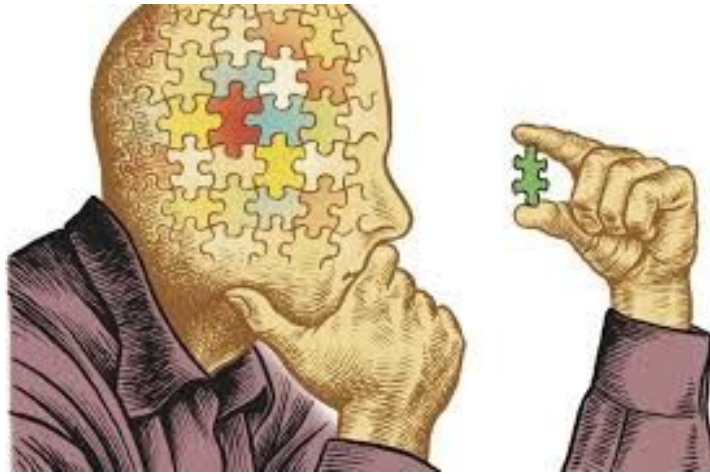


Critical Thinking Report



Naila Safdar

Student No: 1805963

Date: 18/12/2020

Contents

1. Title
2. Abstract
3. Introduction
4. Body
5. Conclusion
6. Recommendations
7. References

Abstract

The report is about critical analysis of the management theories. The aim of the report is to critically assess the role that management theories play in the performance of an organisation. This is achieved by applying the classic and modern management theories on Amazon.

Introduction

Management theories are the concepts that explain management strategies, which includes framework and guidelines. Usually companies will not only depend on the one management theory, but instead introduce several concepts from different management theories that best fit their working environment and company culture.

Modern management theory focuses on the development of each factor of staff and company. It focuses on the importance of systematic mathematical analyzing and understanding inter-relationship of management and workers in all aspects. (blogspot, 2012)

Classic management theories belief is that staff have only physical and economic needs and ignores social needs and job satisfaction. **(Villanova University, 2019)**

For a long time, the idea of management was defined as dealing with the work of people until Fredrick Winslow Tylor introduced it as “science” in his book “The Principles of Scientific Management”, published in 1911.

Tylor invented a process to improve productivity and decreasing cost by using the set rules in the operation of the factories. **(Udin and Hossain, 2015)** He believed that Taylorism is the best way to design and perform any work on the shop-floor. **(Tylor, 1911)**

Amazon

Amazon was established in 1994 and its headquarter is in Seattle, USA. According to an annual report 2017, Amazon is providing services to customers through its retail websites and physical stores with electronic devices, books clothing, health care, sports equipment, home appliances and beauty products, which are sold by Amazon and third parties. Amazon also supports web services for developers and enterprises with a set of storage, database and other services. Amazon has its core values and all the workers and managers in Amazon act in line with this culture which helps the corporation grow highly every year. **(Amazon, 2017)**

Values

- Earn trust
- excellence
- Ownership
- Frugality
- Motivation
- Respect

Amazon has a large network of fulfilment centres, warehouses, shop-floors and delivery systems. To run a complicated system of warehouses and fulfilment centres is not an easy task to produce a large profit, mainly Amazon's management practice is one of the biggest concerns when "the giant" needs to manage the total number of workers 566000, including (full-time and part-time) as of December 2017.

Therefore interest of modern and classical management theories to Amazon will investigate the management practices of Amazon particularly in its warehouse and shop floors.

For a long time, the idea of management was defined as dealing with the work of people until Fredrick Winslow Taylor introduced it as "science" in his book "The Principles of Scientific Management", published in 1911.

Taylor invented a process to improve productivity and decreasing cost by using the set rules in the operation of the factories, (Udin and Hossain, 2015). He believed that Taylorism is the best way to design and perform any work on the shop-floor. **(Taylor, 1911)**

Taylorism was introduced in the context of the Industrial Revolution which started in the 18th century in GB and eventually spread to a larger scale. This revolution developed the idea of productivity in factories with the transformation of the machine to gradually replace the human workforce. He also stated that workers can be compared to machines if they are directed to work more efficiently. **(Koumparoulis and Vlachopulioti, 2012)**

Taylorism and Amazon

In the warehouses, workers are monitored by a sophisticated electronic system to control and manage the number of target boxes that they need to pack every hour. **(Kantor nad Streitfeld, 2015)**

Whereas in the office management, Amazon uses a complicated set of management, data and psychological tools to set the target for white-collar employees to do their tasks.

So the managers are focused on the task planning and target setting for the employees to concentrate on the targeted number of packing boxes aligned with their goals set by the managers.

