EXPERT REPORT OF NANCYE M. COMBS, SPHR

Equal Employment Opportunity Commission vs Wal-Mart Stores, Inc.

January 7, 2008

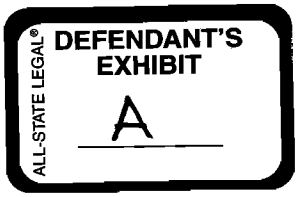
ASSIGNMENT

1. The law firm of Woodward, Hobson & Fulton, L.L.P., 2500 National City Tower, Louisville, Kentucky, 40202, engaged my services as an expert in Human Resources, in litigation on behalf of Wal-Mart Stores, Inc. Wal-Mart Stores, Inc. (Wal-Mart) is alleged to have engaged in a pattern and practice of gender discrimination (female) at its Distribution Center Number 6097 (#6097) in London, KY. I have been requested to provide an opinion regarding the human resources practices of Wal-Mart at its Distribution Center #6097, including the hiring policies and procedures, as well as the selection and training of employees assigned to participate in the selection system, based on my 41 years of education, training and experience as a human resources professional and more than 15 years of consulting in the distribution industry.

CREDENTIALS

1. I have testified as an expert witness in workplace discrimination and wrongful termination cases. A list of cases in which I have provided expert opinion or given expert testimony is attached as Exhibit A. My fee for expert services is $175.00 per hour for office services and $275.00 per hour for out-of-office services.

2. My credentials in Human Resources and Organizational Management are attached as Exhibit B. I received a Bachelor's Degree *summa cum laude* from the University of Louisville, did graduate work at the University of Wisconsin and Webster's University. I have been a practicing Human



Resources professional since 1966, beginning as an Industrial Relationship Assistant, then progressing to Benefits Assistant, Hourly Personnel Manager, Personnel Director, Vice President of Personnel, and Executive Vice President of Human Resources. I hold the professional designations of Accredited Executive in Personnel (AEP) and Senior Professional in Human Resources (SPHR) in Human Resources (*certified for life*) by the Human Resources Certification Institute. I am the recipient of the Award of Professional Excellence in Human Resources and numerous other recognitions for my work in Human Resources.

3. In 2001, I was recruited by Bellarmine University in Louisville, KY in partnership with the Louisville Chapter of the Society for Human Resource Management to serve as the facilitator of the SHRM Certification Learning System. In that capacity I have assisted approximately 500 Human Resources professionals prepare to take the national certification examination to become a certified Professional in Human Resources (PHR) or a Senior Professional in Human Resources (SPHR). The pass rate for the classes exceeds the national average.

4. Since 1986, I have owned and operated HR Enterprise, Inc., a Human Resources and Organizational Development consulting business in Louisville, KY and have served more than 600 clients worldwide, including the United States, Canada, Europe and Asia. The company provides full services human resources management consulting. In 1995, I was named the most successful woman business owner in Louisville by the National Association of Women Business Owners.

5. My 21 year consulting practice includes more than 15 years of serving the Distribution Industry. I am the endorsed consultant for the Specialty Tools and Fasteners Distributors Association (STAFDA) and provide consulting services to their 2,700 distributor members and associates. In

that capacity I create and/or review policies and procedures, job descriptions, operations manuals, employee handbooks, employment practices and selection systems. I conduct training needs assessments, design training programs, develop training curricula, implement training initiatives and evaluate training effectiveness. I create direct and indirect compensation systems, conduct internal investigations related to unfair or discriminatory practices, provide assessment tools and assist management with a wide range of human resource problems. I also speak at distribution industry conferences and create regular advisories for distributors on contemporary human resources topics. A list of clients is attached as Exhibit C and a list of publications is attached as Exhibit D.

6. During my career as a Human Resources executive and Management Consultant, I have created and conducted more than 1,000 training programs, workshops, seminars and conferences on Human Resources topics, specifically, Selection and Training. Attendees include business owners, executives, human resources professionals, managers and supervisors. Attendees represent private and public organizations, including education and government. In addition, I have been the featured speaker at innumerable events on issues related to human resources. This includes two presentations to Fortune 500 executives at the White House with the President and the Vice President of the United States to encourage employment of disadvantaged youth.

