundating them with an influx of messages. The pressure to stand out amongst the crowd perpetuates with each competing message. This challenge translates into a need for effective research and analysis of each stakeholder group in order to ensure that each group's perceptions are accurately understood and each message is efficient and pointed. Furthermore, the individual has access to an unprecedented amount of information and a newfound influence in the sphere of public influence. Corporations have a difficult time trying to control what the public hears and sees and consequentially experience a greater challenge in monitoring their image (Badaracco, 1998).

Dukerich and Carter (2000) warn that organizational members are prone to filter cues about the firm's reputation through an "organizational identity lens" which can prohibit the organization from making accurate assessments of external perceptions. If organizations fail to accurately interpret outsider's assessments of the organization's reputation they may not legitimately respond to negative cues and possibly further enforce the negative reputation of the organization to outsiders. Poor assessments of outsider's perceptions can also prompt organizations to either "allocate an inordinate amount of resources towards repairing the corporate reputation because they have magnified the negativity of the reputation cues, or they will allocate an insufficient amount of resources towards repairing the corporate reputation because they have minimized the negativity of these cues" (p. 105). If an organization protests too much, outsiders may wonder why the company is so defensive, while an insufficient reaction may incite more negative sentiment about the company's lack of responsiveness and concern.

The salience of the stakeholder group also dictates how the organization will respond to negative cues. Those that demonstrate the attributes of power, legitimacy, and urgency will be attended to more effectively than those who do not. Peripheral stakeholders may be ignored or downplayed by organizational members. Dukerich and Carter claim that such behavior can "result in a detrimental effect on the organization's reputation"(p. 108). The possibility that a peripheral stakeholder could create a hazardous situation for the organization points to the need for continual assessment of stakeholder attitudes and issue concerns. Despite the difficulty of forecasting future trends and attitudes, organizations must constantly monitor emerging negative cues and issues. Some issues may get out of the organization's control and create a damaging environment for the organization.

THE CORPORATE CAMPAIGN: THE OTHER SIDE OF THE STORY

The Information Age has ushered in a period of consumer activism. The American consumer has an unprecedented amount of information at their fingertips. This abundance of information creates a "transparency" in corporate life that overturns conventional ideas about ownership in organizations, reshaping popular images of Big Business carved by partisan politics" (Badaracco, 1998, p. 265). The role of public relations once dealt with the discrepancy between how corporations ought to behave and the reality of their actions, but now these constructed facades are easily torn down. Corporations are under pressure to actually communicate with their audiences.

Hiebert (2004) contends that "civil society, or democracy, requires a level playing field in the public sphere, meaning that competing interests must have more or less equal access to the marketplace" (p. 3). Saul Alinsky, in his book *Rules for Radicals: A Pragmatic Primer for Realistic Radicals* (1971) added "there can be no darker or more devastating tragedy than the death of man's faith in himself and in his power to direct his future" (p. xxvi). In the sphere of public discourse individuals enlist several strategies to engage organizations. The most sophisticated method of engagement to date is the corporate campaign. Corporate campaigns are designed to give "people who are otherwise uninvolved a reason or impetus to do what they are naturally inclined to do, regardless of whether they might share in the goals of the campaign or even be aware of them"(Manheim, 2001, p. ix).

According to Manheim (2001), the "corporate campaign is a term of art referring to a coordinated, often long-term, and wide-ranging program of economic, political, legal, and psychological warfare usually, but not exclusively, initiated by a union or by organized labor in general"(p. xiii). Labor first adopted the corporate campaign in the 1950s and 1960s as organized labor lost some of its legitimacy and needed to align with other groups in order to gain ends. Today the corporate campaign is the principal mechanism "for shaping, framing, energizing, and mobilizing activists, and for building new points of contact between the labor movement and those concerned primarily with

human rights, civil rights, consumer rights, progressive religious activism, and the environment"(Manheim, 2001, p. 306). The connections made through campaigns foster relationships across issue lines and strengthen the power of the non-corporate sector. Many campaigns rely heavily on ideology and philosophical convictions as well as orchestrated operational efforts and strategies.

Alinsky's *Rules for Radicals* (1971) highlights many of the ideological and rational strategizing behind corporate campaigns. He constantly advocates for realistic strategy as opposed to simply rhetorical behavior. In light of the many social activist movements in the 1960s, Alinsky sensed the tendency among youth to push hard for immediate results instead of applying "calculated, purposeful, and effective" strategy (p. 5). Since all movements and situations are different, strategy must be thoughtfully put together. The corporate campaign encompasses a wide range of strategies and guidelines developed by various organizations and organizers.

The Need for a Leader

All purposeful groups, including corporate campaigns, need an effective leader. The campaign organizer must have curiosity, irreverence, imagination, a sense of humor, an organized personality, ego, a free and open mind, and political relativity (Alinsky, 1971, pp. 68-80). It is the organizer's job to empower the people. Alinsky promotes a humble yet confident organizer; one that will not condescend the people with whom he/she is working and has the ability to let them succeed on their own abilities. Leaders of activist groups such as the AFL-CIO, United Food and Commercial Workers Union, and the Service Employees Industrial Union have a multitude of responsibilities, operational and inspirational. Grassroots organizers, too, must be willing to put in the long hours of work and form strong communication links with their constituents. Ostentatious leaders have the tendency to conflict with people in organized labor because of their so called 'cocky' attitudes. Despite their ability to pressure

organizations, leaders who do not relate to and motivate their activists will find themselves in trouble.

It is also important for leaders to function under a "dual mindset"(Alinsky, 1971, p. 78). One side sees the issue in complete polarization and is 100% committed to his goals and the other knows that when the time comes for negotiations it is really only a 10% difference. Leaders must also understand the crucial role of communication. "It does not matter what you know about anything if you cannot communicate to your people. In that event you're not a failure. You're just not there" (Alinsky, 1971, p. 81). Communication takes place within the experience of the parties. Leaders must identify and appeal to the individual values and experiences of the people with which they hope to communicate effectively. The leader's appeal comes from his/her ability to instill an aura of fear and power to their audience. Alinksy (1971) asserts that power and fear are the fountainheads of faith and without faith you will not be able to empower people. A sense of empowerment lets people know that they can change their situation and until they know they can make a difference they don't want to know anything (pp. 99-106).

Components of the Corporate Campaign

The corporate campaign is directed at a corporation who has refused to yield on some issue of great importance to the organization launching the campaign. It is more sophisticated than lobbying, organizational, and other public relations campaigns. It is waged in various venues: Wall Street, Capitol Hill, regulatory agencies, the courts, the marketplace, and most of all the media. Corporate campaigns try to sabotage the same trust that corporate reputation strategies hope to build. Campaigns attempt to pressure the relationships between the organization and their stakeholders.

The multiple stakeholder components of "systematic exploitation of key stakeholder relationships through communication and other strategies" set the corporate campaign apart from other social, political, and economic pressure (Manheim, 2001, p. viii). Both the corporation and the campaign realize the need to address multiple

stakeholders. Corporations hope to appease and build credibility with stakeholders while the corporate campaign tries to turn those same groups against the corporation. The work of the campaign begins with an analysis of the "power structure—the set of stakeholder relationships on which the target company depends for its well being"(Manheim, 2001, p. 194). These stakeholders include investors, the media, customers, and regulatory agencies. The "leverage points will vary, but the logic is always the same: Find the most cost-effective means of using its dependency on various stakeholders to threaten or do actual harm to the target company" (Manheim, 2001, p. 196).

Stakeholder relationships are targeted in several ways. Most of all, corporate campaigns want to change stakeholders' confidence in the corporation. This can be done by sabotaging the company's image. Campaigns generally center attacks on three overarching themes: corporate greed and outlawry, exploitation of human misery, and unfairness or injustice to labor (Perry, 1987, pp. 20-31). Many audiences are familiar with these themes in regard to corporations, but if they are not they are likely to accept the simplest interpretation outside of their experience (Manheim, 2001, p. 199). *Metacampaigns* employ such overarching themes and transcend company specific campaigns (p. 204). Metacampaigns can involve multiple issues and reach out to multiple groups, but may lack specific and attainable goals.

Corporate campaigns rely on strategic communication to assess, disseminate, and further their goals. Strategic communication is the

> term of art that refers to the use of sophisticated knowledge of such
> attributes of human behavior as attitude and preference structures,
> cultural tendencies, and media-use patterns, news content as well as
> knowledge of such relevant organizational behaviors as how news
> organizations make decisions regarding news content and how
> legislatures and government agencies form their agendas, to shape and
> target messages so as to maximize their desired impact while minimizing
> collateral damage (Manheim, 2001, p. 17).

Strategic communication is unique because it "integrates theory, research, and practice to manage perceptions, preferences, and behaviors"(p. 17). Corporate campaigns seek to assess their audiences for the same reasons as corporations. Both parties need to identify the perceptions and values of a target audience in order to determine the best way to influence those audiences. It is important to tap into a groups' topoi or "beliefs and general assumptions held by the public"(George Cheney et al., 2004, p. 89). All groups, corporate and anti-corporate, operate on the basis of self-interest. In order to move a group to action a campaign must harness the preconceived ideas and attitudes within the group and then demonstrate how those grievances and injustices can be put into action. Alinsky notes the first step as making people aware of injustice and the next is to "develop and harness the necessary power to effectively conflict with the prevailing patterns and change them" (Alinsky, 1971, p. 117).

Power translated into action brings change. This power can be generated by incorporating multiple issues in a campaign. Multiple issues mean more members of the organization. Each person realizes that they can not get what they want on their own and the ensuing deals between groups become the program. Alliances also have the ability to legitimate the campaign. Associating with moral leaders in the community such as churches can give the campaign the "moral high ground" and broaden their appeal to more moderate audiences (Manheim, 2001, p. xiv). The moral high ground dictates who can determine what is true about the motives and behaviors of the target corporation. Once again, we find that the perception of the target company becomes the truth. The goal is to influence that perception in a way to inspire action and change.

Tactics of the Corporate Campaign

Corporate campaign tactics encompass a wide range of strategies that can be applied both internally and externally to affect various parts of the target organization. Tactics need to create pain and discomfort for the target company while offering to make it go away through concession to the campaign's demands (Manheim, 2001, p. 39). The early

campaigns of the 1970s introduced elements that have since become commonplace in the corporate campaign: "intense personal attacks on top management; wild allegations about poor corporate citizenship; contacts with financial analysts as part of a concerted effort to undermine the valuation of the target company's equities; secondary pressure on the target through its banking, distribution, or other essential relationships; regulatory and political pressure; and the like"(Manheim, 2001, p. 40). These tactics add a deeper dimension to the corporate campaign. Campaigns frequently go beyond the target company by applying these tactics to the company's stakeholders. Nevertheless, more traditional direct tactics such as the boycott are still used.

The boycott is used to pressure both the target company and the company's stakeholders through *secondary boycotts* (pressuring one actor to influence another) (Manheim, 2001). David Vogel asserts that "allowing one's political or moral preferences to influence one's purchase of products is not, of course, an idea that was invented in the sixties" (Vogel, 1978, p. 4). He reminds us that consumer boycotts have played an important role since the American colonists' pre-Revolutionary struggle up through the Civil Rights Movement. The Taft Harley Act of 1947 classified secondary boycotts as illegal, but this policy was overturned by the 1988 Supreme Court ruling in *Edward J. DeBartolo Corp. v. Florida Gulf Coast Building & Construction Trades Council*. The ruling said that activists have the right to try and persuade people how and where to shop, so long as they do not use force to do so.

The objective of the boycott is to politicize behavior and add "moral or political considerations to the list of criteria that consumers employ when making their purchasing decisions" (Manheim, 2001, p. 233). Monroe Friedman, in his book *Consumer Boycotts: Effecting Change Through the Marketplace and the Media* (1999), defined several factors that mark a target company as vulnerable to a boycott. Vulnerable companies are highly visible through themselves or other brands, seen as sufficiently socially responsible that they can be expected to care about their reputations, sensitive to something that might result in loss sales due to recent setbacks, and owned by interests in the country where the boycott is to be conducted (Friedman, 1999, pp. 5-

7). The media can also be utilized during a boycott to publicize images of civil disobedience, graphic pictures, and protests. Consumer boycotts can be highly effective in many sectors of society, especially in industries like retail.

