

Improvement of an HR priority area



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MODULE NAME: **Human Resource Management (BMMB7007)**

NAME: **James Moore**

STUDNET NUMBER: **2200548**

Executive summary

Amazon is a large e-commerce company that operates in several countries around the world and employs approximately 1.6 million full- and part-time employees. Employee well-being is important to Amazon's profitability, productivity and reputation, and the company has made significant investments in employee health and safety, including the establishment of neighborhood wellness centers and a good jobs program. Prioritizing employee well-being improves productivity, reduces absenteeism, and enhances reputation. However, Amazon also has shortcomings in its treatment of employees, including unsafe working conditions, lack of maternity benefits and non-payment of severance pay. There have been protests and strikes by Amazon employees and factory workers around the world demanding better working conditions and employment benefits. Despite these weaknesses, Amazon continues to operate and expand its business, but it their priority to improve working conditions and create a positive work environment for employees or it will harm to sustainable development of amazon.

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1.Introduction

Amazon is a global technology corporation that was established by Jeff Bezos in 1994. It has brought about a revolution in the retail industry through its innovative business strategies and technologies. Amazon's utilization of artificial intelligence and machine learning has significantly influenced e-commerce by providing tailored recommendations to customers and enhancing operational efficiency, as pointed out by Kim and Ko (2020). Moreover, Amazon is at the forefront of sustainability by committing to becoming carbon neutral by 2040 via investments in renewable energy projects, as noted by Brandt and Kociubes (2020).

Notwithstanding, Amazon has come under criticism for its labor practices due to concerns over worker exploitation and insufficient safety measures, as highlighted by Stone (2021). Nonetheless, the organization has implemented measures to tackle these issues, such as raising minimum wages and providing additional safety measures for employees. According to guardian (2023), Amazon is reportedly planning to eliminate 9,000 more positions in a fresh wave of staff reductions.

It seems that Amazon face a lot of crises in HRM. However, employee wellbeing is playing more and more critical factor in Amazon, only when employee wellbeing is guaranteed can they make sustainable value to the company. Amazon is a global company and its employee is all over the world, for such e-commerce giant, many workers may face unfair treatment, which is adverse to the employee physical and mental health which may bring direct impact in loss of employee and violation of labor law may lead to penalty and harm company reputation. So, it is our priority to improve wellbeing and reshape entrepreneur image to make company have a sustainable development.

2. Organizational overview

2.1 overview of amazon

Amazon is one of the world's largest and most well-known e-commerce companies, with its headquarters located in Seattle, Washington, USA. Initially, Amazon was founded as a virtual bookstore on the internet, but it has broadened its scope to provide various goods and services such as electronics, clothing, groceries, digital media, and cloud computing facilities. Amazon operates in several countries globally, including the United States, Canada, the United Kingdom, China, India, and Japan, among other locations. As of December 31, 2021, we employed approximately 1,608,000 full-time and part-time employees. Additionally, we use independent contractors and temporary personnel to supplement our workforce (Amazon, 2022).

According to report of Safety, health and welling department of Amazon (2023), it reduced about 50% of accident happening due to fund input in transport safe technology and over 15 billion USD investment to keep employee have a safer working environment. It also build 17 neighborhood health centers for employees and their dependents and 1.2 million employees join the working well programme.

2.1 importance of employee wellbeing

For an organization to achieve sustained success, it's crucial for the executive management and board to have a comprehensive comprehension of the worth of their employees, as well as the possible hazards linked with their workforce, and base their decisions on this knowledge (CIPD, 2023).

The significance of employee wellbeing in Amazon cannot be overstated as it has a direct impact on the company's profitability, productivity, and reputation. Amazon acknowledges that its employees are vital assets, and their wellbeing is crucial for the company's prosperity. Here are four main benefits of improving employee wellbeing.

High productivity: Make sure employee have a health physical and mental condition can contributed to the improvement of employee when they are at work. This will increase the profit of the Amazon and it is also good for employee to create continuous profit for company.