MATERIALS REVIEW

I reviewed numerous documents prior to formulating an opinion regarding the policies, procedures, selection and training system used at the London, KY Distribution Center #6097 by Wal-Mart. These documents include:

1. The complaint filed by the EEOC against Wal-Mart, Inc. and the motion to bifurcate the trial and discovery.
2. The opinions and supporting materials of Burt S. Barnow, Ph.D. and William T. Bielby, Ph.D., engaged by the EEOC to provide expert opinions. This includes the corrections submitted by Dr. Barnow.
3. The depositions of Wal-Mart management employees, Michael Giles, Jeff Akers, Jim Gulock (video and written), Eugene Reynolds, Oscar Miller, Lee Holland, Jim Reeves, Vince Biondo, Ralph Earls.
4. The written and video depositions of Class Members Barbara Napier, Shannon Bowling, Julia Terrell, Kassandra Hammons and Patricia Murray.
5. The EEO-1 reports submitted by Wal-Mart, Inc. and diversity reports created by the Wal-Mart staff.
6. The 2003 and 2004 turnover reports prepared by Wal-Mart staff.
7. Job Matrix of Essential Functions for Order Fillers (July 1997 and March 1999).
8. Behavioral Interviewing Materials.
9. Wal-Mart Responses to EEOC 1st Set of Interrogatories and RFPD 10/8/02.
10. Wal-Mart Supplemental Response to EEOC's 1st Set of Interrogatories and RFPD 12/12/02.
11. Wal-Mart supplemental Response to EEOC 1st Set of RFPD 12/11/06.
12. Wal-Mart's Response to EEOC 3rd Set of Interrogatories 5/01/06.
13. Wal-Mart Supplemental Response to EEOC's 3rd Set of Interrogatories 6/01/06.
14. London, KY Distribution Center Organization Chart, dated 2/04/02.
15. Wal-Mart Pre-Screening Interviewing Materials, dated 4/04.
16. Wal-Mart Screening Interview Materials (WMDPO0511-33).
17. Wal-Mart Panel Interviewing Materials, dated 4/04.
18. Wal-Mart Final Interview Materials, dated 4/04.
19. Behavioral Interviewing FAQ.

20. Wal-Mart *TalentSelection* Training Program – Facilitator Materials.
21. Wal-Mart *TalentSelection* Training Program - Participant Materials.
22. Wal-Mart *TalentSelection* Power Point Training Slides.
23. Wal-Mart Logistics *TalentSelection* Power Point Training Slides.
24. Wal-Mart Behavioral Interviewing Power Point Training Slides.
25. Various Management memos to Management staff regarding interview procedures.
26. Wal-Mart Management re-cap of turnover statistics and selection systems.
27. Wal-Mart Start-up DC/TO Required Hiring Processes (entry level positions) – (WMDP01069a and b).
28. Wal-Mart Associate Handbooks (3).
29. Wal-Mart Fair Employment Practices, policies and related forms for #6097 -1999.
30. Wal-Mart Wage Guidelines.
31. Wal-Mart Logistics University – *Recruit the Best* – Interviewing Skills Training Program.
32. Wal-Mart *Valuing Diversity* and *Diversity Awareness* Training Materials.
33. Wal-Mart Harassment/Inappropriate Conduct Materials.
34. Wal-Mart *Avoiding Discrimination in the Workplace* Training video.
35. Wal-Mart 3 Basic Beliefs Training Program.
36. Video of the order filling and replenishing operation taken inside the Wal-Mart Distribution Center - #6097, taken by the EEOC.

I also relied on my extensive library of audio, video, online and written resources for each of the human resources functions and for distribution center management.

DISTRIBUTION CENTER OPERATION

1. Wal-Mart is America's largest employer and its operation is generally known to virtually everyone in the country. As a business entity, every

aspect of Wal-Mart as a retailer has been imitated, duplicated and analyzed. It is the subject of academic theses and lunch room chatter. Amazon.com[1] lists 21,837 title and subject citations for Wal-Mart and Borders Books[2] has 125 Wal-Mart related book titles for sale on the Internet. No time or space will be devoted to an explanation of Wal-Mart as a business entity for these reasons. However, Wal-Mart is generally viewed as a retailer, but it is also a major player in the distribution industry. Since the captioned case is focused on employment practices within a Wal-Mart Distribution Center, understanding distribution is important.