Taylorism can be seen in Amazon management and the shop-floor work routines in the warehouses. It may be the way "time and motion study" is applied to assess workers'

performance. Handheld computers control and monitor every motion and the movement of the employees. **(Spicer, 2018)**

It's also mentioned that amazon has a tracking wristband which monitors how efficiently employees finish their orders. Currently a stockroom worker reported that being under the camera surveillance strictly controlled their behaviours. **(spicer, 2018)**

According to a study of motion and observations at the workplace, the performance of the workers are continuously monitored by the algorithm, which is a tool to measure and develop the performance of white-collar employees over time. **(Kantor and Streatfeild, 2015)**

However employees receive their wages in agreement with their performance assessment. For example, at Florance warehouse, the salary system is calculated by 50 cents per hour that can be raised by every six months together with a monthly bonus after taking into account personal attendance, out performance to exceed production goals of pushing out 600,000 items per day. **(Rittenhouse, 2017)**

Critical analysis of Taylorism in Amazon

The main function of this theory is to improve worker's productivity by enhancing their efficiency in work. Scientific management theory has its strengths and weaknesses. The most of the intentions and terminologies in Taylorism appears in the management and shop-floor culture of amazon. That is evident for the divis

Strengths

- Ability to control
- Decrease inaccuracy
- Decrease cost production
- Pay system
- Enhanced production

Weaknesses

- Demotivating approach
- Robotic
- Requires large amount
- Management takes control
- Planning reduces productivity

There are several points which can be refined by Taylorism. Due to Amazon's complicated management culture, Taylorism has failed to explain them.

Firstly, there is no equality between managers and the workers in practices when workers at warehouses are treated like robots, not humans. It doesn't follow Amazon's values. It is one of

the limitations of Taylorism When it is suggested that human labour might work effectively as the machine provided that they are engineered to do so. **(Koumparoulis, and Vlachopouliti, 2012)**

The ideal employees or effective employees in Amazon are considered as human robots without the time breaks. **(Kantor and Streitfeld, 2015)**

Workers don't even have time to go to loo as they fear of missing the hourly targeted goals.

Workers usually spend most of the lunch breaks to go through the security screenings and feel pressured to under report warehouse injuries. **(Sainato, 2018)**

The resistance in the behaviours of the Amazon managers to pay the piece rate makes it difficult to satisfy Taylorism principles. It's also perceived that there are few managers who accept to pay for productivity in Taylorism. **(Clegg et. al, 2016)**

Amazon workers may have to work under poor conditions, for example ambulances have been called 600 times in three years at british warehouses due to work abuse to employees. **(Sainato, 2018)**

As a result of the work accidents, employees are not rewarded with bonuses or compensation. Even some of the warehouses tried to reduce wages. South Carolina decreased over 30%, verginia (17%) and california (16%). **(Sainato, 2018)**

A conflict happened when thousands of the employees of Amazon warehouses across Europe went on strike against working in harsh conditions on the biggest sale day like black Friday in spain, Germany, Italy, France and uk distribution centres on 24th November 2018. **(World Socialist Web Site, 2018)**

The strike shows Taylorism that may not True in the case of Amazon. Amazon agreed to end unfair treatment on scheduling practices. **(Sainato, 2018)**

Above these reasons null Tayloriam in assessing the management and being helpful to shop-floor practices.

To some extent Taylorism shows the relevance to the artefacts of Amazon such as how managers use strategies to deal with employees and how employees are paid purely based on their work performance. There are few other aspects that Taylorism hasn't covered such as motivation of the employee and leadership.

The first thing which is missing in Amazon culture that taylorism has failed to explain is employee motivation which is a significant part of management practice. Tylor in his book described that money is the only motivation for the employees. **(Taylor, 1911)**

However that is not true when there are other important factors to determine the motivation of the workers which are linked to the individuals or job themselves. If these assumptions of Taylorism are considered to eb true then , in Amazon where a standard job is described as (packing, stock picking) poor working conditions , workers may still feel motivated when they are being paid for their jobs.

Motivation is very important to achieve company goals. Motivation has a significant role to create an encouraging force on a company's overall performance.

(Bell and Patterson, 2009).