Internal pressure tactics can be very effective in cases when labor organizations attempt to influence a pending or ongoing contract negotiation. These tactics are most effective if campaign members are already inside the organization, but in the case that they are not, the technique known as *salting* may be used. Salting involves "placing paid organizers inside the workforce of a targeted company for the express purpose of organizing others" (Manheim, 2001, p. 250). Companies can not refuse to hire someone simply because they are a union member according to the National Labor Relations Act. Once inside, union members can "generate unfair labor practice allegations, use these as an excuse to walk off the job, and then, when the employer hires replacement workers to maintain production, use that as a focal point for further organizing efforts" (p. 251).

Other tactics of the inside game include working to rule to show management how dependent they are on workers' goodwill, filing a multitude of grievances to overwhelm management and then a legal work stoppage to attend the hearing, and personal ridicule to cause management to over react. The Industrial Unions Department of the AFL-CIO suggests other tactics such as: refuse or resist working overtime, work to the clock, work at a normal rate of speed and no faster, take sick and leave days simultaneously with other workers, take personal tools home and leave company machinery as is when the clock stops, and refuse to work under conditions that threaten health or safety (*The Inside Game: Winning with Workplace Strategies*, 1986, pp. 15-16).

The Service Employees International Union also advises workers to follow managers' instructions to the letter without offering any insight or suggestions, report every equipment problem and insist that it be addressed before work continues, refuse to participate in social events, and do not talk to supervisors except when it would be clearly insubordinate (*Contract Campaign Manual*, 1985, pp. 3-9). The inside game can go external by reporting violations to regulatory agencies. This includes agencies outside

of labor which will make the target appear as if it truly does have a negative impact on the community.

Negative press and information about the internal operations of the company can add to the negative perceptions of a target company. Media outlets such as news coverage, radio, and print can help disseminate this information. Free media, such as news coverage, is seen as more credible than paid media such as advertisements and consequentially, free media often drives campaign communication strategies (Manheim, 2001, p. 18). News media prefer to tell stories and are often critical of big business, helping organized labor and the corporate campaign tell the story of their struggles. The modern day campaign also enjoys the power of the internet. Web based campaigns allow organizers and campaigners to participate in virtual campaigns and access a magnitude of information relatively easily. Executive Pay Watch, created by the AFL-CIO allows workers to log on and get a quick comparison of their wages to that of their CEO's. Email allows campaigners to communicate more effectively and websites give people a place to find like-minded individuals and organize (Manheim, 2001, pp. 285-288). Other strategies that create publicity and bring attention to the campaign include litigation, journalism, public policy campaigns, promotion by public figures, and broad messages that appeal to a wide variety of audiences.

One of the newest and possibly more effective campaign tactics evolved in the 1970s through the work of Saul Alinsky (1971). Proxy tactics are designed to pressure corporations through other corporations. The original intent of the strategy was to gain access to shareholder meetings and developed into a way for the middle class to use their financial investments for the promotion of a campaign. Alinsky realized that shareholder actions could bring democracy to corporate policy and "could be one of the single most important breakthroughs in the revolutions of our times" (p. 183). Participating groups with large investments have the ability to wield a great deal of pressure on companies by withdrawing investments, pressuring secondary companies, and adopting shareholder resolutions. Organizations such as the AFL-CIO advise their members how to vote on shareholder issues in order to advance labor friendly agendas. Unions are less likely to

attack a company's stock value, because they too, along with the company, want the company to prosper.

Despite the combination of tactics used it is important to remember that "tactics are not the product of careful cold reason" and "do not follow a table of organization or plan of attack"(Alinsky, 1971, p. 165). It is the organizer's job to find the weakest points within the target corporation and apply pressure. Every situation is different and requires careful assessment and application of pressure tactics. It is most important to note that most goals will not be achieved instantaneously. Groups may cut new issues to keep the momentum going and must remember to keep the pressure on over the long term.

Guidelines for the Corporate Campaign

Several organizations have created sets of guidelines for conducting corporate campaigns. A few of them are summarized below.

The Food and Allied Service Trades Department of the AFL-CIO published the *Manual of Corporate Investigation* in 1978. It recommended that researchers organize their findings under five general subheadings: administrative, financial, products and services, corporate environment, and labor relations. The *Manual* also outlined five tasks for campaigns:

1) Prepare a still photo of the company including history, management structure, executive compensation practices, operating structure and location of facilities, and assessment of the personalities of top managers and directors,

2) Conduct a financial analysis including sales, profits, debt structure, liquidity, assets, and liabilities,

3) Research products in relation to competitors

4) Examine environmental factors such as interlocking directorships, major shareholders, pending litigation, banking relationships, public relations

practices and positioning, and influence of government relations and
contracts on the company,

5) Research labor relations such as corporate culture with unions and NLRB
record. (*Manual of Corporate Investigation*, 1978)

Overall, the *Manual* advocates a research intensive strategy. Other manuals noted the same strategies, but also included other tactics.

The AFL-CIO Industrial Unions Department published its own manual in 1985. *Developing New Tactics: Winning With Coordinated Corporate Campaigns* also recommended extensive research, but added specific ways to apply pressure such as coalition building, media relations, public relations, legislative and regulatory initiatives, consumer actions, pressuring lenders, using pension fund assets and inplant tactics. The IUD also pushed for shareholder actions.

In 1986, the IUD published a companion volume to their 1978 publication directed towards the inside game. In addition to the other aforementioned activities, *The Inside Game* suggested workers hold daily pre-work rallies, march into work as a group, conduct informational picketing at symbolic locations, wear union attire, and in addition to working to rule, union members should hold a 'union day' during which they worked at full capacity to show management what they are missing. (*The Inside Game: Winning with Workplace Strategies*, 1986)

The AFL-CIO Department of Organization and Field Services published *Numbers That Count* in 1988. The central argument claimed that effective organizing is best accomplished when centered on issues that meet three criteria: 1) popularity among members, 2) winnable battle, and 3) has "an underlying moral dimension that may attract public as well as membership support" (*Numbers That Count: A Manual on Internal Organizing*, 1988, p. 18). The 1990 Communication Workers of America manual, *Mobilizing for the 90s* also stressed the importance of broad support for the issue. It asserted that the campaign must empower the union's members through mobilizing support in the broader community. This includes reaching out to other unions, religious groups, women's groups, civil rights groups, issue-advocacy groups, senior citizens,

elected officials, groups economically affected by the issue, civic groups and public figures (*Mobilizing for the 90s*, 1993, p. 49).

The Service Employees Industrial Union published the *Contract Campaign Manual*. Its strategy focused on four main topics: research and goal setting, organizing the campaign, pressuring the employer, and bargaining. When selecting tactics, the manual instructed campaigns to pick the particular strategies best suited to exploit particular weaknesses of the target company. The SEIU manual also explained several ways to pressure companies through regulatory agencies. It also noted that these pressures can and should be brought from different angles, exploiting any weak areas in the target company (Manheim, 2001, pp. 168-169).

Other manuals have been printed besides the ones mentioned here such as the Midwest Academy's *Organizing for Social Change: A Manual for Activists in the 1990s*. This manual along with the one's mentioned here have several common threads. Each set of guidelines calls for extensive research about the target company in order to exploit the weaknesses and relationships of the target. They also emphasize the need to motivate and unite campaigners. Above all, it is important to remember that no set of guidelines can deliver a successful campaign. Each situation is different and campaigners must be willing to adjust and play into the weaknesses of the target company.

The literature for both the corporate campaign and reputation and issue management goes farther than the sources noted here. For this study I chose to focus mainly on the actions of Wal-Mart Stores, Inc. in response to their critics. Many of the aforementioned methods and strategies are used by Wal-Mart's adversaries to pressure the company and they are recognizable throughout the offered examples. My analysis, however, will focus mainly on Wal-Mart's actions and not those of their critics.

MAKING THE CASE FOR WAL-MART

In 1962, Sam Walton began a retail company based in Bentonville, Arkansas. His humble discount store soon expanded into several stores throughout rural towns in the Ozarks, each one delivering consistently low priced goods to his customers. Over 50

years later, Walton's company has become the world's largest corporation with over 1.6 million employees worldwide and reported net sales of 312.4 billion dollars for FYE 2006. Wal-Mart stores serve more than 138 million customers per week in 3,700 domestic locations as well as 1,500 international stores ("Wal-Mart Our Company Homepage,"). And here's a little closer to home: 90% of the U.S. population lives within fifteen miles of a Wal-Mart (Fishman, 2006, p. 213). They are not only a corporate giant, but a beacon of American entrepreneurship to the global economy. Wal-Mart's keen ability to compete in multiple markets and maintain a standard of escalating profits sets the pace for each of their competitors. Yet despite its large success and low price guarantees to the working class consumer, Wal-Mart suffers from the attacks of several groups.

These attacks have resulted in the loss of shoppers and shareholder value. A 2004 report by McKinsey & Company for Wal-Mart revealed that 2 to 8 percent of shoppers discontinued their patronage due to negative press they had heard (Barbaro, 2005). Attacks on the ethics of Wal-Mart and its business practices range from critiques of their reliance on international outsourcing to employment discrimination in US stores. In response to such attacks Wal-Mart developed an extensive reputation management system. They created a Global Ethics office which aims to "promote Wal-Mart's' ethical culture globally" and has a set of its own ten commandments of ethics ("Wal-Mart Global Ethics Office Mission Statement,"). They also established a commended *Good Works* program for community interest projects which donated more than $71 million in 2001 (Hemphill, 2004). Finally, Wal-Mart communicates with and contributes to society by providing 1.8 million people worldwide with a job. Thus, they are viewed as a positive force in the economy and a positive influence on our society for the jobs and low prices they provide to working families.

Wal-Mart has been careful to highlight their success and beneficial practices throughout its rhetorical proceedings. CEO Lee Scott notes in his address to the Town Hall Los Angeles congregation on February 23, 2005 that the low prices offered by Wal-Mart "are a lifeline for millions of middle and lower-income families who live from

payday to payday" (Scott, 2005b, p. 2). Scott is often on the offensive making appearances in many city council meetings as well as actively pursuing political affiliations that will promote an ethically sound image. However, critics such as director Robert Greenwald who produced the documentary *Wal-Mart: The High Cost of Low Price* (2005), believe Wal-Mart is destroying America with its bullying tactics, low wage policies, and environmental negligence. Multiple publications and media campaigns have been launched to incite negative ideas about Wal-Mart. A few of these include *The Wal-Mart Effect* by Charles Fishman (2006), *How Wal-Mart is Destroying America (and the world) and What You Can Do About It* (2005) by Bill Quinn, *The Bully of Bentonville: How the High Cost of Wal-Mart's Everyday Low Prices is Hurting* America (2006) by Anthony Bianco, and the PBS Frontline investigation, *Is Wal-Mart Good for America?* (Young, 2004). The rhetorical discourse between Wal-Mart and its stakeholders is a multi-faceted arena which employs issue management tactics, but heavily relies on a deliberate reputation management campaign.

Wal-Mart is a corporate giant in a quasi-regulated economy competing on a global level. The activities of a company as powerful as Wal-Mart have many implications for the tactics of issues and reputation management in an ever evolving global economy. Wal-Mart serves as a thorough example of public relation efforts by a Fortune 500 company and also brings many issues of American economical practice to the forefront of business rhetoric. They constantly combat attacks from interest groups across the board on issues such as the living wage, healthcare, equal opportunity employment, and environmental regulations. Many of these attacks are based on statistical evidence which increases their potential to cause damage to Wal-Mart's reputation.

According to the UC Berkley Institute of Industrial Relations, Wal-Mart's presence results in $4.7 billion loss in retail wages nationwide (Dube, Eidlin, & Lester, 2005). Furthermore, a study by the UC Berkley Center for Labor Research and Education found that Wal-Marts in California cost taxpayers $86 million annually: $32 million in health related expenses, and $54 million in other assistance (Dube & Jacobs,

2004). Goetz and Swaminathan (2006) found that "counties with more initial (1987) Wal-Mart stores and counties with more additions of stores between 1987 and 1998 experienced greater increases (or smaller decreases) in family-poverty rates during the 1990s economic boom period" (p. 211). Wal-Mart, thus, creates both benefits and costs to the communities where they locate. While they may provide jobs, they drain tax bases with their lack of health coverage for employees and have a mystifying ability to affect poverty rates.

Labor relations also suffer due to Wal-Mart's anti-union policies and hiring practices. American Rights at Work pieced together a study which reported the following on Wal-Mart's unfriendly labor practices:

> In 2001, Wal-Mart was required to pay $6 million and change its procedures for hiring the disabled to settle federal charges of discrimination. In 2004, the company settled federal charges in three states involving at least 80 minors who were forced to use hazardous machinery (Johannson, 2005).