2. At #6097 the majority of employees are Order Fillers. Virtually every manager deposition review reported that most vacant jobs were for Order Fillers. Ralph Earls stated he interviewed for Order Fillers 99.9% of the time.[3] The majority of the positions are Order Fillers and turnover is high. Jim Reeves, Personnel Coach at #6097 from 1998-2002, stated in his deposition that turnover ran between 50-60%.[4] Since the cost of replacing an employee was estimated at $22,650 each (WMDP00744), selecting the right employee for the right job is critical. Given an employee population of approximately 650-700 employees, the minimum turnover cost of $7,361,250.00 would be of major concern to Wal-Mart, Inc., which has a reputation for controlling the costs of their operation. It fits their marketing strategy of low prices for their goods sold at retail.

3. The working conditions of a typical distribution center can be relatively good or extremely harsh, depending on the nature of the operation. If the products being distributed are easy to handle, such as infant clothing or

[1] www.amazon.com

[2] www.bordersstores.com

[3] Earls depo. P. 141; Giles depo. PP. 17-18

[4] Reeves depo. P. 26

jewelry, the "freight" is easily moved from one place to another. Pyrotechnics can be dangerous and, tools, equipment, appliances, furniture, auto parts and heavy, bulky items, such as bicycles, can be difficult.

4. Grocery warehouses, such as Wal-Mart #6097, have heavy bulky items, such as vegetable oil and frozen meats, along with some lighter weight items, such as spices or light weight dairy products (yogurt). The items at #6097 tend to be heavier because they are shipped in case lots only and there is no conveyor system.[5] Most significantly, the environmental conditions may quickly eliminate distributors as an employer of choice. Distribution centers are rarely climate controlled. They tend to be very hot in the summer and extremely cold in the winter (in Kentucky). Wal-Mart #6097 had the additional climate issues of freezer rooms with up to minus 20 degrees temperature for frozen goods and ice cream and climate controlled areas for perishable foods.

5. Distribution Center Managers within the industry express the same concerns the Wal-Mart managers expressed in the depositions reviewed. Production goals, inventory control, turnover, absences and work-related injuries, are major issues for distribution center managers and they are held accountable for the costs. Since the mid-80's the typical warehouse is likely to be called a "Distribution Center" because there the goal is to have a minimum of products stored within the building. Managers are responsible for just-in-time inventory, that is, they receive inventory just in time to ship it, thus reducing the cost of goods on hand. They must meet tight deadlines, especially for shipping, since their merchandise may have specific dates and deadlines for arrival at the customer and long distance freight trucks are on specific schedules. The managers at #6097

[5] Wal-Mart Distribution Center Tape 1&2, London, KY * 9/26/02

also have the pressure of working with goods that are perishable. Failure to move the goods on time impacts the company profits.

6. The staffing needs at #6097 would seem to benefit from being located in a community of high unemployment but there was no evidence presented to show there is an abundance of similar distribution operations in the area. According to Eugene Reynolds,[6] the area had few opportunities and many people were trying to get a "foot in the door," and looking for anything. However, the managers were attempting to find the "best hire for their particular jobs." Applications presented along with the depositions of Class Members Barbara Napier, Shannon Bowling, Julia Terrell, Kassandra Hammons and Patricia Murray indicated they had numerous positions for short time periods in various industries that included healthcare and hospitality, but little or no distribution experience.[7]

7. Formal training of staff is minimal in most distribution centers. However, Wal-Mart provides up to four weeks of training for its entry level Order Fillers. In his deposition, Jeff Akers, General Manager at #6097 and employed there for five years, described the Order Filler training as one week of Orientation Training to learn policies and procedures and undergo equipment training. Week two the new employee works with a dedicated, experienced employee trainer on-the job. Week three is on-the-job training with an experienced employee trainer who works with two new employees. The fourth week the new employee works alone unless they have difficulty. If there are still training issues the trainer returns for up to one week.[8] The entire process of training an employee at #6097 is comprehensive and costly. It is far greater than we typically see anywhere else.

