

Unit name: Contemporary Issues in Management

Module code: BMBM6003

Amazon Management Practice Assessment & Improvement Report

Prepared for: Helen Evans

Written by: YI LI

Student ID: 2400195

Date submitted: 13 December 2024

Word count: 2170 words

Executive Summary

This report takes Amazon as a case to deeply explore mainstream management theories and critical management theories. And applied these theoretical frameworks to conduct a detailed analysis of the recent frequent management practice complaints from the company. The mainstream management theory aims to reveal the advantages and limitations of using this theory at Amazon, critical management theory helps to reflect on deep-seated issues in management practices. The analysis shows that the main focus of complaints is on issues such as work pressure and employee rights. For instance, excessive work pressure has led to conflicts between organisation. This report also proposes suggestions that are consistent with modern management practices, aiming to promote the organisation's steady development in the market competition environment and restore it to a state of efficient operation.

Content page

Executive Summary 1

1.0 Introduction 1

2.0 Amazon's Issues in Management 2

2.1 Key Areas of Complaint for Amazon 2

2.2 Amazon's Management Roles 3

2.3 Management Theory 5

2.4 Amazon's Ethical Assessment 10

3.0 Conclusion 11

4.0 Recommendations 12

Reference 14

1.0 Introduction

As a globally renowned online e-commerce enterprise, Amazon's business scope is extremely broad, covering e-commerce, artificial intelligence and online advertising. The company is famous worldwide for its comprehensive logistics system and extensive market coverage(Yu,2024).However, there are many management practice issues at Amazon. Reports have revealed that the work pressure at Amazon is immense and the working hours are excessively long, with safety hazards present in the work environment. Additionally, the workflow of warehouse employees is subject to comprehensive monitoring (Gu, 2024). These questions may lead to employee complaints, which could negatively impact Amazon's organizational management and performance.

In a business environment faced with numerous challenges and competitive pressures, the management practices of various functional departments within a company play a crucial role in the growth of the enterprise. This report aims to identify key areas of complaint, conduct an ethical review of management styles and systems and evaluate the impact of different management theories on organizational culture. The report aims to provide solutions for Amazon to address the negative impacts at the organizational and managerial levels and to offer recommendations that align with modern management practices for the stable development of the company in a fiercely competitive market environment.

2.0 Amazon's Issues in Management

2.1 Key Areas of Complaint for Amazon

2.1.1 Work Stress

In Amazon's warehouse system, employees are in a long-term high-intensity and stressful work environment. They must complete a large number of tasks such as packing, processing, and shipping goods within a set time frame. Additionally, many employees report insufficient personal time, with the need to return to the company for meetings even on weekends and frequent overtime during statutory holidays. Amazon is committed to pursuing efficient work processes (Silbernagel-Krohne & Moser, 2023). In this process, the mental and physical health of employees has been neglected to some extent.

Recently, due to excessive workload and compensation issues, the dissatisfaction among Amazon warehouse workers has surged, leading to protest activities by Amazon employees in over 20 countries. This reflects insufficient consideration of reasonable working hours for employees in task allocation and workflow design (Arkin, 2024). This will exacerbate the hierarchical conflicts within the organization.

2.1.2 Employee Rights Protection

Amazon faces numerous challenges in the field of employee rights protection.

The safety and health of the warehouse work environment present significant risks. During the handling of goods, employees are at risk of injury. In addition, long hours of repetitive work can lead to occupational diseases such as bone pain among employees. According to a survey, 69% of employees stated that they had to take unpaid leave when they felt extremely fatigued while working for the company (Gutelius & Pinto, 2024). This phenomenon indicates that there are deficiencies in the measures taken by companies to ensure the safety and health of their employees.

Moreover, Amazon classifies delivery drivers as independent contractors rather than regular employees. This prevents them from enjoying benefits typically provided to regular employees, such as unemployment insurance and health insurance. This practice has sparked widespread controversy regarding workers' rights. It wasn't until this year that Amazon Flex drivers became regular employees (Haleluya, 2024).