Theorist always tried to find the reason why workers react differently to their work incentives and how personal values work together with company issues to manipulate personal satisfaction and motivation. **(Furnham, 2009)**

Two Factor Theory

The two factor theory also known as Herzberg's Motivation -Hygiene theory states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. **(Herzberg, 1959)**

American psychologist Frederick Herzberg was very interested in people's motivation and job satisfaction. Herzberg conducted a research by asking a group of people about their good and bad experiences at the workplace. Based on this, Herzberg developed a theory that the people's job satisfaction depends on two kinds of factors:

- Factors for satisfaction (motivators/satisfiers)
- Factors for dissatisfaction(hygiene factors/ dissatisfiers)

Motivational Factors

- Recognition
- Sense of Achievement
- Responsibility
- Meaningfulness
- Growth

Hygiene Factors

- Pay -
- Company Policies
- Benefits
- Working conditions

Applying theory to Amazon

Amazon pays attention to the hygiene factors and enables the satisfiers, which can be recognised by promoting the employees, recognition and personal growth opportunities as motivation factors, fulfilling the security, social needs. **(Amazon)**

Hygiene Factors

Pay - The pay structure includes great compensation and an opportunity to learn in Amazon.

Company policies and administrative policies - Amazon policies are fair and clear which includes flexible hours.

Job security - Amazon provides job security to employees but employees report includes inconsistency in management.

Benefits - Amazon has created in the UK 25000 good jobs including skills training opportunities, a company pension plan, paid breaks life insurance and medical insurance. **(Amazon)**

Motivational Factors - The employees in Amazon are smart people and recognised for their accomplishments by the managers. Amazon will satisfy the employee as they are moving up a level in the department from where they started.

Responsibility - The employees are given different tasks and responsibilities, they are encouraged to be innovative and create something new.

Challenging work - The work is challenging and fast paced for the employees in Amazon to perform. The overall approach is to creatively invent the ways around the obstacle.

Amazon will try to motivate its employees by using the two factor theory. For example, it can motivate and empower its employees by using suitable and well-timed communication to effectiveness, by appointing responsibility and involving employees in their own decision making in the key of their working life.

Strengths

This theory emphasizes incentives like promotions, recognitions relationships between employees which are considered motivators instead of just money.

By using this theory Manager actually can find out and reduce the factors that dissatisfied employees.

The biggest strength of this theory is that it focuses on the motivation coming from within the employees not external factors.. An organisation by using this theory ensures that good working environment and conditions so that the workers feel motivated to work hard which in long term will profit the organisation's business

Weaknesses

subjective - when it's come to job satisfaction it varies person to person. For example, some people may like flexible working hours while for others it may be troublesome. Similarly young people have different perceptions while old people have different points of view when it comes to salary, or promotions.

Amazon provides a good working environment but the completion level is high which sometimes affects the motivational factors. It appears that employees' experience differs based on the surrounding team members and the relevant managerial staff.

Herzberg research stressed upon satisfaction and ignored productivity.

No defined Measures of satisfaction was used. An employee may find his job acceptable despite the fact that he may hate a part of his job.

Frederick Herzberg theory is Modern Management theory that fits best to Amazon's working environment which motivates its staff to work hard and achieve the company goals. Two factors cast an influence on the satisfiers or hygiene factors.

(Alshmemri and Maude, 2017)

Herzberg theory has two dimensions, Hygiene and motivation. Hygiene issues such as salary, supervision, security decreases the dissatisfaction in a working environment. Motivators such as recognition, achievement make workers more productive and creative.

However Amazon provided good pay and work life balance to their employees leading to the high satisfaction. More over management makes sure that workers get equal opportunities to grow and acknowledge their efforts which boost their moral and self- esteem.

In the **current covid 19 situation** Amazon fully supports its employees by using motivational- hygienic factors.

- Amazon provided \$2.5billion in bonuses globally and incentives for its team
- Offering a special one-time thank you bonus for all front line employees and partners.
- Amazon mentioned on its website the top priority is health and safety and expect to spend \$10billion in 2020 on covid related initiatives to keep staff members safe.
- Amazon distributed personal protective gear such as masks, anti bacterial sprays and temperature checks globally.
- Amazon offered extra time off with full pay to its employees who were diagnosed with Covid-19.

Amazon with its customers and communities - (Amazon, 2020)

- Amazon provides free face covering to customers at all open physical retail stores and whole food market locations worldwide.
- Dedicated shopping hours to service customers who are elderly, those with disabilities and those with high risk.

- Enhanced cleaning at all open Amazon physical stores and food markets.
- Hired 175000 additional full and part-time workers
- Amazon CEO donated \$100 million to feeding America.
- Working on food banks across America
- Donated \$5 million in Amazon devices globally to those in need.
- Donated 4000 laptops to high school students who don't have access at home.

(LinkedIn, 2018)

My current job is great but I would like to work in Amazon as it's one of the leading global online retail companies which helps me to grow in my career. Despite claims of intense culture, Amazon has ranked as LinkedIn's best place to work in the world.