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[6] Reynolds depo. P. 182
[7] Murray (WMA104a00719M); Hammons (WMAP04a00050H); Terrell (WMAI0100171T); Bowling (WMAPO100431B); Napier (WMAI0000048N)
[8] Akers depo. PP. 55-58

8. Wal-Mart Order Fillers use state-of-the art technology with a computer synthesized voice command that directs the employee to a specific aisle and bin number, then communicates the needed quantity for loading. Training must include the use of the audio headset and data device. Order Fillers at #6097 use a double wide pallet jack, which requires specific equipment training to handle safely. Receiving, Shipping and Replenishment Clerks use battery powered forklifts that require forklift training and certification. The training is OSHA mandated for every distribution operation where forklifts are in use. In contrast to #6097 many distributors do no training beyond minimal Order Filler training and mandated OSHA training. On-the-job training is commonly used by assigning a new employee to another employee for a short period of time. There are few dedicated trainers.

POLICIES AND PROCEDURES FOR SELECTION

1. Wal-Mart uses a decentralized functional structure according to the Organizational Chart[9] reviewed and comments made by various managers during depositions. There are three Divisions: Office, Retail and Logistics. Distribution Center #6097 is part of the Logistics Division. Within each Division there are Regional Vice Presidents overseeing the operational units. The General Coach is responsible for an individual distribution center. That Coach reports to a Regional Vice President. The General Manager (Coach) is responsible for the entire local operation, including all staff.[10]

2. Policy and procedure is established at the Corporation Headquarters in Bentonville, AR and forwarded to the division. The Human Resources

[9] Organizational Chart (WMDP00101)
[10] Biondo depo. P. 7

policies and procedures provided for review are consistent with those found in any large company, including distributors. Wal-Mart's written policies appear to be in compliance with all federal, state and local laws, anti-discrimination policies, diversity policies, fair employment policies, complaint procedures and remedies for violations. The policies are posted (Labor Law Posters), contained in the Associate Handbooks reviewed, and in print in the operating procedures manual. Contemporary EEO, Affirmative Action and Anti-Discrimination policies are written to comply with significant Supreme Court rulings, and include a written statement with examples of prohibited behaviors, a complaint procedure and a statement assuring immediate remedial action. The Wal-Mart policies are standard and reasonable and would be found in any well-managed business.

SELECTION PROCEDURE

1. The hiring policies and procedures, prior to and after 2002, were reviewed. The procedures in place prior to 2002 and after 2002 reflect the decentralized structure of the business. The policy, procedure and associated selection tasks of interviewing, testing and reference checking were created at the Corporate Office and forwarded to the distribution center for implementation by local managers. This is consistent with the contemporary management philosophy of pushing decision making to the lowest possible level within the company.

2. The selection policy and procedure is lengthy and clearly enumerates each step to be followed when hiring a new employee.[11] It does not, however, specifically dictate who the Center Management must hire.

[11] Reeves Memo: Interview Process (WMDPO1043); Pre-Screening Interview, Screening Interview, 1st Interview, 2nd Interview, Panel Interview, Final Interview (WMDP00511-WMDP00553)

Distribution Center management has the latitude to select the best possible candidate from the applicant pool. The managers consistently testified they wanted to hire the best person.[12]

3. The selection process includes a mandated Wal-Mart application that must be completed in its entirety, signed and presented to a Personnel employee. The applications are then screened by a Personnel employee and forwarded to experienced distribution center staff for the three-step interview process. Every manager involved in the three step interview process has practical work experience, knowledge of the work and the overall profile of the jobs within #6097. The application is included in an "applicant packet" that also includes all of the documents needed to process the applicant through the Selection System. Forms are included for each interview to record comments about the interview and structured interview questions are provided for each interviewer. The applicant packet is routed through a specific process.[13]

4. Wal-Mart's use of experienced managers to conduct the interviewing process reflects the standard in human resources selection. The role of the Human Resources Manager has changed. Whereas human resources professionals once made the hiring decisions, the contemporary approach is to establish a partnership with the line manager, serve as a resource to perform the administrative functions (recruitment, testing, reference checking) and allow the line manager to choose the person who is most likely to be successful in the job. This approach to selection gives the line manager "ownership" in the employee selected with the objective that the line manager will

[12] Holland depo. PP. 76-77; "Recruit the Best" Interviewing Skills Training Program – (WMDP00358-0407)
[13] Earls depo. PP. 174-175

maintain a high level of interest in the long-term success of the person selected. Wal-Mart recognizes the value of using the local experienced managers to make hiring decisions.