2.2 Amazon's Management Roles

Mintzberg's managerial roles identify that managers should be divided into ten different types of decision-making roles, which are categorized into three groups. Interpersonal roles include figurehead, leader, liaison, Information roles include monitor, disseminator, spokesperson, Decision-making roles include entrepreneur, disturbance handler, resource allocator, negotiator (Bilić et al, 2023).

The management functions of Amazon will be discussed in detail through Mintzberg's management role theory.

2.2.1 Leader

In the organisational structure, leaders play a crucial role, their function is to guide the team members and help optimize the realization of the corporate vision and mission (Vidani, 2024). Leaders play a crucial role in Amazon . Taking Amazon's CEO Andy Jassy as an example, he implemented a rule that employees must work five days a week. However, some employees protested and initiated a strike at the Seattle headquarters . Jassy did not pay attention to the demands of these employees but instead issued a warning to them (Morris&Stacey,2024). This leadership-driven decision-making approach may lead to insufficient participation from employees.

2.2.2 Resouce Allocator

Resource allocators are also an important part of an organisation, primarily responsible for the allocation of resources across various departments of the company, including funds, manpower, and technology (Krehl *et al*, 2024).In Amazon, managers might invest a huge sum of money in Amazon Web Services (AWS) to drive technological innovation and business expansion. For example, Amazon plans to invest 8 billion pounds in the construction of new AWS data centers in the UK, and between 2011 and 2022, it has already

invested a total of 56 billion pounds in the UK (Agence France-Presse ,2024).

To achieve the company's financial balance, it is necessary to cut the funding quotas of other departments. However, this measure has not fully considered the actual needs of the employees in each department, thereby negatively affecting the rights of the employees.

2.3 Management Theory

2.3.1 Mainstream Management Theories

1. Scientific Management Theory

It emphasizes scientific management by breaking down and standardizing work processes to improve efficiency (Ifeoma,2023).Its main content includes work standardization, the ability to match the job, and the differential piece-rate wage system (Merkle,2023).

It is beneficial for improving the efficiency of a company's work, and by optimizing workflows, it can reduce unnecessary waste and lower operational costs. However, this may lead to work becoming overly mechanized for employees, who become just a tool for the company to make money, and employees may lack autonomy and creativity in their work (Selimović, 2022).This standardized workflow ignores the rights and individuality of employees, which can easily lead to dissatisfaction among them. It fosters an

organizational culture that emphasizes efficiency, but is not conducive to the cultivation of employees' innovative spirit.

In the Amazon , logistics centers optimize work planning by using automated equipment and artificial intelligence, thereby reducing the time employees spend moving goods. This aligns with Taylor's theory of breaking down the workflow into fine details to find the best operational methods. In addition, each warehouse employee is equipped with work monitoring devices that can accurately calculate the time required for each action and standardized processes to improve work efficiency (Feng,2023).But this puts a lot of pressure on the employees, ignoring their mental and physical health.

2. Fayol's Functions of Management

It divides management activities into five core parts. First is Planning, which involves assessing future needs and making plans. Second is Organizing, which involves establishing structures to execute plans. Next is Commanding, which means effectively motivating and leading employees,Then comes Coordinating, ensuring harmonious collaboration between departments and finally Controlling, which involves supervising and comparing actual results with objectives. Clear functional division and hierarchical management help to promote coordination and cooperation between departments. Each department works within its own field, which not only improves the overall

efficiency of the organization but also makes organizational management more orderly, allowing managers to effectively command their subordinates, while employees are clearer about their own responsibilities (Abdukhalilovich, 2023). However, Fayol's management functions overly emphasize rules and regulations, failing to fully consider the caring dimension of employee needs. Additionally, the strictness of his management structure leads to lower employee participation in decision-making, which is not conducive to effectively stimulating employee work enthusiasm and creativity (Sharma *et al*, 2024). This can also easily lead to employee dissatisfaction. Fayol's functions of management have shaped a highly disciplined organisational culture, but have not taken into account the rights of employees.