Note that these are reported examples and many other cases may go unreported and remain out of the courtroom. While Wal-Mart appears to create millions of jobs for Americans, Emek Basker (2003) of the University of Missouri found that while Supercenters claim to create 100s of jobs, the net gain is only 50 jobs. Furthermore, "wholesale employment declines by approximately 20 jobs due to Wal-Mart's vertical integration" and there is no spillover effect detected, "suggesting Wal-Mart does not create agglomeration economies in retail trade at the county level" (p. 1).

These allegations are only the beginning for Wal-Mart and the spread of such reports poses a threat to Wal-Mart's growth and expansion. The company must answer to these groups, the government, business partners, investors, the American public, and most importantly their customers. Wal-Mart's visibility in society will only grow from here. At its current rate of growth it will double in size in the next five years, becoming the first half trillion dollar company by 2010 (Bianco, 2006, p. 15).

Labor Relations

The issues surrounding the Wal-Mart Corporation are the face of the many concerns confronting capitalistic societies in the 21st century: globalization, privatization, and socio-cultural values. Due to the scope of these issues, I will not be able to focus on each issue in an in depth manner. I do plan to investigate, however, Wal-Mart's strategies, values, and role in the sphere of organized labor and more specifically healthcare. This begins with a briefing on Wal-Mart's history and track record on labor relations.

No Smiley Faces for Associates

Anthony Bianco (2006) claims that Wal-Mart's "unhappy, demoralized employees" are the company's greatest threat (p. 3). The last year of David Glass' tenure as CEO, store employees were quitting at the rate of 70% a year (Bianco, 2006, p. 73). The current president and CEO, Lee Scott, reduced that rate shortly after his takeover in 2000. Still, turnover rate is 50% a year, double the rate of Costco (Bianco, 2006, p. 8). Wal-Mart must hire roughly 600,000 new employees a year in the U. S. to maintain employment levels. Wal-Mart's wages, however, are not the most desirable as they cling to minimum wage standards. Adjusted for inflation, the wages paid by WM have declined by about 35% since 1970, about in line with the decline in the real value of the minimum wage over this period (Bianco, 2006, p. 15).

Bianco attributes this sky high turnover rate to the lack of motivation and inspiration within the workforce. Wal-Mart's "business model worked well only if its hourly workers were both poorly paid and highly inspired—a combination often found among inner-city public school teachers or disaster-relief volunteers but exceedingly rare in the world of big business" (Bianco, 2006, p. 51). He adds, "Walton built a business by hiring less talented and less ambitious versions of himself, and he did not want any labor union coming in and messing up a good thing" (54). The Ozarks have a history of anti-union ideology and Sam Walton was no excuse. His home state (and Wal-Mart's) of

Arkansas was the first to enact a right-to-work law in 1944. Walton believed that if he treated workers with respect and got them excited to be a part of the company they would work hard for him without a grievance. For the most part, Walton was able to accomplish this.

The last decade has been a technological era for Wal-Mart. David Glass, CEO after Sam passed away in 1992, created a super computer system that is equal to half of the information archived on the internet. The new computerized distribution, pay-rolling, and inventory systems "progressively transformed its store workers into faceless, low-cost, and frequently replaced component parts"(Bianco, 2006, p. 75). Don Soderquist, a 2nd ranking executive, came on as company enthusiast after Walton died, hoping to bring the motivation needed to create a cooperative workforce. Yet, no one was quite able to do what Walton did with employees (Bianco, 2006, p. 79). Wal-Mart now finds itself in the age of Lee Scott, "an aggressive" and sometimes "even abrasive, manager" (Bianco, 2006, p. 80). Scott cut $2 billion of excess inventory by pushing suppliers to ship smaller amounts more frequently and hired Thomas Coughlin, an executive known for his general like tendencies, to replace Soderquist as company cheerleader. Wal-Mart uses its computer power to hire more attractive applicants for the hourly worker position; a servile, low-educated, healthy, part-time and enthusiastic worker. Regardless, Wal-Mart is still hiring 800,000 new employees a year and most do not identify with the rural icon Sam Walton (Bianco, 2006, p. 85). The lack of corporate identity is likely to add to the frustration Wal-Mart employees and suppliers are already feeling with the challenges of globalization and competition.

Economy Wide Effects

American manufacturing jobs are constantly going overseas. Wal-Mart alone accounted for more than 11 percent of the US' $162 billion trade deficit with China in 2004. The pressure on suppliers to constantly lower prices has pushed most of their production overseas. While cheap goods may be desirable, Charles Fishman warns, you

can not buy anything if you are unemployed. The fear is that we are shopping ourselves out of jobs (Fishman, 2003). "The number of Americans working in manufacturing is lower now than at any time in the last six decades, going all the way back to World War II" (Fishman, 2006, p. 108). Wal-Mart is not the only one to blame. Consumer spending

> Accounts for two thirds of the U. S. economy, and Wal-Mart's influence across the consumer economy is unrivaled, unprecedented, and Wal-Mart's priorities are unwavering. During the same period that the number of U. S. manufacturing jobs fell by almost 20 percent, Wal-Mart's imports of inexpensive products from China alone increased 200 percent (Fishman, 2006, p. 108).

So, if the jobs are leaving, where are Americans working? 1.3 million of them are working at Wal-Mart.

Lee Scott and his public relations team often refer to the number of applicants for job openings in Wal-Mart stores (such as the surplus of applicants for a Chicago store that was almost denied) to support the claim that Wal-Mart provides good jobs. But John Dicker says that, "Wal-Mart's claim that the number of applicants for its jobs reflects the quality of its jobs is like saying soup-kitchen lines are a referendum on soup" (Bianco, 2006, p. 86). Wal-Mart workers earn on average 31% less than workers employed in large retail as a whole. Wal-Mart's employees average $9.70 per hour while other big retailers pay $14.01 (Quinn, 2005, p. 49). Meanwhile, Wal-Mart is trying to hire healthier workers and keep them on part time status.

Health…Care??

Many critics attack Wal-Mart for its sub-standard health care program. Only half of the company workforce is enrolled in the program because of its high cost relative to employee wages and despite efforts to create more affordable options like Health Savings Plans, Wal-Mart's motives are often portrayed as malicious and cruel. An internal memo written by Susan Chambers, company executive vice president for

benefits, stated "Growth in benefits costs is unacceptable" (Bianco, 2006, p. 98). She noted that employee benefit costs had risen by 15% a year from 2002 to 2005, eventually reaching $4.2 billion. Chambers presented several designs for cutting costs all intended to slow the spending on benefits while not hurting the company's reputation. A former manager reported to Bill Quinn that he routinely try to keep employees under 28 hours a week so they would not even be eligible for benefits (Quinn, 2005, p. 44). And if they are, Wal-Mart is still not going to help that much. Wal-Mart spends only $3,500 on healthcare per covered employee, 30% less than other retailers (Quinn, 2005, pp. 51-52). Lee Scott, during an interview with reporters in April 2005 answered a question saying, "There are government assistance programs out there that are so lucrative, it's hard to be competitive, and it's expensive to be competitive" (Fishman, 2006, p. 241). Fishman notes, "that would be the CEO of the most powerful company in history arguing that his company's insurance program can't compete with the insurance offered poor people by the state of Tennessee"(Fishman, 2006, p. 241).

Off the Clock and Wage Violations

In 2000, Wal-Mart conducted its own audit of one week's time clock records for 128 stores employing 25,000 hourly workers in total and found these violations: 60,767 instances of rest breaks not taken, 15,705 instances of meal breaks forgone, and 1,371 instances of minor-age employees working excessive hours or at inappropriate times. The company, however took no corrective action (Bianco, 2006, p. 5). Wal-Mart ignored the audit, but "soon had to pay a $205,000 fine imposed by the state of Maine for violations of child labor laws in each of its twenty stores in the state" (Bianco, 2006, p. 90). This wasn't the first time Wal-Mart found itself in legal trouble.

Every Wal-Mart Gets Its Year in Court

Wal-Mart has a large team of attorneys to tackle its daily case load. A few of the cases are briefed here. In 2005 Wal-Mart was the target of more than forty class-action suits in thirty states alleging that it forces employees to work extra hours without pay. In Texas 200,000 workers claim Wal-Mart owes them $150 million for forcing them to work through 15 minute breaks over a 4 year period. In Massachusetts 55,000 workers claim to have documented 7,000 different instances of managers deleting large blocks of time from payroll checks. In 2001, Wal-Mart was forced to pay $50 million in unpaid wages to 69,000 employees in Colorado. Currently, Wal-Mart is still up against the largest civil rights class-action suit in history. In mid 2004 a California judge granted class action status to the sex discrimination case of *Dukes v. Wal-Mart.* The case encompasses the claims of every woman who has worked at Wal-Mart since late 1998, 1.6 million in all. (Bianco, 2006, p. 7) The women in the case claim that female associates earn five to fifteen percent less than males in comparable positions even when women have worked there longer and earned higher performance ratings. They also claim that women are less likely to receive promotions (Quinn, 2005, pp. 104-105). Women constitute 2/3 of all hourly employees but received only 1/3 of all promotions to management positions. In response to this issue, Wal-Mart created an Office of Diversity in 2003 to ensure that the percentage of qualified minorities and women they promote is equal to the percentage who applies. If they don't meet these standards, CEO Lee Scott will take a pay reduction. John Lehman, Wal-Mart employee for 24 years explains gender discrimination as a systematic problem. The "attitude", he says, "is that women don't make good managers because they have babies and they don't want to move. That's just the way it is, so you go with it" (Bianco, 2006, p. 120).

Wal-Mart also faces legal battles for its use of illegal immigrants to clean its stores. The problem was fixed when Wal-Mart realized that it could save $66 million dollars by doing its own cleaning instead of outsourcing outside cleaning companies (Zimmerman, 2003). It doesn't matter who hired you, if you're in Wal-Mart at night,

you are likely to be there until dawn. Wal-Mart commonly locks its employees in the store overnight to ensure that they do not steal any items. Some managers would even chain shut emergency doors, but that practice stopped when a worker in Savannah, Georgia collapsed and died while paramedics waited outside for the door to be unlocked.

Don't Forget the Unions

Wal-Mart is arguably one of the fiercest anti-union company's in the United States. They routinely distribute anti-union materials to their store supervisors like the *Manager's Toolbox to Remaining Union Free*. Stores have anti-union security camera packages so that supervisors can track employees' behavior and socializing. The headquarters in Bentonville are quick to dispatch union busting teams in the event that a store manager reports any union activity. If need be, Wal-Mart isn't afraid to close a store instead of dealing with a union. When workers unionized at the Wal-Mart store in Jonquiere, Quebec the store shut down soon after claiming to be lacking in sales (Bianco, 2006, p. 6).

The first effort to organize a Wal-Mart was in Mexico, Missouri in 1970. As soon as the word got out, Sam Walton called in John E. Tate, a well known union-busting lawyer. After helping to put down the effort, Walton appointed Tate to the executive committee and the board of directors of Wal-Mart. Tate explained the situation to Walton. He told him he had two choices: "Hold people down, and pay me or some other lawyer to make it work. Or devote time and attention to proving to people that you care" (Bianco, 2006, p. 55). In response, Wal-Mart created a profit sharing plan that allowed regular employees to invest in the company at a 15% discounted share price. Furthermore, the "We Care" program gave employees a way to file grievances, all the way up to the corporate office (Bianco, 2006, p. 56). Sam Walton tried to accommodate his employees, but only on his terms.

The Unions, however, kept pushing. In 1978 the International Brotherhood of Teamsters tried to organize a Wal-Mart Distribution Center in Searcy, Arkansas. Nearly

200 workers suffered injuries in the Distribution Center's first four months of operation mainly because Wal-Mart insisted on putting it into service before construction was complete. Workers were also angry because other Distribution Center workers were being paid more at other locations. They called in the Teamsters and signed cards, but Wal-Mart found a way to push back the vote until 1982. Walton took advantage of that time and met with workers, cajoling and threatening them that if the union formed he would close the Distribution Center down. Union workers, he showed them, were clearly dispensable. Eventually, the union vote was defeated with many of the pro-union workers being fired.