(LinkedIn, 2018)

Referring to my personal values using the **Barrett model**, I would perfectly be able to align my personal values to Amazon's which is trust, ownership and close working relationship with other co-workers. I have my friends working in Amazon and they have recommended to me that Amazon is the best place to work with intelligent people and according to them Amazon rewards performance without merit and gives their employees a sense of belonging. So I would like to work for Amazon.

Recommendations

As Amazon is rapidly growing business across the globe, it's important that Amazon illuminate or minimise the possible weaknesses.

- Pile on the feedback.
- Amazon needs to guard their employees against common injuries inside the warehouse.
- Improve working conditions for the employees.
- Amazon should review safety changes
- Lenient with breaks during shifts
- Need to reduce unreasonably high production quotas for its warehouse workers which caused mental and physical stress.

Conclusion

Success of any organisation is positively impacted by the motivated attitudes of the workers towards achieving company goals and it is highly stimulated by motivation and trust. If a company earns its employee's trust then productivity and the quantity of the company improves. Effective management theory is the backbone of any business. It is important to consider different aspects when deciding which theories will be the most ideal for a business. Currently classical management theories are gradually fading and the reason behind it takes employees and their needs as secondary.

Reference

Armstrong, M., 1979. "Cultural and social issues for knowledge sharing". Journal of Knowledge Management. Vol. 13.

Furnham, A., 2002. The Psychology of Behaviour at Work. 2nd ed. London:Psychology Press

Bell, C. R., and Patterson J. R., 2009. People Growth: Growing Champions the Best Leader Master this Art.

Cottrell, S., 2011. Critical Thinking Skills-Developing Effective Analysis and Argument. 2nd ed. Hampshire: Palgrave Macmillan.

Cottrell, S., 2010. Skills For Success - Personal Development And Employability. 2nd ed. Hampshire: Palgrave Macmillan.

Kumar, A., 2007. *Personal, Academic And Career Development In Higher Education. Soaring To Success*. NewYork: Routledge.

Amazon, 2018. Mission Statement. Retrieved from
<https://www.amazon.jobs/en/working/worling-amazon>

Amazon's Annual Report, 2004. Available at
:<https://www.sec.dov/archives/edgar/data1018724/000119312505070440/dex991.htm>

Blazel, k., 2016. Jeff Bezos: How His unique Leadership Style Set Amazon Apart. Available from:
<https://www.truscore.com/360-feedback-resources/jeff-bezoz-leadership-style/>

UKEssays. November 2018. Application of ManagementTheories to Amazon. [online]. available from:
<https://www.ukessays.com/essays/management/application-of-managemnet-theories-to-amazon.php?vref=1> [Accessed 14 December 2020]

Weber, M., 1976. The protestant Ethic and the spirit of capitalism. Allen & Unwin.

World Socialist Web Site, 2018. Black Friday Strikes hit Amazon in Europe.
Retrieved from: <https://www.wsws.org/en/articles/2018/11/24/amaz-n24.html>

Taylor, F. W., 2019. The Principles of Scientific Management. Harper & Brothers.

Parker, C., and Stone, B., 2003. *Developing Management Skills For Leadership*. Pearson Education.

Square, 2020. 10 Scientifically Proven Ways to Motivate Employees.
Available at: <https://squareup.com/gb/en/townsquare/how-to-m>

Spicer, A., 2018. Amazon's "worker cage" has been dropped but its staff are not free. Available from:
<https://www.theguardian.com/commentisfree/2018/sep/14/amazon-worker-cage-staff>
[Accessed 15 December 2018]

Classical School of management. [online] Available at:
<https://www.businessdictionary.com/definition/classical-school-of-management.html>
[Accessed 8 December 2010]

Module: Fundamentals of Organisation. [Online]
Available at: <http://lehren.org/foundation/fundamentals.htm>
[Accessed 8 December 2010]

Boddy, D., 2005. Management An Introduction. 3rd ed. Essex: Pearson education Limited

Cole, G. A., 2004. Management Theory and Practice. 6th ed. London: Thomas Learning

Management Evolution. [Online] Available at:
<http://www.bizcolostate.edu>
[accessed 8 December 2010]

Barret, D., Wilson, B. and Woollands, A., 2012. Care planning. England: Pearson Education

Simon, B., (1995). Values Clarification: A Handbook of practical strategies for teachers and students. New York: Hart.

Values, Behavior & your company culture - Wilson Perumal & Company. [Blog]
Available at: <http://www.wilsonperumal.com.blog> [Accessed 14 November 2020].

Alvesson, M., 2015. *Changing Organisational Culture*. London: Routledge.