5. Managers in the distribution industry typically come through the ranks of the hourly employee into a management position and have worked nearly every position in the warehouse. The career path of managers at #6097 are consistent with the industry. It is very likely they inherently understood the kind of employee needed to be successful in their environment.[14]

6. First Interviews are structured and handled by Area Managers, the lowest level manager in the distribution center. If successful, the Second Interview are structured and conducted by an Operations Manager, who also administers The Pre-Employment Audit, commonly called the "Orion," that evaluates whether the applicant may be a risk for theft, drug abuse or violence. The Second Interviewer also introduces the Essential Functions Job Specific Matrix,[15] which substitutes for a job description in the Wal-Mart Selection System. Although it is not labeled as a job description, it describes the basic requirements of the job. The matrix describes the basic competencies and the physical requirements associated with the job. The applicants are also provided with a tour of the work area to actually observe the work and to experience the working conditions.[16] This realistic job preview is a highly desirable part of the hiring process. It provides an opportunity for the applicant to view the actual work performed. In addition, realistic job-previewing allows the hiring manager to evaluate the reaction of the applicant to the work and the work environment. Many employers use structured interviews

[14] Akers depo. P. 32; Holland depo. PP. 98-99; Miller depo. P. 8
[15] Wal-mart Distribution Center Matrix of Essential Job Functions (WMDP00062)
[16] Akers depo. P. 107; Biondo depo P. 55; Earls depo, P. 169

and realistic job-previewing to all the manager to identify incongruence between what the applicant relates verbally and how the applicant re-act in the work setting. It is a recommended selection practice.

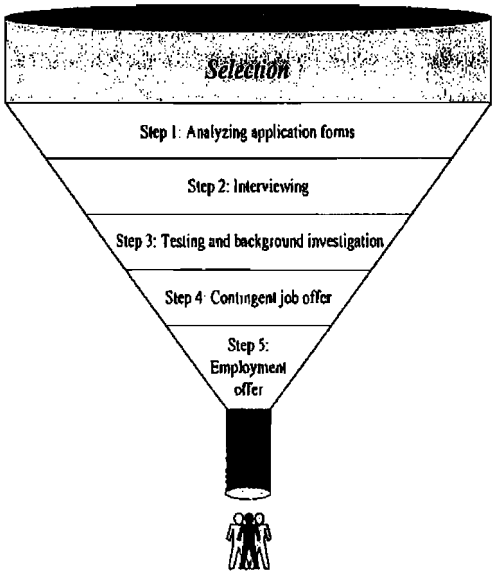
7. Applicants who are successful at the Second Interview are referred to a Third Interview after their references are checked by the Personnel Department employees. The Warehouse Manager (Dry or Perishable) conducts a structured Third Interview and approves the hire. The candidate may be placed on hold if the Manager identifies a possible position he/she feels the applicant is best qualified for but there is no vacancy. The applicant is not placed any job available, because there is a mandatory six-month "in position" requirement for all employees.

8. Employees who pass the Third Interview and the mandatory drug test were approved for hire into a specific position. There is no utility position or labor pool where all new employees are placed. This was a practice formerly used in labor settings, such as warehouses, but it has been abandoned due to the cost of payroll.

9. The selection process of any applicant could be aborted along the way at any stage of the interview process. However, the decision to abort the process is made by the totality of information available to the Interviewer at that time. That may mean the screening stage, any interview stage, Orion Audit or reference checking could produce a no-hire decision.