Sam is not the only weapon that Wal-Mart has against unions. Its fierce anti-union tactics include camera packages to monitor employees, anti-union videos and materials, requiring employees to attend long anti-union meetings, union busting teams to intervene if a supervisor reports union activity, intimidation through one on one sessions, and a concept called 'flooding the unit' that calls for adding many new employees to offset a union drive or vote (Bianco, 2006, pp. 112-113). The UFCW (United Food and Commercial Workers Union) has still managed to petition for votes by employees a dozen times. The groups voting consist mainly of butcher shops and Tire & Auto Lube Centers. When a butcher shop in Jacksonville, TX voted for union representation, Wal-Mart closed the shop (Bianco, 2006, p. 123).

Sam Walton always had a way with people. He demanded a lot of them, but he was able to motivate them and make them feel important individually. Wal-Mart seems to have lost this ability to incorporate and motivate its workers which have resulted in employee resentment and workers looking to other sources for help, such as unions. Even some of Wal-Mart's own have moved on and learned that outside representation is not always a threat. John Lehman worked for Wal-Mart for 24 years and left after having to relocate his family. He took a job with a unionized store and learned that unions open up communication between hourly workers and employees, creating a better relationship all the way around (Bianco, 2006, pp. 120-121).

Above all, the UFCW is threatened by the Supercenter. Local unionized supermarkets cannot compete with Wal-Mart on price and still pay union wages to their employees. So far, the result has been that "every time a new Supercenter opened in America, two big supermarkets went out of business, taking some 400 high-paying UFCW jobs with them" (Bianco, 2006, p. 122). Despite its efforts to fight Wal-Mart's anti-union policies, the UFCW become quiet on the subject in 2004. After a 139 day strike against grocery chains Safeway, Albertson's and Kroger union members took concessions realizing that their employers had to cut wage costs in order to compete with Wal-Mart. Regretfully, "Wal-Mart is just too much for one union" (Bianco, 2006, p. 133).

Today's organizing efforts are largely composed of the United Food and Commercial Workers Union funded campaign group Wake Up Wal-Mart. The group is actively involved in many communities generating awareness and support for Wal-Mart's corporate accountability. Chris Kofinis, the group's communication director, along with other staff members monitor Wal-Mart's every move and reach out to as many demographic groups as possible in order to garner support for their cause. Wake-Up Wal-Mart, along with the Service Employees Industrial Union funded group Wal-Mart Watch, claim that they are not out to destroy the company, but to help them change in positive ways. Wake-Up Wal-Mart helps local communities block the mega-retailer from their neighborhoods and has devised several anti-Wal-Mart strategies which are easily available on the internet.

The cyber community serves as Wake-Up Wal-Mart's strongest tool. The group is able to organize and educate thousands of people via the web. Site visitors can sign up to help campaign in local areas, host viewings of Greenwald's Film *Wal-Mart: The High Cost of Low Price,* sign petitions, and even send letters to elected representatives. Wake-Up Wal-Mart and Wal-Mart Watch are the face of today's Wal-Mart focused corporate campaign. Their strategies and actions represent the majority of public action against the company, but Wal-Mart has yet to admit that any changes in their company stem directly from anti-Wal-Mart rhetoric.

METHODOLOGY

Focus

In this study I focused primarily on Wal-Mart's rhetorical strategy within the realms of healthcare and labor relations. A third section addresses other various issues which will supplement the themes presented in the first two sections. I chose the subjects of healthcare and labor relations because of the amount of attention devoted to these issues by anti-Wal-Mart groups, their significance in the greater socio-economical environment, and Wal-Mart's desire to respond to attacks referencing these issues.

Data Sources

I chose to review several sources in order to gain information about the groups involved and messages being transmitted. These sources include: periodicals such as *The New York Times*, *The Wall Street Journal*, *The Chicago Tribune,* and *The Los Angeles Times*, magazines such as *Forbes*, *New York*, and *The New Yorker,* books addressing Wal-Mart's role in the global economy and their effect on society such as Anthony Bianco's The Bully of Bentonville (2006), Charles Fishman's The Wal-Mart Effect (2006), Sam Walton and John Huey's Sam Walton: Made in America (1992), Don Soderquist's The Wal-Mart Way (2005), several websites, and public speeches. The websites were used in order to gather information about the groups of concern: Wake-Up Wal-Mart, Wal-Mart Watch, and Wal-Mart Stores, Inc. These are the main groups which participate in the discourse that affects Wal-Mart's reputation and thus were the main sources consulted for critiques and defenses of Wal-Mart Stores, Inc.

I first conducted a considerable amount of background information on the role and strategies of reputation management within the greater field of public relations. I then conducted a survey of Wal-Mart literature including many of the aforementioned books in addition to others. After building a case for Wal-Mart as an exemplary case study I began to survey periodicals for stories about Wal-Mart since many attacks on the

company are waged through the media. At this time, I also surveyed the websites of Wake-Up Wal-Mart, Wal-Mart Watch, and Wal-Mart Stores, Inc. After my initial efforts to understand the rhetorical scene surrounding the company I composed a timeline which chronicled the messages offered by Wal-Mart, anti-Wal-Mart groups, and various third parties.

The timeline consisted of several hundred entries detailing different discussions of various issues within the company of Wal-Mart Stores, Inc. Press releases, newspaper articles, television programs, movies, and books all contributed information to the timeline. I then transferred the chronicled events to an erasable surface in color coded entries. This made it possible to see the frequency and nature of different sources' publications and messages. The timeline was very extensive and covered many issues, but the two most strongly represented fell into the categories of healthcare and labor relations. I also noticed that a majority of the rhetorical activity uncovered fell within the years of 2004 to the present and decided to focus primarily within this time frame.

The remaining part of the study consisted of a quasi-quantitative analysis. I isolated the instances in which any party addressed the issues of healthcare and labor relations respectively and then categorically organized the apparent themes within each. The result was a list of themes such as 'Denial, Admission, and Alternative Reasoning' each with several examples of the company using each reputation management strategy. After compiling lists of apparent themes and examples I sought to explain the difficulties and successes of each thematic strategy.

My findings and recommendations are based upon the information I gathered through the previously mentioned process. My conclusions are not sufficient in that I was unable to incorporate all discovered themes and facts for brevity's sake. I chose to focus on the most prominent issues of labor relations and healthcare primarily because Wal-Mart Stores, Inc. is willing to address these issues in the context of the company.

WAL-MART AND HEALTHCARE: EXPLORING THE COMPLEX NATURE OF EMPLOYER-BASED COVERAGE

Healthcare seems to be one of, if not the top issue in America today. The current employer based system is costly for all providers despite the fact that 45.8 million Americans still have no health insurance at all. (DeNavas-Walt, Proctor, & Lee, 2005) Wal-Mart's general retail strategy looks for innovative ways in every part of their business including healthcare. The demand for quality healthcare has become increasingly expensive for Wal-Mart Stores, Inc., but with profits in excess of $12 billion, many critics are asking why they can not invest some of that into their workforce. ("Corporate Facts: Wal-Mart by the Numbers,")

Critiques of Wal-Mart's Healthcare Coverage

Wal-Mart reports that fewer than half (46%) of their employees are covered by the company's plan as of January 2006. Full-time employees must wait six months to qualify for benefits and part time workers must wait a full year. The retail average for such a waiting process is 2.7 months. (Wal-Mart Watch Weekly Update) Wal-Mart contends that it provides affordable healthcare for its workers, but many discrepancies still remain. Wake-Up Wal-Mart and Wal-Mart Watch both have extensive attacks focused on the lack of employee benefits and healthcare at Wal-Mart. Both groups hope to publicize the lack of healthcare at Wal-Mart in such a way that will pressure the company to change.

Wal-Mart Watch's 'Weekly Update' newsletter for the week of February 9, 2007, notes several problems with Wal-Mart's current healthcare policy: fewer than half of employees are covered, coverage lags far behind the national average, healthcare is neither affordable nor accessible, the waiting period to qualify is too long, hidden charges throughout the program, high out-of-pocket premiums, less money spent by the

company on benefits than other firms, and Wal-Mart's policies are confusing to even the CEO, Lee Scott. According to Wal-Mart's Form 5500 filed with the IRS, Wal-Mart decreased spending per employee by 3.5% from 2003 to 2004. (WakeUpWalMart.com, 2005) These complaints are only the beginning of the attacks on the company's healthcare benefits. Wake-Up Wal-Mart also places heavy emphasis on the cost of Wal-Mart's employee healthcare passed on to taxpayers.

Americans have few choices when it comes to healthcare providers. If a personally purchased policy or employer-based coverage is too expensive one can turn to government programs such as Medicaid or Medicare which depend on public funds. In 2005, Wake-Up Wal-Mart conducted a study based on available data to show the amount of money spent by state taxpayers to pay for the healthcare of Wal-Mart associates. The study found that "the estimated 2005 cost of providing public health care assistance to uninsured Wal-Mart workers and their dependents was nearly $1.4 billion" and that "13 percent of Wal-Mart's workforce is on public health care assistance…2.6 times higher than the 5 percent average Wal-Mart states publicly" (WakeUpWalMart.com, 2005). Clearly, the public is spending staggering amounts of money to pay for the shortcomings of the world's largest company. Wake-Up Wal-Mart hopes that this information will incite resentment towards the company and force them to provide a more encompassing healthcare program.

Wal-Mart has made some adjustments over the years such as shortening the time it takes for part time workers to qualify from for coverage. They introduced a program to cater to healthier individuals that do not use up the value of their insurance plans by offering lower premiums with higher deductibles. Wal-Mart also added the option of a health savings account, which Lee Scott said "had gotten off to a slow start because setting up the accounts was 'too complicated'" (Barbaro, 2006a). Wal-Mart also decided to create more low cost clinics its stores for its employees and the public.

Wal-Mart's commitment to solving the healthcare crisis in America seems limited to their words and minimal systematic changes. When Wake-Up Wal-Mart accused the company of making political contributions to candidates that do not support

universal healthcare, Scott announced that Wal-Mart would not stop funding them despite the company's commitment to that goal. Clearly, there are multiple issues in play, but it seems that healthcare may not be a top priority. ("Wal-Mart CEO Lee Scott Makes Stunning Statement Exposing Wal-Mart's Hypocrisy," 2007)

Due to the increasing number of uninsured Americans, healthcare rhetoric has become much more diversified and complex. Wal-Mart, which is said to have sub-standard benefits for one of the world's largest companies, exerts a great deal of energy in their efforts to explain their policies and perspectives on healthcare. The justifications, rationales, and themes throughout Wal-Mart's healthcare rhetoric range from denying fault to agreeing to sit down with a labor leader to discuss the issue. The remainder of this section will identify and explore the use of certain themes and strategies in the healthcare debate.

Positive Framing (Look at it *this* way)

Since Wal-Mart is the nation's largest employer, they are highly visible and face considerable scrutiny from labor and other groups for the benefits (or lack thereof) they offer their employees. Many groups argue that a company that covers less than half of their employees is hardly concerned about the well-being of their workforce; yet Wal-Mart begs to differ. Lee Scott is often the voice of Wal-Mart's public relations effort. Accompanied by several official spokespeople for the company, Lee Scott makes a considerable effort to answer questions and attacks both internally through a web service entitled 'Lee's Garage' and externally through web postings and speeches.

Scott claims that Wal-Mart is "concerned about the number of associates' children who rely on public health programs" and that he has the numbers to back it up ("Response to Letter to Lee Scott Posted on a Union Web Site,"). In response to the negative attacks launched by Wake-Up Wal-Mart, Wal-Mart Watch, politicians, and other groups, Wal-Mart offers a plethora of information about those people who actually *are* covered by company health insurance programs.

Wal-Mart's direct source of communication with its stakeholders and the public in general is its website, Walmartfacts.com. Anyone can access information about the company's leaders, earnings, size, corporate giving, and an endless supply of write-ups and press releases produced by Wal-Mart Stores, Inc. The 'Fact Sheets' provide a quick glance at many different sectors of the company, including healthcare and other employee benefits. In addition to the website, Lee Scott and other executives tout these numbers to the press and their adversaries as counter attacks and defensive claims. In 2006, Wal-Mart launched a political style ad campaign that listed the company's generous healthcare provisions as well as their positive impact on the economy. Like their website publications, the commercials were an effort to head off oncoming criticism. (Barbaro, 2006b) Walmartfacts.com also enables the audience to access personal success stories of associates whose lives were saved or improved thanks to Wal-Mart's health plan.

