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APPRAISING WALMART'S GOING INTO INDIA: OVERCOMING OVERSEAS COMMUNICATION AND CULTURAL CHALLENGES

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Abstract
The benefits of an organization going international abound on one hand and attendant challenges on the other. This paper reviews Walmart's operations and its decision to go international. The paper dwells on environmental and cultural factors where the organization will operate, the critical operational factors that must be considered, and how they will affect the company. It also considers the communication problems the managers of Walmart are likely to face in India. The study shows in its analysis that when an organization goes global, employees must understand the relationship between effective communication, its successful operation, and their success within. As a US corporation, Walmart had to analyze India and the United States using the five dimensions in Hofstede's Insights on Country Comparison, Power Distance, Individualism, Masculinity, Uncertainty Avoidance, and long-term orientation Indulgence to support its decision to get into the Indian market. The results of this analysis would influence staffing policy for top-level managers and the rationale for formulating certain policies. Employees must understand how to choose the most appropriate strategy in different situations. What to do include understanding and upholding the essentials of intercultural communication across cultures, respecting stakeholders and legislations, and upholding norms, values and cultural, linguistic, religious and ideological differences. Training and orientation on these would enable employees of an organization in the international environment to operate successfully with less hinges.
Keywords: Going international, Walmart, Overcoming, Communication/cultural challenges, Differences

Introduction

Walmart Inc. engages in the retail and wholesale business. The company offers an assortment of merchandise and services at everyday low prices. It operates through business segments: Walmart U.S., Walmart International, and Sam's club. The Walmart US segment serves as a merchandiser of consumer products, operating under the Walmart International segment, Walmart, and Walmart neighborhood brand, and Walmart.com. The Walmart International brand manages supercenters, supermarkets, hypermarkets, warehouse clubs, and cash and carries outside the United States. Sam's club comprises membership-only warehouse clubs and samsclubs.com.

The company is headquartered in Bentonville, AR.Walmart is one of Fortune's top 500 companies, and its success is its efficiency in supply chain management. The core competencies of Walmart are buying, supply chain management, and logistics superiority. Their core competencies allow Walmart to sell its goods at lower prices than many of its competitors. Walmart had an influential role in establishing a universal bar code. That bar code is used to improve their inventories and streamline the supply chain.

Therefore, this paper is aimed at appraising Walmart, with respect to its decision to go international and operate in the Indian business environment. Its objectives include showing communication and cultural challenges to going international, which Walmart must take cognizance of and devise strategies to surmount. It is imperative to note here that the paper seeks to depend less on other literatures. The reason is that it seeks to express its field-based observations with only a few citations, since it is a tradition to make use of other literatures for scholarly backup in a paper of this kind.

Why Organizations Decide to go International

There are different reasons why organizations decided to go international. Here, some compelling reasons why an organization wants to go international are highlighted. A company's reason for expansion drives its business goals and aids in structuring its foreign expansion strategy. Specific purposes for international development also help businesses set key performance indicators and success metrics. Entering overseas markets presents new customers, revenue streams, and competitors. However, to fully take advantage of these new opportunities, determining the reasons before answering how to enter the market is essential.

Organizations with a growth mindset aim to expand internationally someday. They do not see international expansion as an end goal but rather as the start of a challenging new venture. An organization like Walmart wants to enter international markets to improve its margin. Again, going international affords organizations access to new talent pools and new technology. These may reduce production or operational costs, allowing companies to improve their profit margins.

Moving divisions to foreign countries is a concept that has been introduced previously. China and other Asian countries have been renowned for being economical production places. More affordable talent, material, and labor costs allow businesses to keep costs down while ensuring quality products and business performance. By going international, instead of spending time and money on new product development, companies can create a new revenue source by finding new consumers for a previously successful product and responding to increasing demands.

Another compelling reason why companies go international is in response to increasing demands. One of the most common and telling reasons companies go global is the existence of measurable demand. Upon realizing a significant demand for products and services, companies that expand their operations to international markets take advantage of highly lucrative opportunities. The internet has made it increasingly easier to see how foreign markets respond to products, even ones that have yet to be available. When you see international consumers showing interest in your goods, it is highly advised to try testing the market through a small expansion. This way, companies can tentatively enter global markets while keeping risks low and have the leeway to scale up operations, if the reception is favorable.

Factors Walmart has to Consider about Going International

In 2018 Walmart got established in India. When it first announced its big-bang entry into India in 2007, Walmart had grand plans to have its huge signature stores sprinkled across the country.