In the application of Amazon, the organizational structure of Amazon clearly divides different functional departments and each department has different responsibilities and authorities in the company's overall operations, such as the procurement department is responsible for purchasing, and the sales department is responsible for selling goods, which reflects the principle of division of labor (Wu&Li, 2020). But this may lead to communication conflicts due to differences in departmental interests and objectives.

3. Contingency Theory

Contingency theory posits that organizations must adapt to their environment,

and there is no one-size-fits-all optimal management model. Enterprises need to adopt corresponding management strategies based on different market environments (Romero-Silva et al, 2024). The theory emphasizes the flexibility and adaptability of management, enabling enterprises to adjust their operational strategies in a timely manner according to specific situations, thereby supporting corporate operations more effectively. However, the situational theory requires precise assessment of numerous factors, which undoubtedly increases the complexity of the decision-making process (Bratton, 2020). The application of this theory promotes the adaptability and flexibility of organisational culture and fosters an innovative atmosphere within the organisation.

Amazon has adopted various business strategies in different circumstances, For example, during the COVID-19 pandemic, to ensure the safety of its employees, Amazon implemented a work-from-home policy. As the pandemic eased and policies relaxed, Amazon's management adjusted their strategy, requiring employees to return to the office (Weise & Goldberg, 2024). This approach reflects that management strategies should be formulated based on changes in internal and external conditions of the organization. However, this strategy adjustment did not fully consider an accurate assessment of internal and external factors, potentially overlooking the personal wishes of the employees.

2.3.2 Critical Theories of Management

The critical theory of management originates from a profound reflection and critique of traditional management theories. It focuses on exploring the power dynamics, social inequalities, and potential oppression of employees within the management process. This theory advocates that organisations should pay more attention to and address a wide range of social ethical issues(Tyson, 2023).

1. Focus on Employee Rights

Amazon has begun to value employee rights. For instance, Amazon has raised the minimum wage standard for employees, ensuring they receive fair compensation. Additionally, Amazon has introduced more robots in warehouses to assist employees with moving goods and optimizing delivery routes(Karim et al,2023). This reflects the emphasis on the basic working rights of employees.

2. Emphasize on Ethical and Social Responsibility

Amazon has implemented various environmental protection measures, such as recycling delivery packaging and reducing plastic use (Escursell, 2021). Additionally, the company has pursued a decarbonization strategy (Kumar, 2024). These initiatives align with the corporate social responsibility advocated by critical management theory, emphasizing that companies should not only

pursue profits but also be committed to environmental protection.

Valuing employee rights and social responsibility helps to enhance Amazon's corporate image, attracting more employees, customers, and partners, thereby promoting the company's sustainable development, which is consistent with global trends. However, this may also lead to increased operational costs for the business (Raza et al, 2023).

Critical management theory fosters a culture of humanistic care within organizations, making enterprises recognize that employees are individuals with dignity and rights, and emphasizes the importance of environmental and corporate social responsibility.

2.4 Amazon's Ethical Assessment

2.4.1 Employee Aspect

From the above analysis, it is clear that Amazon's management style leads to employees working long hours under significant work pressure, which may infringe upon their right to rest. In the decision-making process, employees have a low level of participation, which is not conducive to their innovative development. Amazon could provide employees with more opportunities for growth and respect their development from an ethical aspect.

2.4.2 Environmental Aspects

Amazon's vast logistics business generates a large amount of packaging waste. Although the company is exploring solutions, it needs to strengthen its efforts in environmental protection and adhere to its corporate responsibility to protect the environment.

2.4.3 Corporate Social Responsibility Aspects

Compared to some companies that focus on corporate responsibility, Amazon's investment in social welfare is limited. Especially in terms of assistance to hospitals, education, and community charities. Amazon should increase their assistance to society.