Contrary to what the company's toughest critics offer, Wal-Mart strategically frames the healthcare issue in a positive light by focusing purely on what they *do* offer as opposed to what they do not. These statistics can be misleading due to the sheer volume of Wal-Mart's impact. The fact that one million people receive health insurance through Wal-Mart may seem like a lot until one considers the fact that over 1.3 million are actual employees of the company. Thus, the number 1 million which includes dependents, falls short of Wal-Mart's potential, or as some say responsibility, to cover much more. Scott's response to the letter posted on a union website also noted that a "2004 survey of hourly associates showed that 30% had no health coverage before coming to work for Wal-Mart and that "programs in 2006 will have 70,000 additional associates in programs that start as low as $11 a month." ("Response to Letter to Lee Scott Posted on a Union Web Site,").

Discrediting the Critics

In addition to positively framing the scope of Wal-Mart's healthcare plan, Wal-Mart spokespeople attack the integrity of their critics. In regards to the AFL-CIO 'Fair Share for Health Care' New Conference, Wal-Mart accused the union of providing false information and noted that company health coverage "costs less than $25 per month for individuals, $37 per month for single parents and their children, and $65 per month for families" ("Wal-Mart Statement Regarding the AFL-CIO "Fair Share for Health Care" News Conference," 2006). The same statistics were cited in commentary on the Maryland Vote to reject the Maryland Fair Share Health Care Bill. CEO Lee Scott accused bill supporters of placing "the special interests of Washington, D. C. union leaders ahead of the well-being of the people they serve" ("Wal-Mart Statement on Maryland Vote," 2006). After the AFL-CIO Fair Share Healthcare Conference Scott claimed that "people will see through the politics of bills that apply only to one company – especially a company that, in some areas, provides working families with access to health care for as little as $11 per month" ("Wal-Mart Statement Regarding the AFL-CIO "Fair Share for Health Care" News Conference," 2006). Scott and his team of public relations practitioners make a considerable effort to challenge the motives of the company's opponents, but it is unclear who hears these counter attacks since they are mainly distributed the company PR website.

After the Fair Share for Health care News Conference, Lee Scott accused union leaders of being unreliable and only looking our for their special interests. Scott has also noted that "more than three-quarters of [Wal-Mart's] associates have health insurance – whether through a company plan, a spouse's plan or Medicare"; contrary to what their critics were saying. Scott denounced the effort to pass the Maryland Fair Share Healthcare Bill as being unable to "help the uninsured or the working families struggling to deal with the soaring cost of health care." ("Wal-Mart Statement on Maryland Vote," 2006) Wal-Mart and Scott are adopting an attitude of 'We care about you, they don't' in hopes of persuading stakeholders and the public that Wal-Mart is the caring party.

Cross-Company Comparison: At Least We're Better than the Other Guys

In addition to accusing their critics of being untrustworthy, Wal-Mart attempts to cast their company in a better light by comparing themselves to their under-performing competitors. It's as if Wal-Mart is saying, 'we know this is a big problem in America, but at least we're doing something.' According to Lee Scott, other companies are "scaling back or dropping insurance all together". In a speech delivered in 2005, Scott flaunted the fact that 74% Wal-Mart Stores, Inc.'s associates are full-time, compared to "20 to 40 percent at comparable retailers" meaning that "Wal-Mart spends more broadly on health benefits than do most big retailers, whose part-timers typically are not offered health insurance." The comparison also calls into review that "unlike coverage at many companies, [Wal-Mart's] health plan has no lifetime maximum after the first year", meaning that if serious illness strikes, Wal-Mart's "associates don't need to add financial worries to their concerns for their loved one."(Scott, 2005b) Thus, the 'we care' attitude continues along with the scapegoat.

Since the healthcare crisis is a nation-wide issue, Wal-Mart uses the size of problem to excuse any lack of innovation or effort on their part. Lee Scott draws attention to the fact that the healthcare challenge is bigger than one company and that all of them are "struggling to deal with the soaring cost" associated with it ("Wal-Mart Statement Regarding the AFL-CIO "Fair Share for Health Care" News Conference," 2006). He also calls on "legislators across the country to work together to find real solutions" to the problems facing every person and business in America ("Wal-Mart Statement on Maryland Vote," 2006). This cooperative and challenging tone conveys a sense of 'we're all in this together' to the audience and seems as if Wal-Mart is trying to convince its stakeholders that the company is willing to work with other sectors of society to solve America's healthcare problem.

Systematic Changes

Wal-Mart works hard to gain the confidence and trust of the American people. In order to maintain growth in the United States Wal-Mart needs to gain the business of the more affluent customer; a customer that can take social issues into consideration before they shop. They also have to maintain the customer loyalty that they have built over the last 40 years despite the negative criticism that plagues the company. To do this, Wal-Mart has made some systematic changes to their healthcare plan. The alterations cut costs out of the system and provide an opportunity for the company to convey a more positive image to the public.

In April 2006, Wal-Mart Stores, Inc. introduced a new health care plan that they claim will help their employees, many of whom were not using as much insurance as the old plan required them to purchase. With the new plan, part time workers can become eligible after one year of employment. Co-pays on generic medications for common conditions were cut and a 20% discount is available for drugs otherwise not covered. Individual insurance costs only $23 and children are an additional $15 per month regardless of the size of the family. Wal-Mart is also giving their associates the option to create health savings account and enjoy a "10% staff discount on healthy foods in Wal-Mart Stores and Sam's Clubs." ("Wal-Mart Eases Benefits Rules For Part-Timers," 2006) Some critics accuse Wal-Mart of pushing the cost of healthcare onto its associates with lower premiums and higher deductibles for new hires, but Wal-Mart says the plan will help those employees who do not need to purchase as much insurance as the old plan required. Many say the program was instituted to attract a healthier workforce that will not create such a financial burden for the company.

In 2006, Wal-Mart made two distinct changes to its stance on healthcare. The first was to alter its insurance policies to make them more affordable for associates who on average earn around $17,000. ("The Real Facts About Wal-Mart," 2007) The second was introducing a prescription drug plan available to the public that brought the cost of many generic drugs down to $4. The prescription drug plan serves two main purposes: 1)

lure customers into stores with savings on prescriptions and 2) make prescription drugs more economically feasible for the public and their associates. The program also generates goodwill for Wal-Mart since it conveys a message of friend of the people. It is almost like a Robin Hood role; cutting costs within the evil system to make everyone richer and healthier. By taking costs out of the system such as third party distributors and adding more automated machines in the pharmacies, Wal-Mart was able to introduce dozens of $4 dollar prescriptions to 38 states by November 2006. ("Wal-Mart Expands Generic Drug Program," 2006)

Lee Scott told the New York Times in September of 2006 that the company "is excited to take the lead in doing what we do best – driving costs out of the system – and passing those savings to our customers and associates" (Barbaro & Abelson, 2006). Although the new plan may have a hard time luring customers away from competition that can offer nearly the same price, it sends a message of positive change and concern for the rising cost of healthcare in general. The quick expansion of the program was not planned, but due to high demand and pressure from elected leaders, the company is on its way to nationwide availability. ("Wal-Mart to Expand Discount Drug Plan," 2006) As for the states that had adopted the program before November 2006, 2.1 million more prescriptions had been filled in those states in comparison with the same time period in years past. Generics represent more than a quarter of the prescription filled at Wal-Mart pharmacies and the company hopes that the program will expand in order to draw more customers into the stores to buy other products with high profit margins. ("Wal-Mart Expands Generic Drug Program," 2006) Public relations value or not, the program is competitive and does offer people an opportunity to save money on one of the most expensive needs for an individual or family.

Reaching Across the Aisle: Collaborating with Organized Labor

In addition to new employee healthcare and prescription drug programs Wal-Mart is reaching out to one of its traditional opponents, the Service Employees Industrial

Union. Andrew Stern, SEIU President, sent out an op-ed letter in July 2006 acknowledging that the current employer-led system is failing and asking for help to create new solutions to the healthcare crisis. Shortly after, Scott and Stern began a series of private conversations which culminated in a meeting between the two and other business leaders. After deliberations, Stern and Scott announced a plan to test public acceptance of several goals including universal coverage by 2012 and wide acceptance of the fact that we all have a part in this issue – business, government and individuals.

Once again, Scott attributed his company's healthcare struggles to the design of the current system and that we as Americans "need to change the current system and we need to start now." Andrew Stern agreed, but Wake-Up Wal-Mart accused Scott of using the meeting as a publicity stunt and refusing to address "the healthcare crisis in their stores." Wake-Up Wal-Mart wants answers in action and acknowledges that "everyone wants universal healthcare," but what is Wal-Mart Stores, Inc. really going to do about it? Stern on the other hand, made the judgment that "Wal-Mart really did want to do something about solving the nation's healthcare problem." "Peace," he said, "is breaking out all over America." (Costello & Goldman, 2007) Scott has yet to sit across the bargaining table from Stern, but the two are making strides to form collective solutions. Wal-Mart's concession that the healthcare situation is a problem and that they are open to collaborative solutions sent a progressive and positive message to some of their critics. Perhaps open-minded cooperation can bring about real change in the future. Or this may be an attempt by Wal-Mart to reframe an issue that happens to be one the of the company's highest costs.

Public and private sector cooperation seems to be the tone of the healthcare debate in American today. While both argue over responsibility and capability, Wal-Mart's move to such a cooperative stance conveys a much more positive attitude to the public. It is clear, however, that Wal-Mart has adopted several stances on the healthcare issue. Lee Scott and other company spokespeople continuously tout the company's staggering numbers of associates covered by the plan or dollars spent on healthcare by the company. They attack the integrity and goodwill of their critics and defer

responsibility for the lack of associates covered under the company plan to a larger systematic problem. These defensive strategies became offensive when the company ran a series of commercials intended to educate the public about their company benefits. Wal-Mart has become more proactive in rectifying (or eliminating) the healthcare crisis within the company by meeting with other powerful leaders to suggest alternatives to the current system and adopting a new benefit program that caters to healthier workers. Wal-Mart Stores, Inc. does not see itself in a position to efficiently correct the problems with today's healthcare system on their own, but by combining defensive and proactive measures such as publicly reaching out to their critics, releasing defensive statements and deferring responsibility they have developed an extensive campaign to avoid attacks on their image and reputation in light of the healthcare debate.

LABOR RELATIONS IN THE 21ST CENTURY: HOW TO CONVINCE EXTERNAL GROUPS THAT YOU CARE WHEN YOU CAN NOT AFFORD TO ACTUALLY DO SO

Wal-Mart Stores, Inc. is the largest single employer in the United States. Its general retail stores, Supercenters, Sam's Clubs, and Neighborhood Markets employ more than 1.3 million people. (Wal-Mart Stores, 2007) From a management perspective, a workforce this large is very difficult to motivate, monitor, and administrate. Sam Walton, however, seemed to have no trouble with this task. Sam was famous for his morning cheers and pep talks as well as his open door policy. Anyone could talk to Sam and expect results and he instilled this same attitude in his management (if you could get an audience with him). Open communication and respect were instrumental in Sam's fifth and seventh rules of good management: Appreciate everything your associates do for the business and listen to everyone in your company. (Walton & Huey, 1992)

Since Sam's death in 1992 and especially over the last three to four years, the company has undergone an onslaught of criticism for the way it treats its associates. The criticism, in part, can be attributed to Wal-Mart's extensive growth and reach in society and their inability to monitor the negative sentiment that arose out of this expansion. The attacks come mainly from labor groups, but have the ability to attract wider appeal due to the nature of the claims. Complaints that deal with race and gender discrimination, off the clock work, hiring illegal aliens, and forcing associates to work fewer hours with constant availability have the capacity to generate a considerable amount negative publicity for the company. Consequentially, they have taken several steps to quiet and head off these attacks. Wal-Mart's efforts to refute attacks about its labor relations are composed mainly of verbal rhetorical action, but they are not hesitant to activate their legal force of over one hundred law firms or simply close stores that do not meet their standards for successful operation. The remainder of this section will categorize and outline Wal-Mart's strategies to combat labor related criticism.

Correcting False Attacks

Similar to Wal-Mart's approach on the healthcare issue, the company makes a considerable effort to correct false attacks on the company. A prime example of this is their response to attacks about the company's new scheduling system. Critics accused Wal-Mart of creating a new scheduling program that would only further mistreat its employees. The system which electronically schedules employees a claimed two to three weeks in advance is said to be more efficient than a store manager performing the task and will allow the company to better respond to peak customer hours. Critics, such as Wake-Up Wal-Mart and Wal-Mart Watch say that the new system is too demanding and unfair. They claim the new system requires employees to be available virtually 24 hours a day and reflects a company bias towards part time workers.