Absenteeism reducing: If company can give a healthy work environment, employees are easier to fully take part in their work with less depression, anxiety, and physical fatigue and they will get more satisfaction and sense of achievement. It will dramatically reduce the absence of employee to make company operate smoothly and efficiently. Findings (see Causes of absence) show that stress continues to be one of the main causes of short- and long-term absence (Rachel Suff, 2023).

Reputation improved: For Amazon, it has huge number of employees around the world, if Amazon can provide employee good welfare and understand its relationship with their employee and treat them properly it will attract talent from all of world and build a good company image in the global business.

In recent years, organizations have recognized the significance of employee wellbeing as it contributes to a healthy and productive workforce. For instance, Kim, Lee, and Lee's (2020) study investigated the positive relationship between job design and employee wellbeing, emphasizing the need to prioritize job design to create a positive work environment. Similarly, Saks and Gruman's (2014) research suggested that investing in employee wellbeing can result in better physical and mental health, leading to higher engagement and productivity. Cappelli (2019) highlighted the importance of mental health in the workplace, arguing that organizations cannot afford to overlook their employees' mental wellbeing. This point was supported by Böckerman, Bryson, and Ilmakunnas's (2012) research, which identified high involvement management practices as positively linked to employee wellbeing. Finally, Burke and Cooper's (2008) study found that work-life balance policies were positively associated with employee wellbeing, emphasizing the significance of organizational policies in promoting employee wellbeing. A study conducted by the World Health Organization (WHO) found that job stress is a leading cause of ill health and mortality among employees (WHO, 2010). Another study by Harvard Business Review found that companies with high levels of employee wellbeing outperformed their peers in financial metrics such as stock price and profit margin (Lowe, 2017).

Overall, prioritizing employee wellbeing is critical for organizations, as it can create a positive work environment and improve both individual and organizational outcomes.

2.2current weakness in amazon

As it is reported by guardian (2022), there is a wide range of protest around the world for amazon exploit employee. Amazon, which is owned by Jeff Bezos, disregards the safety, dignity, and privacy of its workers by employing them in work environments that are optimized to extract maximum labor at minimal pay. It includes pregnancy or maternity problems, unsafe working condition, some drivers it's common to pee in bottle due to a lack of rest, it also require employee to open access when their employee use social app. According to the Workingrihts (2021), Amazon refuse to pay laid off workers severance fee they still owed. At the same time there is still a lot of strikes happening around the world. Delivery personnel in cities such as Bengaluru, Delhi, Hyderabad, and Pune in India went on strike, asking for better remuneration and employment perks. In a historic nationwide strike in Italy, 75% of all Amazon staff in the country ceased work, uniting warehouse and delivery workers in a remarkable instance of inter-supply chain unity. There have been investigations into Chinese factories that manufacture Amazon products such as Echo and Alexa, which have uncovered various unlawful practices, including employees working long hours at night without rest and receiving less pay than they deserve. Like warehouse and delivery personnel, factory workers in the less visible segment of Amazon's worldwide system of exploitation are also confronting the corporation. A group of unionized garment workers who were laid off in October when Global Garments, an Amazon supplier, shut down, are requesting that the factory be reopened, the 1,200 union members be rehired, and back pay be given to them. Meanwhile, in Cambodia, former employees of Hulu Garment, an Amazon supplier, are urging Amazon to ensure that they receive their complete legally mandated severance package. In January of 2023, the guardian (2023) reports that Amazon plan to cut off 18000 workers which includes online retail site and brick and mortar sites.