3.0 Conclusion

By analyzing the management roles at Amazon and the application of mainstream and critical management theories, it can be identified that there are issues within the management level, particularly in areas such as employee rights, corporate social responsibility, and performance evaluation systems. There is room for improvement, which can be achieved by optimizing work pressure, strengthening employee rights, and fulfilling corporate social responsibilities, helping Amazon maintain stability in a turbulent market environment.

4.0 Recommendations

4.1 Optimize Work Stress

Amazon can optimize workflows and task allocation by collecting employee needs through artificial intelligence that reducing labor intensity. At the same time, the company can implement shift policies to cope with emergency absences, ensuring work progress. The company also sets fixed rest times for employees, adopts staggered rest strategies to ensure work continuity and help employees recover physically and mentally (Zheng *et al*,2023).

4.2 Strengthen employee rights

Amazon can establish funds to assist employees facing economic difficulties, providing benefits for work-related injuries, including medication and gifts, or covering part of the medical expenses, to enhance employee motivation and satisfaction. The company should also regularly inspect workplace equipment for safety to ensure employee safety. Amazon can extend employee benefits to include some contractors to improve the company's reputation and image (Qian *et al*,2024).

4.3 Fulfill Corporate Social Responsibility

Amazon can increase investment in recycling and environmental protection projects, set clear environmental goals, and regularly report the company's environmental performance to the community. It can also establish community

funds to help the poor and actively participate in social charity projects to enhance the corporate image (Zou *et al*, 2023).

Reference:

Abdukhalilovich, E.A.,(2023). THE SIGNIFICANCE OF MANAGEMENT PRINCIPLES OF HENRI FAYOL IN EFFECTIVE MANAGEMENT OF ENTERPRISES. Open Access Repository, 4(2), pp.817-824.

Agence France-Presse .(2024). *Amazon to expand U.K. operations with £8 billion investment in new AWS data centers over five years*. [online] 11

September. Available at:

https://fortune.com/europe/2024/09/11/amazon-uk-aws-8-billion-jeff-bezos/utm_source=search&utm_medium=advanced_search&utm_campaign=search_link_clicks [Accessed 30 Nov. 2024].

Arkin, D. (2024). *Amazon workers in more than 20 countries set to protest during Black Friday and Cyber Monday, organizers say*. [online] 27

November ,2024. Available at:

<https://www.nbcnews.com/business/business-news/amazon-workers-20-countries-set-protest-black-friday-cyber-monday-orga-rcna181840>. [Accessed 4 December 2024].

Bilić, I., et al,(2023). Virtue Ethics, Managerial Profession and Personality Traits: The Extension of Mintzberg's Managerial Traits. *Business Systems Research: International journal of the Society for Advancing Innovation and Research in Economy*, 14(2), pp.145-157.

Bratton, J.,(2020). *Trait, behaviour and contingency theories of leadership*. London:SAGE Publications Ltd.

Escursell, S. (2021). *Sustainability in e-commerce packaging: A review*.
[online] 20 January, Available at: <https://doi.org/10.1016/j.jclepro>.

Feng,Y.,F.,(2023). Analysis and Criticism of Digital Labor Alienation in Contemporary Capitalist Society. *Journal of Hebei University (Philosophy and Social Science)*, 48(5), pP.80-90.

Gutelius, B. and Pinto, S., (2024). *Pain Points: Data on Work Intensity, Monitoring, and Health at Amazon Warehouses*. [online] 25 January .Available at: <https://doi.org/10.25417/uic.24435124.v2> [Accessed 18 November 2024].

Gu, Y. (2024). *What should I do if the warehouse staff is under pressure? Amazon: Close your eyes and think about something happy* . [online] 16 March. Available at: <https://www.ithome.com/0/756/088.htm> [Accessed 2 December. 2024].

Haleluya,H. (2024). *Thousands of drivers file arbitration claims against Amazon for unpaid wages and other losses*. [online] 11 Jun.Available at: <https://apnews.com/article/amazon-delivery-drivers-flex-pay-4673f95e5a7a3055cb369f334f77895a>. [Accessed 18 November 2024]

Ifeoma,A.(2023). *The Quantified Worker: Law and Technology in the Modern Workplace*, Cambridge:Cambridge University Press

Karim, A., et al, (2023). *Report on Minimum Wage: Federal and State Recommendations*. [online] 27 October. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4607088 [Accessed 4 December 2024].