Almost a decade later, the reality looks very different. On May 09, Walmart announced that it has acquired a 77% stake in India's largest e-commerce firm, Flipkart, for $16 billion (Rs1.06 lakh

crore). The deal will give the American retailer a direct link to a market that is expected to be worth $200 billion by 2026 (https://qz.com/india/1259361/walmart-flipkart-deal-a-timeline-of-walmarts-history-in-india).

The new business environment Walmart is going international into differs from that of the US. As a US corporation, Walmart had to analyze India and the United States using the five dimensions in Hofstede's (2023) Insights on Country Comparison, Power Distance, Individualism, Masculinity, Uncertainty Avoidance, and long-term orientation indulgence in its decision to get into the market. For Power distance, India is a Country where power is unequally distributed. And, it is a hierarchical society where employees in an organization depend on leadership for direction and acceptance. Employees are expected to be directed at their functions and expectations.
Although inequality exists, it is seen in the light that every individual is different and unique. This is a direct contrast to the United States, where hierarchical organizational structures disappear (Chiang, 2005). Individualism characterizes the US. In other words, the United States is very individualistic. People look after themselves and their immediate families, and do not rely on authorities for support. Hierarchy is established for convenience. Superiors are accessible, and managers only rely on individual employees and their teams for expertise. Employees are expected to be self-reliant and display initiative.

Hiring and promotion are based on merit and evidence of what one has done. In India, the opposites or the reverse of the aforementioned are obtained. In India, collectivism is obtained in contrast to individualism. Superiors are not easily accessible, and hiring and promotion are not always merit-based (Chiang, 2005). More so, masculinity USA is driven by competition, achievement, and success. This value system begins in childhood and continues throughout one's life—a high score on masculinity. Unlike India, despite being high on masculine, the sign of success and standout from the crowd is not celebrated like in the US.

Avoidance of uncertainty is another factor. The American environment is more tolerable to different and new views than the Indian socio-cultural, political and business environment. The US environment relates to business practices and technology, but could be very impatient when the unexpected is needed. That is not the case of India, a society that is very tolerant and patient with the unexpected (Chiang, 2005). Also, long-term orientation is another factor. Americans are prone to analyzing new information to check its accuracy. Businesses are measured on a short-term basis. And, individuals strive for quick results in the workplace, unlike in India where punctuality is forgiven.

In addition, indulgence is another factor. The US is a work-hard and play-hard society, and its citizens as well as residents have fragile control over their impulses. India is a very restrained society. Only a slight emphasis is placed on leisure time, and there is controlled gratification. Sales Associates in Walmart India make approximately 300 dollars monthly, and a Cahier makes 135 dollars monthly in their stores in India. Associates are offered paid time off and store bonuses (Sale, 2004). Associates in the US are paid hourly, while those in India are paid monthly. This is based on the culture in India and the existing laws (Sale, 2004).

The company offers paid time off as a significant incentive and store bonuses for associates and their families. This is different from the reward system in the US that focuses on tuition reimbursement and health insurance. Going international also requires upholding the culture of the host country. That is, the company is bound to transact based on the culture of the host country – India in this case. The company is bound to offer what attracts and retains associates in India. Americans are more goal-oriented, and the goals are more important for individual accomplishment. The reverse is the case with the Indians, who largely tie their plans to family values.

Strategies for Managing the Functional Assignment in India

As Ogirri (2024) and Goman (2019), among others, affirm, understanding the socio-cultural, political, environmental, and technological differences between US and India is essential in designing the total reward systems and resource allocation. Walmart is an American company, which is influenced by American culture. Accordingly, Walmart has to devise means of producing and supplying goods and services that are (more) attractive. It has to hire and retain associates in India. Sales Associates in Walmart India make approximately 300 dollars monthly, and a Cahier makes 135 dollars monthly in their stores in India. Associates are offered paid time off and store bonuses (Sale, 2004). Thus, the payment options and the amounts constitute another strategy to make of by Walmart in India.

The cultural, communication, political, environmental, technological, social and other differences have to be taken cognizance of, upheld, respected and adhered to without any disregard (Ita, 2021; Goman, 2019). Another strategy is consulting, involving, communicating and meeting the expectations of stakeholders (Ogirri, 2024). These should be taken care of accordingly at all times in order to allow for efficiency. Associates in the US are paid hourly, while associates in India are paid salaried. This is based on the culture in India and the existing laws (Sale, 2004).

