

University of Wales Trinity Saint David

Module: Introducing the Modern Workplace

Assessment 1 – Organisational Structure & Culture

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Introduction

Who are Amazon?

There is hardly anyone on our planet earth who has not heard of them. Founded in 1994, the beginning is quite modest - a carport, computers, many ideas, desire and ambition, and with the great and unreserved support of Mrs. MacKenzie, Jeff Bezos briefly built a huge empire.

March 2020, something unthinkable happened. The whole world has changed in days. Less than a week. Fear, panic, and insecurity grew rapidly. An invisible virus was the killer of human lives, companies, entire industries. For a long time, everything would change. Covid 19 The pandemic began. Empty stands, bans, unemployment, lack of basic medicines. The medical centers closed, and the GPs consulted only by phone. We all turned out to be unprepared.

But not Amazon.

It seems like the e-commerce giant is always a few steps ahead. Robotic warehouses, fast delivery, drone deliveries, huge working structure, cashless payment, low prices. With their adaptability, they managed to provide even the much-needed disinfectants and toilet paper in a short time. Amazon Go, Amazon Fresh and the purchase of Whole Food Market also proved to be a good and timely move.

1.Question - With evidences, to what extent do you believe that Amazon's structure, cultures, and behaviours have influenced them to achieve 44% additional sales and 220% profit in the first quarter of 2021?

The results for the first quarter of 2021 showed that the business of Amazon, supported by the pandemic has grown to 108.5 billion dollars.

Let's follow their organizational structure, culture and behavior and find out a little more about their success, apart from the pandemic situation, which turned out to be profitable for them.

As evidenced by the international growth of the e-commerce market, Amazon's corporate hierarchy is delivering brilliant results (Mai, 2020) and clearly do not fit into the rule of Peter Principal, where in the hierarchy each employee tends to rise to his level of incompetence (Christy, 2016). The constant prosperity of the company is a signal that this organizational structure works flawlessly and for its benefit. Thanks to the hierarchy of the structural organization, Amazon implements effective management directives.

In the Amazon in different geographical areas, economic issues or problems with e-commerce are considered separately. The stakeholders, the executives and the managers can be notified in a timely and effective manner. Not to be underestimated is the fact that Amazon's main focus is on results.

While unemployment was skyrocketing around the world, Amazon, on the other hand, had to hire and expand its staff. Due to the huge orders caused by the pandemic crisis, Amazon is adapting quickly and hiring nearly 180,000 new warehouse and delivery workers in just a month and a half, adding more than 36,000 staff for the first quarter of 2020, an increase of 34% year-on-year (Palmer, 2021).

Amazon employees are the driving force behind their community endeavors, small business support and diversity, equity and inclusion programs. Including more than 15 leadership principles that work towards Amazon being the best employer in the world.

Amazon leaders work hard for the benefit of customers, in fact customer needs are the driving force and motivation. They also own, own shares in the company, which gives them a sense of belonging and responsibility. Leaders demand the best, innovations and inventions are tolerated. They know how to judge situations well and are intuitive. Amazon employees are curious about the new opportunities and are working to explore them. They are encouraged to raise the bar of productivity with each hire and promotion. They work for the benefit of the people working in the company and at every opportunity give the right to career development (Willmott, 2007).

They have high standards. High quality products, services and processes are paramount. Their motto is "Think Big". Amazon values measured risk-taking. They also know that solving a problem in a timely manner saves time and money. Constraints give birth to creativity and ingenuity. Respect and criticism are respected in Amazon. They strive to be the best in their field. They work at all levels, keep in touch with the details, no task is below them. They work every day to create a safer, more productive, higher productivity, more diverse and fairer work environment (Paton, 2011)

Here are some of the events that made Amazon employees a great place to work:

At Amazon, they support and celebrate International Women's Day, all of their female employees who bravely and boldly lead and elevate others to a more equal and calmer, integrative workplace.

Pride celebrations on Amazon - Amazon has a month of pride, special parades are held for both their employees and many others who are considered their allies. For their employees, Amazon organizes seminars on topics - mental health, career training, mentoring sessions, coffee chats, online movie screenings, quizzes and more.

Amazon has created 1,000 full-time apprenticeships this year. Amazon and AWS have renewed their commitment to the Armed Forces Pact. Their fellow employees were honored in the Heroes Top 100 Future Women Leaders. More than a million people applied for jobs at Amazon during Career Day this year. Amazon Future Engineer is working to inspire the next generation of computer scientists, etc. (Team, 2021)

Diversity, justice and inclusion

Amazon fully and unreservedly supports a culture that integrates people easily and quickly, providing a good environment for them to do their job in the best possible way. They hire all kinds of people without prejudices, for gender, ethnicity, affiliation. They have over 40,000 veterans and military husbands.

Amazon seems to be swimming in its own waters because it knows how to adapt, and as Mullins writes, " Whatever the extent of globalisation, there are clear implications for organisational behaviour in accommodating international dimensions of management and cultural differences." (Christy, 2016)

Leadership support.

As one of the leading employers in the United States, they provide access to education for those who want to pursue a career. They make large investments in training programs in areas such as medicine, machine learning, cloud computing, and enable their employees to train in their jobs.

Safety

A top priority for Amazon is the health and safety of their staff. In this regard, feedback from their employees is important for them to improve the work environment. Occupational safety inspections are carried out daily, working with scientists and health experts. Since the Covid 19 crisis, Amazon has invested more than \$ 11 billion to provide a better and safer environment for its employees.