Krehl, M., et al, (2024). The roles of AI and educational leaders in AI-assisted administrative decision-making: a proposed framework for symbiotic collaboration. *The Australian Educational Researcher*. [online] 14 September. Available at: <https://doi.org/10.1007/s13384-024-00771-8>. [Accessed 28 November 2024].

Kumar, B.R., (2024). *Case 30 Amazon*. In *Rising Stars: Integrative Case Studies on the 100 Fastest-Growing Companies*. Cham: Springer International Publishing.

Merkle, J.A., (2023). *Management and ideology: The legacy of the international scientific management movement*. California: Univ of California Press.

Morris, S. and Stacey, S. (2024). *Amazon says workers need to be in the office. Most of Silicon Valley disagrees*. [online] 20 September. Available at: <https://www.ftchinese.com/interactive/172301?exclusive> [Accessed 28 November 2024].

Qian, A.,M.,et al, (2024). Can state-owned shareholders appointment of directors guide private enterprises to treat employees well?. *Journal of Financial Research* , 50 (4).pp.139-153.

Raza, A., et al, (2023). Effects of hotels corporate social responsibility (CSR) initiatives on green consumer behavior: Investigating the roles of consumer engagement, positive emotions, and altruistic values. *Journal of Hospitality Marketing & Management*, 32(7), pp.870-892.

Romero-Silva, R.,et al, (2024). A conceptual framework of the applicability of production scheduling from a contingency theory approach: addressing the theory-practice gap. *Production Planning & Control*, 35(3), pp.262-282.

Selimović, I.,(2022). Advantages and Disadvantages of Principles of Scientific Management and Lean Organisation. *Challenges of the Future/Izzivi Prihodnosti*, 7(1), pp.1-20.

Silbernagel-Krohne, D. and Moser, T., (2023). Qualitative Case Study ToExplore Former Employee Reasons For Resignation From Amazon. *International Management Review*, 19(2), pp.32-93.

Sharma, A.K., et al.,(2024). Relevance of classical management concepts in the contemporary era—a case study of Fayol's principles. *IIMT Journal of Management*. 1(1), pp.112-120.

Tyson, L. (2023). *Critical theory today: A user-friendly guide*.

London:Routledge.

Vidani, J.,(2024). E-Commerce Supply Chain Efficiency: A Case Study of Amazon E-Commerce Company. *Journal of Advanced Research in Business Law and Technology Management*,7(1),pp.31-47.

Weise, K. and Goldberg, E. (2024). Amazon Tells Employees to Return to Office Five Days a Week. *The New York Times*. [online] 16 September.

Availableat:

<https://www.nytimes.com/2024/09/16/technology/amazon-return-to-office.html?searchResultPosition=1>. [Accessed 3 December 2024].

Wu, J.,Y., and Li, G.,Q.,(2020).Research on Multiple Employment Strategy of Amazon Company .*Modern Management* , 10(1) , pp.49-58.

Yu, J.,D., (2024). *Research on the marketing strategy of company As cross-border e-commerce Amazon business*. [online] 1 July. Available at: <https://d.wanfangdata.com.cn/thesis/ChhUaGVzaXNOZXdTmJyNDk1MjAxNTE3MjUSCUQwMzMzMzE0NhoIZTM4bHE0bnY%3D> [Accessed 3 December 2024].

Zheng, S.,L., et al,(2023). The economic and social impact of the development of ChatGPT, a new generation of artificial intelligence technology. *Industrial Economic Review* , 3 , pp.5-21.

Zou,Y., et al, (2023). *Introduction to the Amazon e-Commerce Platform*.

[online]13,October. Available at:

<http://dspace.fcu.edu.tw/bitstream/2376/4867/1/1112-32.pdf> [Accessed 5
December 2024].