10. Wal-Mart's selection procedure is not unlike the kind of selection procedure found in large companies. It is more complex than many companies use and would be described as time-consuming and expensive. It is the kind of system that is learned from the body of

knowledge taught to Human Resources Managers, and recommended as the standard hiring procedure. The graphic illustration below, which is similar to the procedure used at #6097, was taken from the *Workforce Planning and Employment* Learning Module provided to university instructors to train Human Resource Managers by the Society for Human Resources Management and is based on the body of knowledge embraced by its members as a result of research.[17]



It is unrealistic to assume this system is widely used in distribution or any other industry because it is expensive and time-consuming. Wal-Mart's process fits the recommended system, with a goal of producing the most desirable outcome.

A. Hiring Criteria

There are basic requirements for age (OSHA restriction), and certain convictions. The company uses a Job Matrix that describes the essential functions of each position. This document appears addresses the kind of

[17] "Workforce Planning and Employment," SHRM Learning System, (Facilitator Version) P. 2-168. Society for Human Resource Management, Alexandria, VA. 2008

information that assures compliance with The Americans With Disabilities Act of 1990. It addresses the physical requirements. It also lists the job competencies, such as "counting, basic math skills and communication skills."[18] The Job Matrix is made available to each candidate at the Second Interview. Formal job descriptions are not mandated and first interviews are often information gathering session, thus, there is nothing non-standard about this approach to selection.

Each experienced Warehouse Coach, Manager, and the Personnel Managers described the hiring criteria as a holistic process, taking into account the content of the application, the substance and form of the interview, and an evaluation of all of the communication provided by the applicant. In virtually every deposition the managers described how they made their decisions based on the combined information learned from what the applicant wrote on the application, what the applicant said during the interview and how the applicant behaved during the process.[19] The use of body language (the silent communication) is an important communication and was used by the Managers during the hiring process to determine interest, enthusiasm and willingness to do the work. This seemed especially important in determining whether an applicant had disdain for the working conditions of the Order Filler position while participating in the Warehouse tour.[20] Human Resources professionals are taught that there is a dramatic difference in what an applicant is capable of doing and what they will do if hired. Since job applicants have motivation to be accepted for the position, they articulate a desire to do the work but may behave differently during a job preview, such as during a tour of the facility. It is one of the reasons for conducting a tour of the facility and allowing the applicant to view the workers and the work.

[18] Wal-mart Distribution Center Matrix of Essential Job Functions (WMDP00062)
[19] Earls depo. P. 131; Miller depo. PP. 33-54; Akers depo. PP. 39-40; Biondo depo. PP. 85-88
[20] Akers depo. P. 107; Biondo depo P. 55; Earls depo, P. 169;

The managers deposed seemed self-assured that they were looking for the best "overall" employee. They described their desire to find a person who could work within the Wal-Mart culture, is a team player, has enthusiasm, had a stable work history, good work attitude, who is career oriented, flexible and pleasant. The responses during the depositions described a mental image of the ideal warehouse employee against which they measured each candidate. They also acknowledged that the job candidate must be willing and able to do the manual work associated with the Order Filler position.[21] The use of this holistic approach by the hiring managers at #6097 is reasonable and desirable.

B. Available Applicant Pool

Experienced Kentucky business people recognize the counties in the area where #6097 is located is a high poverty, high unemployment, and low educational level area within the foothills of the Appalachian Region. Since this area has been home to many of my family, I am intimately knowledgeable of the living conditions and lack of opportunities in that region. The large applicant flow is an indication of the lack of job opportunities in the labor market. The EEOC statistical expert calculated that 24,925 applications were submitted during the relevant time period for approximately 700 jobs at #6097.[22] This allowed the company to be selective in hiring. Managers were in a position to compare many applicants for any available job and select the best of that particular group. Although several applicants may possess some or all of the desired qualifications, if another applicant seemed more qualified, the marginal candidates would be eliminated from consideration. The large number of applicants for any available position could, at times, cause a qualified person to be eliminated.

