

Walmart names a new chairman, keeps the job in the family

For the first time in the history of Walmart, the company will be headed by an individual without the surname "Walton." However, the role would remain within the family's fold. Rob Walton, the 70 year old chairman and son of the founder Sam Walton will step down after 23 years and his son-in-law, Greg Penner (45) would succeed him. Rob Walton will continue to be a board member along with his brother Jim and Penner. The decision came even as there was investor pressure for an independent chairman to improve corporate governance at the company, especially in the face of allegations of violation of anti-bribery laws overseas.

Walton family owns 50.9% of the company shares therefore proposals by minority shareholders supporting an independent chairman virtually had no probability of passing through. Walmart dismisses the argument that its board lacks independence, stating that 11 of its 15 directors including the lead director are independent. The company also separates the roles of the CEO and chairman. In the recent years the company has brought on its board Yahoo CEO Marissa Mayer and Instagram CEO Kevin Systrom to strengthen its tech capabilities as it develops the e-commerce business. At a recent company meet a number of measures were announced to motivate employees and improve firm performance. Hailing the leadership transition move, Rob Walton said, *"This demonstrates Walmart's commitment to long-term succession planning."* Arguably the biggest US family business thus continues to be led by a family member.

Source: Fortune.com, June 5, 2015