On January 3, 2007 the *Wall Street Journal* published an article about Wal-Mart's new worker scheduling system. (Maher, 2007) Wal-Mart claimed that the allegations mentioned in the article were erroneous and responded with a list of corrections on their website, Walmartfacts.com. Consistent with other comments on the new scheduling system, the press release asserted that the system "has the capacity to consider associates' scheduling preferences and availability while scheduling to meet customer traffic"; making the argument that the system serves a logistical and practical purpose in regards to customer service and associates' needs. The new system, they claim, tries to match the employee's preferred hours first and will never "schedule an associate outside of the hours they told us are available." The article suggested that workers may be asked to be "on call" in order to meet the demands of customer traffic, but Wal-Mart claims that they continually put their employees needs first and will always promote "balance in the work place." Wal-Mart simply countered the claim by stating that associates are not required to have open availability.

The director of Wake-Up Wal-Mart, Paul Blank, contributed to the Wall Street Journal article by saying that the new system does not take workers' lives into account, but instead tries to maximize the number of part time employees while minimizing the

number of full time employees. *The New York Times* reported that current workers were pressured to make themselves available around the clock and asserted that the company is making changes with an eye on "forcing out longtime higher-wage workers to make way for lower-wage part-time employees" (Barbaro & Greenhouse, 2006). Wal-Mart countered directly and asserted that the system schedules full time workers first, in direct contradiction to Blank's claims. Furthermore, "most of [the] cashiers love the new scheduling program because it means that there are more registers open when more customers shop." It gives more predictability for associates since schedules are posted three weeks in advance and allows management to spend less time creating worker schedules. Despite some difficulty with adjustment, surveyed associates had a "very positive" reaction to the new system. Wal-Mart's efforts to refute the claims made in the article extended only to the article on their own website, but the message was clear: They've got it wrong, and we've got it right. ("Wal-Mart Clarifies Enhancements to the Scheduling System," 2007)

This line of defense was also used in response to an article published in *The New York Times*, except this time Wal-Mart's Executive Vice President Pat Curran went one step further by writing a letter to the editor. The Times' article entitled "The Chair Out From Under Them" run on October 3, 2006, two days prior to the response, brought up allegations that the company was instituting policies which disadvantage healthy and full time workers. The changes, the article claimed, were in accordance with an internal memo leaked previously. An October 2, 2006 *New York Times* article also encouraged Mr. Curran to write the editor of the paper. Much like the January *Wall Street Journal* article, Times writers Michael Barbaro and Steven Greenhouse alleged that the new employee scheduling system would create a more flexible workforce and consequentially, more part time workers. It also claimed that managers and workers gave different reports about the system and that one worker was reduced from 32 hours a week to eight when she refused to be available 24 hours a day. The new changes, the authors claimed, are in line with the internal memo leaked in 2005 which called for the hiring of more part time workers.

Wal-Mart was cited in the article for denying the claims and adding that they offer competitive wages and do not require their associates be available 24 hours a day. (Barbaro & Greenhouse, 2006) Executive VP Pat Curran's follow up letter to the editor claimed that Wal-Mart does not require their employees to be available 24 hours a day and that Wal-Mart tries to work with their associates' schedules. The company's pay range program, he claims, is common in the retail industry. Mr. Curran then offered the statistic that 76% of current management at Wal-Mart Stores, Inc. started as hourly associates and that Wal-Mart has created 240,000 in the past three years. In addition, the new scheduling changes will help the company better serve their customers. (Barbaro & Greenhouse, 2006)

Wal-Mart's efforts to correct false attacks on the company extend to their company controlled website as well as more proactive strategies such as the October letter to the editor of *The New York Times*. Through the advocacy of its executives, Wal-Mart hopes to correct the allegations that are brought against the reputation of the company in the national press. Countless attacks are brought against Wal-Mart Stores, Inc. through the efforts of groups such as Wal-Mart Watch and Wake-Up Wal-Mart in addition to other media outlets. The aforementioned examples are only two instances in which Wal-Mart directly responded. Their most intense efforts to correct attacks have been Lee Scott's public addresses. Several transcripts of Scott's presentations are available at the Walmartfacts.com website and many of the following examples are taken from this source.

Positive Framing through Big Numbers

Similar to Vice President Pat Curran's response to criticism of Wal-Mart's new scheduling system, Wal-Mart Stores, Inc. spokespeople often site company statistics in order to refute attacks on the company. In essence, they let the numbers speak for themselves. This tactic can be powerful, yet also misleading. Wal-Mart Stores, Inc. is the largest private employer in the United States with over 1.3 million employees. (Wal-

Mart Stores, 2007) Wal-Mart likes to frame themselves as the creator of over 1.3 million jobs in the U. S. when in reality some of these jobs would still exist without Wal-Mart. They would be replaced by other retail positions. Overarching themes of job provider and provincial employer pervade Wal-Mart's rhetoric on labor issues. Wal-Mart refers to itself as a company that cares about its employees and insists that it manifests these concerns in its company policies. Nevertheless, Lee Scott does admit that the company makes mistakes, but he vows the company's intentions are to take care of its associates. (Scott, 2005a)

One of Wal-Mart's biggest public relations blunders occurred after the company attempted to build a store as the anchor of a shopping center in Inglewood, California. The historically African American neighborhood rallied against the store and defeated the mega-retailer's initiative after a long and intense battle between Wal-Mart supporters and local merchants, labor rights advocates, and other anti-big box voices. After the incident, Lee Scott spoke at a Town Hall Los Angeles Meeting. In his creatively titled speech "Wal-Mart and California: A Key Moment in Time for American Capitalism", Scott cited several statistics in defense of the company's labor record. He claimed that the company's wages are not only fair, but competitive.

> Wal-Mart's average wage is around $10 an hour, nearly double the
> federal minimum wage. The truth is that our wages are competitive with
> comparable retailers in each of the more than 3,500 communities we
> serve, with one exception -- a handful of urban markets with unionized
> grocery workers (Scott, 2005b).

In addition to casting Wal-Mart in a positive light as a comparatively friendly employer, this statement creates a new source to blame for the problems in the retail and grocery job markets. Similar to Executive Vice President Pat Curran, CEO Lee Scott also noted that "seventy-six percent of [our] store management started their careers with Wal-Mart in hourly positions." "Associates," he stated, "also receive other benefits like [a] profit

sharing/401k plan, merchandise discounts, performance bonuses, paid vacation and life insurance." Employees can also purchase company stock through the internal stock purchase program (the program that enabled some associates to become millionaires after faithful service to Wal-Mart throughout the 1970s and 1980s). Lee Scott is well aware of the trade-offs inherent within capitalism. While workers may not earn high wages, customers have the pleasure of saving money on every day purchases. Scott said that the best way to look at the company is through these trade-offs. The company believes that "offering good jobs at fair wages and benefits with unparalleled opportunities for advancement while also delivering world class savings for our 270 million customers is the best way to do right by all our stakeholders" (Scott, 2005b).

Many worry, however, that focusing purely on economic efficiency neglects the coincidental societal effects. The conflict lies within the definition of the terms "good jobs" and "fair wages and benefits." Wal-Mart prefers to stand by its policies, but others see the same programs and statistics from a different point of view. Reputation management discourse can become very cyclical due to different interpretations of the same data. What is good to Wal-Mart can be interpreted as bad by its enemies and both sides end up competing for public recognition and trust. (Scott, 2005b)

The re-interpretation of events for use in rhetorical settings, also known as framing is very common in the practice of reputation management. If a company, such as Wal-Mart can take an issue, event, or attack and cast it into a positive light they may buffer their reputation against any damage. For example, Wal-Mart Stores, Inc. interpreted a federal fine as something that will "strengthen compliance" to regulations and foster better relationships with governmental organizations. In early 2005, the Department of Labor gave Wal-Mart a notice 15 days prior to conducting any audits or investigations of alleged child labor violations. Such a warning is highly unusual and was quite suspicious to some administrators. Wal-Mart, on the other hand, took the opportunity to calm any suspicions about the company's sweetheart deal and stated that the "agreement demonstrates a collaborative environment with the Department of Labor and Wal-Mart." The notice was not a sign of corruption or unfair advantages, but rather

a result of a healthy and fruitful relationship between the company and its oversight agency. (Zimmerman, 2005) On the other hand, federal fines and warnings can be interpreted as signs of internal inefficiencies that have the power to harm associates and other stakeholders. Wal-Mart's ability to reframe the issue as a strengthening situation helps to contain possible reputational damage.

Positive Framing of Union Policies and Internal Mistakes

Positive framing also extends to Wal-Mart's company wide policy on unions. In accordance to Sam Walton's personal credence, the company does not deal favorably with organized labor. Wal-Mart claims this is not to the disadvantage of the associates, but is actually designed in their favor. Wal-Mart is not anti-union, they are pro-open door policy. Lee Scott declared in 2005 that the company believes that employees should not have to go through a third part to talk to their boss. ("Wal-Mart's Scott: We're Not 'Anti-Union'," 2005) This policy was relatively effective when Sam Walton was alive and running the company. Wal-Mart literature contains many stories of actual employees taking a problem to Sam and having it addressed almost immediately. It is unrealistic, however, to expect a company to have the capacity to listen to the individual concerns of over 1.8 million associates. ("Corporate Facts: Wal-Mart by the Numbers,")

Due to Wal-Mart's size and impact on society, the company's need to monitor and frame issues in a fashion that is favorable for Wal-Mart is incessant. The labor issue, especially, demands the careful attention of Wal-Mart executives and spokespeople. Even when Wal-Mart does commit a mistake, they are quick to excuse the incident and publicize the solution. After conducting an internal audit, the company discovered that it owed money to employees and then took the liberty to bring the problem to the government's attention. The violations, which were publicized in January 2007, were not "particularly unusual" and Wal-Mart added that they "work very hard to make sure [our] associates are compensated correctly." In this instance, Wal-Mart detected the mistake and took action to remedy the problem. The company paid $33.5 million in back

wages to 86, 680 employees. The strategy to downplay the impact of the violations to "usual" helped to calm fears about the company's intentions and maintain public trust due to the fact that Wal-Mart it does make an effort to meet its basic obligations. Sue Oliver, a senior vice president of Wal-Mart's human resource division vowed that Wal-Mart works "very hard to make sure our associates are compensated correctly" and that safeguards have been added to "make sure that these types of errors don't happen again." In the ensuing law suit, however, Wal-Mart denied all liability and declared that all facts used by the Department to bring the suit against the company were false. (Greenhouse, 2007)

Despite allegations about the company's treatment of its workers, they are able to attract thousands of applicants for jobs each year. This is often used as a line of defense for the company's labor policies. If the company was so bad after all, people would not want to work there. "Wal-Mart," Scott said, "offers the right job at the right time" for its associates and "gives them a step up on the economic ladder." Typically, Wal-Mart receives "thousands of applications for the hundreds of jobs" it creates when opening a new store. Many associates "urge their friends and relatives" to join the company. (Scott, 2005b) The theme of 'Everybody wants to work here' was also used during the first ever Wal-Mart Public Relations Day in Rogers, Arkansas. During the conference, Wal-Mart claimed that on average 3,000 people apply for 300 jobs which usually pay around $10 an hour. ("Wal*Mart on Offensive in PR Skirmish," 2005) The case in point is Chicago, where city leaders tried to keep Wal-Mart out of the city for fear that the store would drive out good jobs and local businesses. When the new store began hiring, 15,000 people applied for the 400 available jobs. (Urrea, 2006) Wal-Mart hoped to show that even in a city where it is 'not wanted,' people want to work for them.

In light of allegations of discrimination, off the clock work, and poor employee benefits it is difficult to know why such large numbers of people choose to work for Wal-Mart. In under developed economic areas, the arrival of a Wal-Mart could literally mean 400 new jobs. Perhaps people do sincerely choose Wal-Mart, or maybe they apply out of necessity when the business for which they previously worked was put out of

business by the competition. Regardless of the situation, thousands of people are lining up for Wal-Mart jobs and it does not go unnoticed by Wal-Mart's spokespeople and the public. Can it really be that bad?