Sustainability

To achieve zero carbon emissions in their business by 2040, Amazon co-founded The Climate Pledge. This includes - supplying their operations with 100% renewable energy, ordering electric delivery vehicles, reforestation project and more (Amazon, 2021).

2.Question - In your opinion, based on behavioural approach, discuss various factors with evidences that have influenced individual behaviour at Amazon towards their mammoth sales and profit.

Talented management is prerequisite for a successful business. As the saying goes, even for luck you have to be prepared.

Reading the early biography of Jeff Bezos, it turns out that in addition to an excellent education, he also developed his creative nature, elaborating the Dream Institute in his High School, a center for the development of creative thinking in young people. Later, after graduating with honors from the University of Priest, in 1986, majoring in electrical engineering and computer science (science of the future), he worked in various positions for the next few years, then joined New York Investment Bank D.E. Shaw & Co. Appreciating his qualities and excellent work. he was soon appointed senior vice president, researching investment opportunities on the Internet. His enormous potential awakened his entrepreneurial imagination and in 1994 he opened his virtual bookstore. All his experience at the time helped him create an extremely talented team of managers. From its inception to the present day, the management team led by Bezos have managed to pull the company out of financial crises, volatile stock prices, undermining their reputation and other shocks, bringing the company to today's heights (Britannica, 2022).

In addition, let's look at the internal and external factors that have influenced Amazon's individual behavior toward their huge sales and profits.

As a market Leader with over \$ 1 trillion in market capitalization and over \$ 386 billion in annual revenue, with excellent logistics and distribution systems and trust on the part of their clients, with a solid number of third-party sellers more than 2 billion items available from third-party sellers it is no a surprise that Amazon have been ranked second according to Interbrand's Global Brand Ranking 2021, after Apple, with a brand value of \$ 249 billion (Interbrand, 2022).

Number	Logo	Name	Brand Value
1		Apple	408,251
2		Amazon	249,249
3		Microsoft	210,191
4		Google	196,811
5		Samsung	74,635

Table 1 (Interbrand, 2022)

As we have already mentioned about Amazon, the customer is the driving motive. There are a huge number of customers served at low prices under the best possible conditions.

Amazon has a strong position and successful brand image in the market. Due to the popularity and success of the market for nearly 30 years, Amazon has built an excellent reputation and established its name as a brand on the world market.

They have variety and a huge range of stock.

Creative ideas and innovations are another internal factor contributing to their success. Delivery with drones and Withings Aura Smart Sleep System. Choosing a differentiated approach from other companies.

Amazon also holds the leading positions in the expenditure part. Selling online, controlling costs and replenishing inventory in a short time. Working closely with companies such as Evi Technologies, Thalmic Labs, Shoefitr, The Orange Chef, etc., has built a stable value chain system that further helps keep low costs.

Last few years Amazon made large acquisitions. The successful acquisitions of Whole Foods, Zappos.com, woot.com, Junglee.com, IMBD.com and many more have led to significant revenue and profits for Amazon.

Hold leadership positions on the minimum wage. Raising the minimum rate above \$ 15 per hour turned out to pay more than leading companies in the United States such as: Target, Walmart, Costco.

POLITICALLY

Government support, cybersecurity, and the smooth running of e-commerce favor Amazon's business.

The political stability of developed countries works in favor of Amazon. Although the trade and tariff policies of Trump's cabinet, and later of Biden (the Americans hoped he would reverse Donald Trump's protectionist trade policies (Anderson, 2022), imports in recent years have affected Amazon in part, the Covid crisis and all political decisions with it they proved profitable for the company. For its part, Brexit has also benefited Amazon, and in addition to negotiations and agreements between the two countries, Amazon, as an American company, has had the opportunity to expand its market share in the UK.

ECONOMICALLY

Contrary to rising unemployment in the United States, Amazon was hiring staff due to increased sales. However, in the meantime, the company's technical department is working on drone technology to deliver products to the customer on time. If the company launches this drone delivery technology, it will lead to mass layoffs. If that happens, then it will be a major economic recession that will make hundreds and thousands of people unemployed.

Competition - Although Amazon has a large market share and is a market leader, the company should not ignore the growth of competitors such as Walmart.

SOCIOLOGICALLY

Amazon delivers the ordered products to the doorstep of customers, which is contrary to the policy and the promotion of a healthy lifestyle. Living in the era of marketing and customer service, companies try to offer the best to their customers in a competitive environment. Amazon provides the service for fast and free delivery to its first-class subscribers.

In those regions of the globe where e-commerce has not yet entered the market, the brand needs to focus on cultural factors in order to sell better and establish deeper relationships with customers.

LEGALLY

Compliance with the law is essential for any business worldwide. In addition to labor law, there are other areas where compliance with the law is essential.

International companies such as Amazon are under pressure from the government to disclose their customer database due to terrorist threats and federal investigations (Perera, 2017).

The FBI recently accused Amazon of selling products to customers on the terrorist watch list. It says the company violates international safety laws (Daily Mail, 2017).

Conclusion

Let us summarize some of the reasons for Amazon's success.

The company has a huge selection of products. Many times bigger than any other on the market, which in turn makes it easier for their customers and if they need several purchases, they can have them at the moment. Due to the great variety of products, they expand the circle of their customers, being able to keep them due to their good marketing strategies, offering

them other goods, as well as free delivery upon possible return. In the age of social media, where a commercial reputation can be ruined in a short time, Amazon has succeeded through perfect customer service, by offering them quickly and informatively at any time of the day around the world.

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