[21] Akers depo. PP. 37-44, P. 73; Reynolds depo. PP. 163-164
[22] Barnow Report. Exhibit 4 and Exhibit 5 (July 30, 2007)

According to Michael Giles, a former Warehouse Manager at #6097, managers were looking at that time for Order Fillers with experience in warehousing, good attitudes, enthusiasm and the ability to do manual labor. The enormous applicant flow allowed the managers to pick the "cream of the crop."[23]

MANAGEMENT TRAINING

1. Training in human resources management issues for management employees at #6097 occurred in many forms. Some of the training was classroom, some was online and some was on-the-job. Training topics were addressed at regular manager meetings. There appeared to be no standardized formal training curriculum required for all managers during a specified time period. Managers deposed stated they were trained to conduct interviews through on-the-job shadowing and experiential learning from a more experienced manager.[24]

2. Managers deposed described formalized training programs offered by Logistics University at the Corporate Office. Some managers stated they completed **3 Basic Beliefs**, a formal training program regarding the Wal-Mart culture.[25] A review of the training materials indicates it is offered online and may have been also offered in classroom format. They also indicated they attended **Valuing Diversity**, offered by Logistics University and presented at their Distribution Center site. The **Valuing Diversity Program** is a management education program created through a contracted service by Wal-Mart. The training materials reviewed indicate

[23] Giles depo. PP. 15-16; Miller depo. P. 17; Reynolds depo. P. 16-17; Earls depo. P. 6
[24] Miller depo. P. 17-21
[25] 3 Basic Beliefs Training Program (WMDP00293-WMDP00311)

it is an Interpersonal Skills development program, presented in classroom format.[26]

3. The **Recruit the Best** training materials reviewed indicate the program has been in existence since September, 1994. It was created to train managers to recruit and select new employees. It is an interactive classroom program divided into recruitment, selection and retention. There is a heavy emphasis on compliance with employment regulations and numerous exercises to reinforce the learning. Managers deposed may have referred to this program as the "do's and don'ts" training, rather than its formal name because it emphasized employment regulations, including EEO requirements.[27] Some of the managers may have also been referring to formal training programs for supervisors and managers entitled **Avoiding Discrimination in the Workplace** and **Harassment/ Inappropriate Conduct**. These classroom programs, along with an in house produced video, emphasizes workplace harassment and the inappropriate conduct that leads to charges of sex harassment.[28]

4. More recent training includes an extensive training program to train the techniques of behavioral interviewing, entitled **TalentSelection**. This training program was created in 2004 and includes formal classroom materials and extensive participant materials regarding proper interviewing techniques. This program appears to coincide with the introduction of the revised selection system and the introduction of behavioral interviewing as the process for selecting new employees at #6097. A review of this program material indicates the hiring decisions

[26] Logistics University – Valuing Diversity, Coastal Human Resources (WMDP00433-WMDP00510)
[27] Akers depo. PP. 28-29; Reeves depo. P. 90; "Recruit The Best" Interviewing Skills Training Program (WMDP00358-WMDP00377)
[28] Avoiding Discrimination in the Workplace Training Program, 1997 (WMDP00408-WMDP00432); Harassment/Inappropriate Conduct Training Program, (WMDP00312-WMDP00340)

are still the responsibility of local management and includes the steps included in the previous process.[29]

5. Training employees is essential and may take many forms. There is considerable evidence to show that classroom training is not as effective as more practical and less formal processes, such as job shadowing, demonstration training, on-the-job training and experiential learning.

6. Opinions formulated regarding the training of managers in selection of employees at #6097 are rooted in understanding how adults learn best. Training adults is very different than educating children. The basic principles of adult learning are:

Adults want training that:

- Focuses on "real world" issues.
- Applies to their jobs.
- Meets their goals and expectations.
- Allows for debate and challenge of ideas.
- Encourages an exchange of ideas and opinions.
- Allows them to be resources to each other.
- Meets a current need.[30]

7. Adults tend to learn only what they believe they need to learn, unlike children who learn whatever is presented. Adults bring real world experience to the training setting and are easily bored. They are also