Guilty as Charged: Paying Fines and Evading Responsibility

In recent years Wal-Mart has paid a substantial amount of money in fines for several problems and is currently the focus of the largest class action lawsuit in American legal history. In 2004, Wal-Mart paid a record $11 million to settle an investigation by U.S. immigration officials that accused Wal-Mart of hiring undocumented workers. Some of these workers were locked in stores overnight to perform cleaning duties. (Heilemann, 2005) Wal-Mart deferred responsibility to its subcontracted cleaning services, but ultimately paid a fine to settle the dispute. In 2006, Wal-Mart paid $80 million in damages to current and former Pennsylvania employees for forcing them to work off the clock or during breaks. Wal-Mart intends to appeal the case which involves 187,000 current and former employees. ("Wal-Mart Loses Suit," 2006) These are only a few examples of investigations involving Wal-Mart, but one can clearly see that large allegations and lawsuits have the ability to conjure up a considerable amount of negative press.

Wal-Mart may be able to defend its reputation in word, but when its actions send a different message its efforts are null and void. As noted earlier, the opposition always has the ability to re-interpret the same information that Wal-Mart casts in a positive light such as statistics on wages and promotion. When anti-Wal-Mart groups use this strategy, the loss can be contained to a reputational value, but if investigative bodies look into the facts and find that Wal-Mart has committed a violation, not only is the damage to the company's image much greater; the company's pocket books will also be hit. Thus, it appears that Wal-Mart can not afford to lie about or downplay its problems.

The company has made recent strides to publicize the upside to the jobs they offer. In stores which meet yearly sales goals, employees receive an annual bonus. In

March 2007, Wal-Mart publicly announced the annual bonuses to be given out to its associates. The announcement was the first of its kind in 20 years and proclaimed that 80% of hourly workers would split more than half a billion dollars. Furthermore, the bonuses will now be distributed quarterly. This was good news for Wal-Mart's employees, who on average would receive around $600. (Barbaro, 2007) On average, Wal-Mart associates earn around $10 an hour. CEO Lee Scott often touts this statistic to the public in order to show the somewhat generous pay grade at Wal-Mart stores. The company has also taken a stance on the federal minimum wage of $5.15. "The federal minimum wage," Scott said, is "out of date with the times" ("Wal-Mart Clarifies Minimum Wage Stand," 2006). It is not clear whether or not this stance is a public relations ploy or genuine commitment to the issue since Wal-Mart has pledged no other action or financial support to the cause. To make matters a little more confusing, Wal-Mart is against the movement of Living Wage Laws. When the city of Chicago proposed a Living Wage Law that would require employers like Wal-Mart to pay a minimum of $13 in wage and health benefits per employee, Wal-Mart put its plans to open 20 stores in the city on hold. ("Big Box Rebellion," 2006) It appears that Wal-Mart is not going to allow a third party to determine its wages.

Wal-Mart's reluctance to enter into markets with Living Wage Laws calls into question their concern for the communities in which they operate. Wal-Mart claims that their concerns are purely economical in such matters. They can not afford to operate under conditions that impose unrealistic wage expectations. After all, Wal-Mart is only a retail company. In 2005, Lee Scott addressed the growing pressure on his company to deliver quality jobs with adequate wages to its employees. Scott claimed that Wal-Mart is on par if not above the rest of the retail sector in wages. He also expressed concern over the pressure that groups put on Wal-Mart to be a leader in the job market. Such roles, he stated, are not the duties of the retail sector. "Retailing," he stated, "has never occupied the top tier of wages in this country, or in any country" (Scott, 2005b). Wal-Mart simply can not be like the GM of the post-war period and grocery unions need to back off. After all, "this is just retail" (Scott, 2005b).

Wal-Mart v. Organized Labor

Lee Scott's reference to grocery unions is very typical of Wal-Mart's attempt to hurt the credibility of the source of many of the attacks on the company. Wal-Mart's staunch anti-union, or pro-open door policy, stance plays a strong role in their defense strategies. As with the healthcare debate, Wal-Mart Stores, Inc. often chooses to attack the source of the attack instead of refuting the attack itself. Lee Scott accused the United Food and Commercial Workers Union of creating "public confusion because it serves their own political and financial interests" (Scott, 2005b). In Wal-Mart's opinion, unions are only looking out for themselves, not Wal-Mart or its customers. Thus, Lee Scott and other spokespeople like to criticize union attacks against the company for being only in the best interest of themselves and not the people that Wal-Mart is working so hard to serve.

The United Food and Commercial Workers Union has made many attempts to organize Wal-Mart employees. In most cases, the union is defeated, a feat Wal-Mart loves to tout on its website, Walmartfacts.com. The line of reasoning follows that if the union is rejected, Wal-Mart's workers obviously do not want it and Wal-Mart workers know what is best for them and the store. Union leaders feel that if Wal-Mart's associates were organized they would have the power to demand better wages and benefits and slow down the race to the bottom in retail wages. Several meat cutting and auto departments within Wal-Mart Stores have made serious attempts to gain union representation, but to the dismay of the associates those groups which are unionized often fall to termination.

In Joncquiere, Canada an entire Wal-Mart store was closed only six months after the employees voted for union representation. According to Wal-Mart Canada, the devastating blow came because of financial reasons. The store and the union were unable to reach a tentative agreement that would permit the store "to operate…in an efficient and profitable manner" ("Wal-Mart to close unionized Quebec store," 2005). Some associates accused the company of having security guards harass workers during

the organizing drive; a situation that Wal-Mart Canada President and CEO Andrew Pelletier said he was totally unaware of and would not be tolerated. ("Wal-Mart hired security guards to spy on Quebec employees: CBC investigation," 2005) Also that year, the UFCW submitted two applications to certify workers at a store in Gatineau, Quebec. Wal-Mart responded to organizing efforts in Ste-Foy by harassing workers and was found guilty by the Labour Relations Board and both the union and Wal-Mart filed unfair labor practice charges citing intimidation in regards to an organizing drive in Windsor, Ontario. ("Union applies to certify another Quebec Wal-Mart," 2005) Wal-Mart Canada has felt so pressured by the pro-labor environment in areas of Canada that they filed an application to prohibit the Saskatchewan Labour Relations Board from dealing with matters concerning the company. Wal-Mart claimed that members of the board were unfairly biased and were forced to read pro-labor materials during decision making processes. ("Wal-Mart loses court bid to prove labour bias," 2006) The application was denied.

Wal-Mart's reluctance to deal with unions stems from Sam Walton's personal policy of having an open door while discouraging union activity. The company's anti-union stance has long been accepted by the American public which has been less sympathetic to organized labor over the last 50 years. Rising concerns of outsourcing and wage gaps though have sparked a larger interest in the economical role of big box stores like Wal-Mart. Union funded groups such as Wake-Up Wal-Mart and Wal-Mart Watch have long been left out of the dialogue between Wal-Mart and its employees and since their creation have blind sighted Wal-Mart with an onslaught of criticism and campaigns. Wal-Mart's responses to attacks of its labor policies include denial, correction, and often positive framing of negative events. The problem with framing is that the issue can always be re-framed by the other side. When the other side of the dialogue is completely devoted to pressuring one company, Wal-Mart finds itself with its hands full.

Charges of worker harassment, wage discrimination, off the clock work, and refusing to operate in cities that enforce Living Wage Laws all send less than favorable

messages to the public; the same public that anti-Wal-Mart groups hope to convince to pressure the store in response to a negative reputation. Wal-Mart's effort to portray itself as a friend of the consumer and laborer alike has undergone a major overhaul in recent years with an increased public relations effort, but even if the attacks do slow Wal-Mart must present a steady reputation management campaign in order to sustain future attacks.

THE MANY SIDES OF REPUTATION MANAGEMENT: DENIAL, LEGAL BATTLES, AND SYSTEMATIC CHANGE IN OTHER AREAS OF REPUTATION MANAGEMENT

A range of other issues have also become sources for criticism of Wal-Mart Stores, Inc. Wal-Mart's policies, actions, and interpretations of both are all open for attack by its foes. Much like the previously discussed issues of healthcare and labor relations, the following issues are surrounded by an array of rhetorical themes and strategies. Anti Wal-Mart groups hope to exploit the weaknesses and faults of the world's largest retail company while Wal-Mart struggles to establish a reputation of friend and servant of the community. The company's ability to navigate and manage these issues and possibly bolster its reputation is directly related to the economic growth and stability of the company. Successful reputation management through thorough issue management has become the key strategy for such a large international company.

While Wal-Mart does like to promote itself for its strong points and ability to deliver savings to the average American family, it also has the ability to recognize its shortcomings. By admitting its mistakes and inefficiencies, Wal-Mart opens itself up to its critics. During Hurricane Katrina, Wal-Mart Stores, Inc. utilized its distribution power to meet the needs of destitute people in New Orleans and the surrounding area. It is no secret that the federal government failed to respond in a sufficient and swift manner. Wal-Mart, however, saw an opportunity to shine and since then has launched its worldwide Sustainability program. After Hurricane Katrina, CEO Lee Scott used the experience to publicize the capabilities of the company. He asked his audience, "What would it take for Wal-Mart to be that company – the one we were after Katrina…at our best…all the time?" Scott noted that although the company "will go wrong" and "make some mistakes along the way," the company has a strong "commitment to change" for the better. (Scott, 2005a) Andrew Pelletier of Wal-Mart Canada agreed that Wal-Mart needs to be self critical by saying "we are not where we want to be in this component" (Knight, 2005).

Wal-Mart's commitment to change can be seen throughout the company's management of other issues. At this point, it is difficult to decipher the legitimacy of the company's claims to be making systematic changes for the better. While the changes are visible, their long term effects can not yet be determined. The remainder of this section will outline and discuss some of the changes that Wal-Mart has promised and explore the rhetorical and economical ramifications of these commitments.

Sourcing from Unethical Companies

In 2003, the Maquila Solidarity Network of Toronto gave Wal-Mart the top sweatshop award along with one other company. In response, Andrew Pelletier of Wal-Mart Canada said that Wal-Mart has spent $40 million to certify every North American plant that supplies the company and requires vendors around the world to adhere to a strict code of conduct. Critics acknowledge the fact that Wal-Mart, despite its promises, sources some of it merchandise from factories in Lesotho, a country notorious for its sweatshops. The Lesotho Clothing and Allied Workers Union released information which confirmed violations in 21 factories producing for Wal-Mart including abuse, sexual harassment, compulsory overtime, and poverty wages. Pelletier also noted in a discussion of corporate social responsibility that the most ethical thing a company can do with a company that struggles to meet standards is to stay with them and help "evolutionize their human rights to a more first-world standard" (Knight, 2005). He admitted that from a public relations standpoint this may not always be the most attractive option, but argued that it is the most responsible thing to do. Pelletier's statement sends a message of integrity and responsibility despite what the critics expect of the company while Wal-Mart's effort to spent $40 million to certify its suppliers demonstrates that the company does have a certain desire for ethics in the workplace. According to Pelletier, "Having a [corporate social responsibility] strategy is absolutely critical."

We have yet to see how that CSR strategy will play out in some other trouble areas within the company. When attacked with a large claim, Wal-Mart tends to immediately deny the attacks. They then willingly participate in laborious and lengthy law suits, often outlasting their not so resourceful opponents. In addition to the lawsuits and denials, they like to embellish their positive record on the issue in order to bolster their credibility and trustworthiness in the focus area. The problem with this approach is that companies should already be engaged in bolstering their reputations before the attacks are launched.

Man, I Feel Like a Woman (Discrimination Cases)

Perhaps one of the biggest issues facing Wal-Mart Stores, Inc. today is its record on women in the workplace. On February 6, 2007 the U. S. Court of Appeals for the Ninth District affirmed the class action status of *Dukes v. Wal-Mart*. The gender discrimination lawsuit includes over two million women who have worked for the company since 1998. Liability claims could reach amounts of $11 billion. The plaintiffs claim that female employees at Wal-Mart are subject to a common pattern and practice of discrimination in which male employees are promoted and paid at a higher level than women. Anti-Wal-Mart groups rejoice in the class action status of the suit for two reasons. First, it is an opportunity for thousand of Wal-Mart's employees to assert their value as associates and recoup monetary losses that are due. Second, the case has the ability to create a great deal of negative publicity about the company which may pressure Wal-Mart to change its corporate culture surrounding women in the workplace. A class action lawsuit of this magnitude can cause considerable reputation damage to the company and end in large monetary settlements.