Effective maintenance of human and other resources would also help out (Ajibola et al., 2019). Studies confirm that effective management of people and other organizational resources breeds efficiency, employee commitment and performance, group cohesion, higher employee retention, positive attitude, improved skills, greater productivity, and increased profitability in organizations of all scales (Ita, 2021; Anayo et al., 2016; Etim-Robert, 2016; Razouk, 2011; Messersmith& Guthrie, 2010). It follows that Walmart has to deploy effective resource management as a strategy for survival and success in India.

Employees in the modern organization must understand the relationship between effective communication, the organization's successful operation and their success within. They must understand how to choose the most appropriate strategy in different situations (Ogirri, 2024; Conrad & Poole, 2012). Training as well as educating on these would make a whole lot of positive impact on the overall activities and achievements of Walmart in India. Understanding communication across cultures is extremely important for managers in a multinational organization. Every country and every culture communicates differently based on their cultural values or beliefs (StokesRice, 2021). Thus, managers have to devise effective strategies for efficient communication.

Some cultures share directly, while others may be more indirect based on the power distance described in Hofstede's (2023) cultural dynamic. In India, for instance, there is respect for elders. In India, if one communicates directly with someone much older, it can be considered disrespectful. That is not the case in the United States. Thus, where communication is very different, understanding the communication styles of different cultures prepares managers to understand their employees and their communication needs better. Also, as a manager, not understanding how to communicate across cultures can lead to frustration and isolation.

Building trust is another strategy to deploy. There is need to build trust, not considering the cultural differences as yardsticks for primordial sentiments acts of unprofessionalism. Having an unfamiliar lens through which to view culture can offer us insights that our standard lenses will not. Specifically, we can better understand intercultural communication when we understand not just how different we are but also how similar (Ao, 2019). A manager needs to communicate effectively with team members from other cultures and build a cordial relationship with them. Understanding cultural dynamism promotes frustration that can impact work productivity (Chen, 2017). Therefore, there is need to preempt and deal with the attendant issues.

A manager selling a product or service to a client needs to become more familiar with cultural norms and customs. Communication can unintentionally offend the client and give the wrong impression. Effective communication across cultures affords opportunities, including providing revenues. A lack of cultural understanding may promote misperception, bias, and stereotypical beliefs that may adversely affect organizational communication as a multinational manager (Ogirri, 2024; Goman, 2019). Some societies treat men and women differently and are held to different standards, which promotes conflicts in the workplace without that knowledge. In India, men are the head of the household and must be respected. That also applies to how men are perceived in the workplace, which is different from the US.

There is no difference in gender roles in the workplace. Language barriers to effective communication in India would pose communication challenges to manager(s) and employees of Walmart, who are non-Indians, but speak English, French and so on (Goman, 2019). Also, misunderstandings may occur among workers who speak a different primary language. As a result, feelings may be hurt based on a misinterpretation of words or body language. Using certain words and phrases requires clarity, and most employees act on assumptions instead of asking for clarity. As such, when working for a multinational organization, there is a need for more skill or knowledge in communicating with people from different backgrounds. Giving and receiving feedback is a learning tool that improves communication. The manager of Flipkart (the Walmart in India) as those of other multinational organizations ought to deploy it as a strategy for bridging communication gap. The foregoing is given credence by Stokes Rice (2021), who observes that establishing a system where employers constantly offer and receive feedback dramatically enhances communication.

Conclusion

It is quite obvious from the exposition made so far that Walmart is bound to face some challenges going international to the Indian business environment. The challenges are country-based. However, there are huge opportunities for Walmart, as it is generally with multinational

organizations to go international. This implies that Walmart has several opportunities to explore and benefit. The cultural differences between the United States and India indicate that a US company entering the Indian market must adjust its policies to reflect the cultural differences between the two countries. It must comply with the legislations of the host country and uphold the inherent cultural norms and values, respect and manage the differences, and devise strategies for surmounting the obtained challenges.

The paper concludes that country-based differences between US and India in relation to business establishment, operations and transactions present challenges to Walmart (Flipkart, India). These are common to all multinational companies that decide to establish overseas. The challenges, including communication challenges, can be addressed by deploying the strategies identified above. The paper recommends effective re/training of employees, job re/design, stakeholder consultation, involvement and communication, feedback and reward systems, effective management of human and other resources, among others, as the panacea. Overcoming these challenges is the basis for success.

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