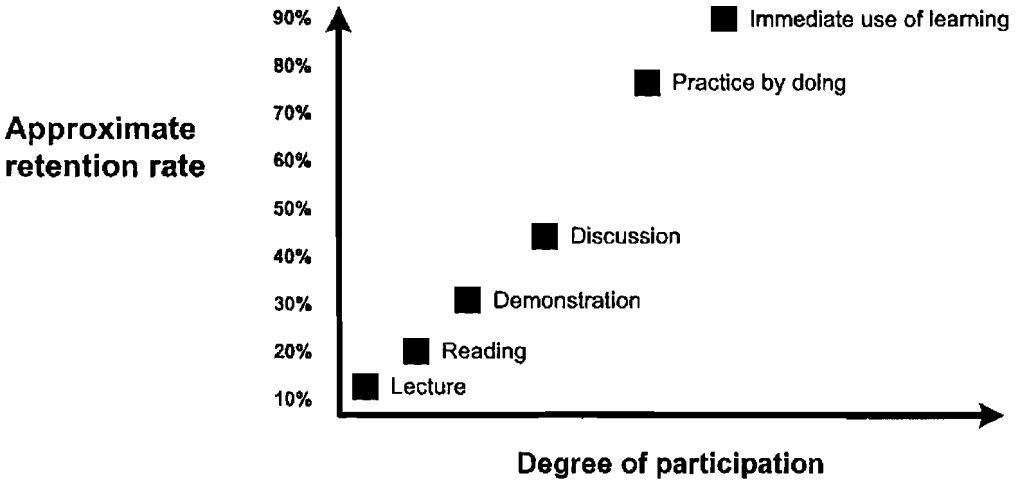
[29] Wal-Mart TalentSelection Facilitator Information (WMDP00554-WMDP00702); Wal-Mart TalentSelection Participant Manual (WMDP00703-WMDP00740); My Selection Plan – Planning Worksheet (WMDP00994-WMDP01027); TalentSelection Visual Support Materials (WMDP00872-WMDP00895); Wal-Mart Logistics Talent Selection-Behavioral Interviewing (WMDP00741; Behavioral Interviewing Visual Support Materials (WMDP01031-WMDP01039); Behavior Predicts (WMDP00850-WMDP00871);

[30] "Human Resources Development," SHRM Learning System, (Facilitator Version) P. 3-55. Society for Human Resource Management, Alexandria, VA. 2008

easily embarrassed. They enjoy learning through discovery. Adults also learn best through various styles. Some are auditory, some learn through visuals or and some are kinesthetic; they need to touch and feel the work.[31]

The ideal form of training is the training that produces the best retention. Research has shown that retention is highest when the employee can apply the learning. As this graphic illustration shows, practice by doing and immediate use of learning produces up to 90% retention, while classroom lecture is only 10% effective.[32]

Retention



[31] "Human Resources Development," SHRM Learning System, (Facilitator Version) PP. 3-57-3-58. Society for Human Resource Management, Alexandria, VA. 2008

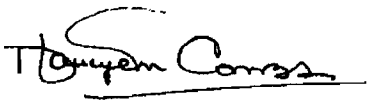
[32] "Human Resources Development," SHRM Learning System, (Facilitator Version) PP. 3-58. Society for Human Resource Management, Alexandria, VA. 2008

Wal-Mart Managers deposed indicate they learned to interview by job shadowing with an experienced interviewer and then practiced what they had learned. Understanding the learning level needed by an adult for a specific job function is critical in determining the most effective technique to use in training and job-Shadowing is a recommend approach because of the higher rate of retention.

8. The formal selection training program, although a classroom program, is well-developed. The material content emphasized the importance of compliance with the laws. It provided examples and exercises that emphasize what to look for on application forms, how to formulate behavioral interviewing questions, and how to evaluate the employment interviews.[33] The more informal job shadowing offered real-world experiential learning and practice to be an effective interviewer.

9. Learning to interview by observing and practicing with a more experienced employee in actual interviews is not a practice commonly seen in distribution as it is an expensive and time-consuming method of training a manager. Even if it only qualifies as demonstration learning, it is more effective than classroom training. The Wal-Mart training system uses both classroom education and experiential on-the-job training. This combination is a highly effective way to train adults.

Respectfully submitted,



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[33] "Recruit The Best" Interviewing Skills Training Program (WMDP00358-WMDP00377)

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