Wal-Mart denies any such discrimination and claims that the six plaintiffs are not adequate representatives for all of the women who have worked at Wal-Mart. The U. S. Chamber of Commerce, the Employers Group, the Equal Employment Advisory Council, the Retail Industry Leaders Association and the Washington Legal Foundation

all filed friend of the court briefs on behalf of Wal-Mart. Wal-Mart immediately posted a press release on their website Walmartfacts.com announcing their plans to appeal the class action status of the suit. ("Wal-Mart Will Seek Further Appellate Review in Gender Class Action Lawsuit," 2007) The press release also showcased a typical line of defense used by Wal-Mart: recitation of all positive actions regarding the focus issue. In order to counter the plaintiffs' allegations, Wal-Mart recited several of the awards and recognitions the company has received for its track record on women in the workplace. The list included, but was not limited to the following:

- o Wal-Mart was recently named one of the '50 best Companies for Latinas to Work for in the United States' by LATINA Style magazine
- o Wal-Mart was recently named one of the 'Top 40 U. S. Companies for Diversity' by Black Enterprise magazine
- o Wal-Mart has established an Office of Diversity, which promotes diversity in recruitment and inclusive employment practices
- o Wal-Mart has established and is operating with ongoing diversity goals that are tied to the incentive bonuses for officers and salaried field managers
- o Wal-Mart has established an Employment Practices Advisory Panel comprised of highly-respected national experts to work with Wal-Mart's senior management to develop and implement progressive enhancements to equal employment opportunity and diversity initiatives ("Wal-Mart Will Seek Further Appellate Review in Gender Class Action Lawsuit," 2007).

Wal-Mart wants to regain trust and authority on this issue and has set out to do so by touting its awards received and efforts to promote diversity. It is not clear, however, how effective their efforts will be. Internet postings on the company's website may not have

the ability to reach a wide enough audience. If Wal-Mart can establish itself as an exemplary leader in women in the workplace it may have a better chance of decertifying the class action status of the suit and minimizing potential reputation and monetary damage.

The same strategy also applies to another lawsuit the company is facing. In February 2007, a Kansas City, Missouri discrimination suit was reinstated involving a job applicant with cerebral palsy. Steven J. Bradley, Jr. applied for the job of cashier, but Wal-Mart denied him the job stating that the applicant could not safely perform the duties of cashier or greeter. The appeals court reinstated the case on grounds that Wal-Mart did not provide strong enough arguments for their claim. In December 2001, Wal-Mart settled a disability related lawsuit for $6.8 million. (Margolies, 2007) It is unclear whether or not these are isolated incidents or the symptom of a discriminatory work culture, but the allegations are troubling when coupled with other image damaging situations such as the Dukes case.

The company has taken some steps to proactively promote diversity in the workplace. They have created an Office of Diversity, set standards for diversity among their supplier teams, and required that the law firms which handle the company's cases have a certain level of diversity. ("Wal-Mart seeks more diversity from suppliers," 2007) They have also set up a private equity fund that will invest in minority and women owned businesses which supply to Wal-Mart. ("Wal-Mart Fund to Boost Small-Business Diversity," 2005) For Black History Month 2007, Wal-Mart hosted the author of the popular book *The Pursuit of Happyness* to speak in its stores and inspire employees and customers. The company will also hand out timelines on black history and booklets on achieving success in addition to running public announcements in their stores encouraging people to donate to the Martin Luther King, Jr. memorial to be built in Washington, D. C. All of these plans were publicized in the form of a press release on the company's website which tells us that they recognize the reputation boost these activities can have for the company's image. The press release also notes that "Wal-Mart values diversity and has a tradition of supporting all cultures, which allows the company

to better connect with associates, suppliers, and customers" ("Wal-Mart Stores, Inc. Honors the Contributions and Determination of African Americas Yesterday and Today," 2007). It seems that Wal-Mart realizes it needs to not only do good things, but also publicize them.

Sustainability

Wal-Mart's most visible and concerted effort to give back to society has been its recent Sustainability campaign. After Hurricane Katrina, Wal-Mart began a comprehensive environmental program that has the power to revolutionize the way Wal-Mart and all of their suppliers and customers do business. During a presentation at The University of Texas McCombs School of Business, Wal-Mart's Vice President and CFO of Global Procurement David Blackwell noted that today's environmental problems require all of us to make a change. Wal-Mart, he said, is beginning to think "like a country, not a company" and that they welcome "everybody's perspective and input." Furthermore, the company pledges to share any new green technologies with competitors. Waste and energy saving efforts have the ability to deliver savings to Wal-Mart and their suppliers. Wal-Mart hopes to take the cost deterrent out of buying green for its customers and plans to promote energy saving products like fluorescent light bulbs. Mr. Blackwell made note of the program's ability to drive costs out of the system and also acknowledged the positive reputation value of Sustainability. Sustainability, they claim, is not a public relations ploy, but a chance to change the system and gain respect and trust simultaneously. (Blackwell, 2007) Wal-Mart's unique position as the dominant force in retailing enables them to influence change due to the power they wield over the entire consumer market.

CEO Lee Scott served as the keynote speaker at the Prince of Wale's Business and the Environment Programme in London in early 2007 where he further explained that Wal-Mart's program is about promoting sustainability among all of the stakeholders of our company. Specifically, Wal-Mart has three goals: 1) To be supplied 100 percent

by renewable energy, 2) To create zero waste, and 3) To sell products that sustain our resources and the environment. ("Wal-Mart CEO Lee Scott Unveils 'Sustainability 360'," 2007) Scott also announced the launch of Global Innovation Projects that encourage associates and suppliers to find ways to remove non-renewable energy from products the company sells (i. e. packing). Wal-Mart has also committed to doubling its fleet of hybrid cars and attempting to boost fuel efficiency of its truck fleet by 25%. (Cummings & Hudson, 2006)

The company's environmental goals are high and demanding, but Wal-Mart believes they are attainable and necessary. To date, sustainability is arguably Wal-Mart's most proactive and progressive campaign. Such a green campaign from a notably 'red' company has the power to regain some of the public's trust in Wal-Mart as the company that cares and serves the communities in which it operates. The program shows that Wal-Mart is willing to adapt and pursue an "aggressive vision" that delivers savings to the consumer, company, environment, and global community. For Wal-Mart, "there is virtually no distinction between being a responsible citizen and a successful business." To continue to grow and be successful Wal-Mart "must operate in a world that is healthy and successful." So Lee Scott asks: "What would it take for Wal-Mart to be that company – the one [they] were after Katrina…at [its] best…all the time?" (Scott, 2005a)

The value of a program like Wal-Mart's Sustainability campaign is virtually endless due to Wal-Mart's power and scope in the economy, and its reputation value is also appealing. In order to gain any reputation value from the program, however, Wal-Mart must do more than state goals and tout ideas. Changes must be seen and felt by the public. If they are not, Sustainability will only become another talking point for anti-Wal-Mart activists.

LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

Due to the fact that the issues surrounding Wal-Mart Stores, Inc. involve many external factors and multiple segments of society, studying the implications and contextual significance of the company's behavior is very complex. My research was similar to other authors who have studied the effects of the Wal-Mart company in that it researched several sectors of the company's activities and interpreted those events according to a standard of scholarship. Since my focus was primarily reputation management and in turn public relations my ability to discern other factors that influence Wal-Mart's behavior were restricted. My study was limited in its scope because my area of understanding, time for study, and capacity to investigate the larger spheres in which the company operates are all also limited.

Other factors that affect the actions of Wal-Mart Stores, Inc. include, but are not limited to natural market forces, the nature of publicly owned companies, globalization, environmental scarcity, societal perceptions of organized labor, and healthcare rhetoric of the 21st century. This paper would benefit from a more in depth look at these factors and others, but as stated previously, the research schedule did not permit such. This type of scholarship would also greatly benefit from more direct access to the internal workings of large companies. Issues of transparency and accountability have made more internal company communication available, but the study was still limited by this problem.

Wal-Mart's role in the 21st century economy is an ongoing situation in which we will only be able to sense the true impact of such a company in the long term. Therefore, additional scholarship is needed to survey the rhetorical discourse between Wal-Mart and its adversaries over a larger time frame. More research and observation is needed to understand the wider consequences of reputation management and its effect on the consumer landscape. Further observation of the company's strategies over time coupled with public surveys of the public's perception of Wal-Mart Stores, Inc. would enable us

to discern which reputation management approaches are more successful in positively affecting public perception.

CONCLUSION

Wal-Mart Stores, Inc. faces most, if not all, of the problems associated with publicly owned companies in a global marketplace. The questions we ask about Wal-Mart's role in society and our ability to control its actions are the same questions we ask about the economy in general. Larger public concerns about issues such as urban sprawl and employee rights are essentially the same concerns that many activist groups have about Wal-Mart.

While we attempt to attribute many of today's problems to the behavior of large corporations such as Wal-Mart we must ultimately realize the driving force behind any company's success, the customer. In a certain way, corporations are like governments in which constituents are consumers and votes are dollars. If we as a people do not find the operations of a certain company beneficial for society we must exercise our right as a free people by not shopping or buying from these places of business. In many cases, however, people are unaware of larger effects that some businesses have on the economy or feel powerless in their ability to choose where they shop. In these circumstances, we rely on the structures of government and public interest to protect the common good. The question then becomes, "What is the public good?" The proper way to determine such a principle lies at the heart of the so called 'Wal-Mart Effect.'

Not only do scholars debate the qualities and components of the public good, but also which parties should have the power to determine it and which parties should be obligated to contribute to it. Business is often placed in both categories. Proponents of the pure free market argue that the economy will self-correct and self-regulate according to the needs of society. Those in favor of a more restricted economy support the view that certain market forces must be regulated by society in order to provide the necessary services to the public with minimal negative impact on society. This debate is central to the arguments of government and business in all societies. It is not a debate that will be simply settled and in all actuality, it may never come to an end so long as people are self-governing and able to command the facets of government and the economy.

      In the interim we are left with a market of messages. These messages have the ability to move people and ideas. Their contextual significance is found in their ability to affect the behavior of large corporations and large groups of people. As the nation's largest private employer and the world's largest retail company, Wal-Mart Stores, Inc. finds itself in a pivotal role of utmost significance in the 21st century. Its operations have the ability to affect the lives of millions of people, companies, and in turn entire economies. The battles waged by interest groups, albeit aggressive and often politically weighted, address the very questions we as a society must ask of ourselves and the bodies which govern us. Wal-Mart's ability to manage these issues and ultimately the public's perception of their company as a whole will determine in part the role and importance of reputation management in the greater global marketplace. Furthermore, their strategic failures and successes provide crucial insight into the power of effective communications over larger market forces. If we, as a people, hope to control these same forces which drive both market and non-market forces we, too, must become well versed in the understanding and application of strategic rhetorical discourse.

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- *Undergraduate Research Fellow*. Completed graduate level work and explored the research and writing process. Culminated in an honors level thesis.
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Summer Study, New York University, 2004
- Studied film in the Tisch School of the Arts

Work History

2004-2006, Mentor and Supervisor, T Bar M Camps, Spicewood, TX: supervised activities, regulated safety, and mentored campers through sports instruction and religious teaching

August 2004-December 2004, Tutor, Bryan ISD AVID Program, Bryan, TX: tutored all high school subjects to first generation college bound students. Motivated and mentored teenagers to become high achieving students.

Activities

Big Brothers Big Sisters of the Brazos Valley, Spring 2006-present
- Weekly mentoring sessions in which I tutor and befriend children in the community

Study Abroad, Bonn, Germany, Summer 2005
- Lived with host family and attended 4 hours of language classes daily. Deepened my competence of the German language and broadened personal cultural awareness.

Aggie Women in Leadership, Fall 2006-Spring 2007
- Attended leadership and educational sessions geared towards the promotion of women's issues. Mentored by tenured woman professor at Texas A&M University.

Philadelphia Sisters Christian Sorority, Fall 2003-Fall 2005
- Developed managerial and time management skills. Served as social chair for 2004-2005 year. Guided several small group meetings and studies.

Volunteer, Boys and Girls Clubs of the Brazos Valley; Volunteer Coach, Bryan High School Softball

Awards and Achievements

Presidential Endowed Scholar, Texas A&M University

Outstanding Student Department of Communication, 2005 & 2006; Honors List 2005, 2006, 2007

Honor Societies: National Society of Collegiate Scholars, Lambda Pi Eta Communication Honor Society, Phi Kappa Phi, Golden Key International Honor Society

Trio De Mayo Sprint Triathlon, Bryan, TX, May 2006: completed 500 meter swim, 25 km bike and 5 km run race.