Number of Amazon.com employees from 2007 to 2022

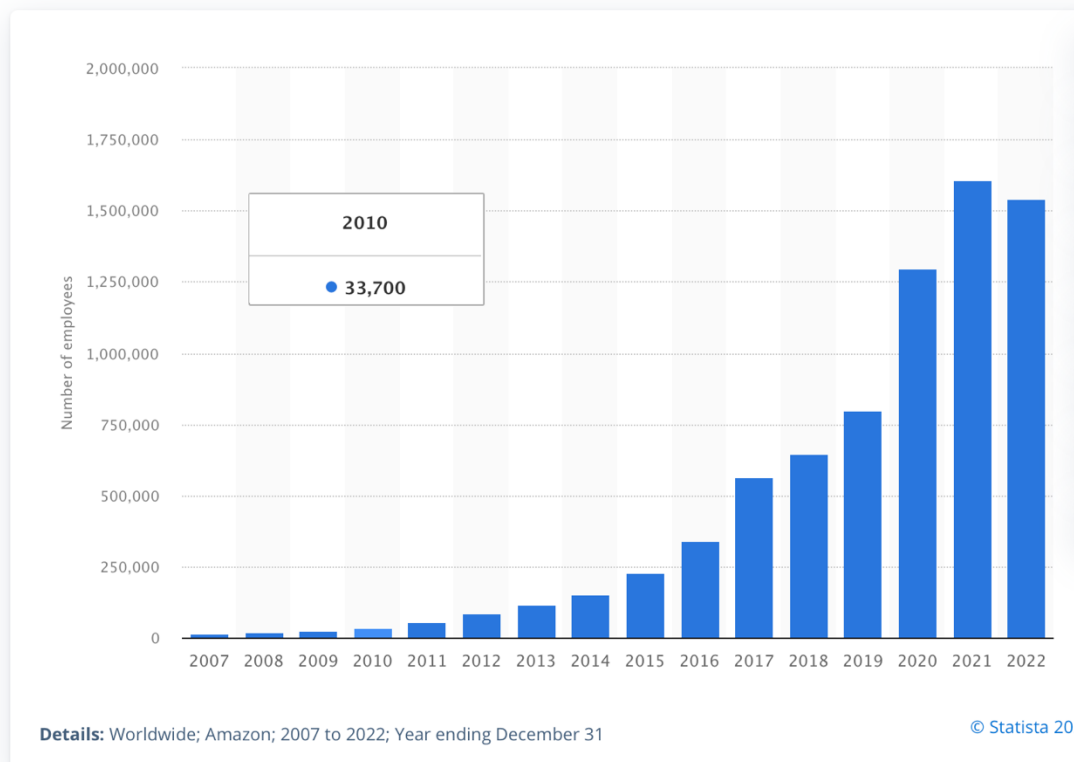


Table 1 number of amazon employee from 2007-2022

From graph, it clear shows amazon has a incremental increase since 2007, and there is rapid rise due to the breakout of pandemic which requires company need more employee to settle new fulfilment centre to face increasing demand online shopping. However, it shows there is cliff down after 2021 due to the end of pandemic and prepare for the recession in the online industry, it is important to guarantee the right of layoff employee.

However, layoff severance package differs from different giant. According to CNBC (2023), it shows that Alphabet will offer at least 16-week salary base severance and two weeks employment at google. For Microsoft, Nadella, the CEO of Microsoft, stated that eligible employees in the United States would receive severance pay, six months of healthcare coverage, and stock vesting, as well as 60 days' notice. This was mentioned by Nadella after he hinted at possible cost reduction measures during an interview with CNBC-TV18. However, for Amazon, it only offers 2 months' salary and Delayed severance payment for employees".

It obvious shows that Amazon cannot balance the performance of company and employee wellbeing. Behind the success of Amazon, it was established by exploitation of employee. Especially for worker in developing country, they are more tolerant to severe working condition, willing to accept a modest salary, at the same time these countries do not have big unions or institute to make a voice for these people, and lack of awareness of labour protection laws will make Amazon more reasonable and hidden to exploit benefit of workers. However, from perspective of employee, it does harm to their mental and physical health in long-term. Amazon in some ways cannot give legitimate right to employee may face lawsuit or penalty.

2.3The impact this has had on Amazon

Exacerbating economic inequality: Amazon's business model of low prices and fast delivery has been blamed for exacerbating economic inequality by pushing down wages and reducing job security for retail workers. This could lead to broader social and economic consequences, as noted in a 2018 report by the Economic Policy Institute (Dayen, 2021).

Privacy concerns: Amazon's growing presence in consumers' lives through services such as Alexa and Amazon Go has raised concerns about privacy and the company's collection and use of personal data. This has been highlighted by organizations such as the American Civil Liberties Union, who have criticized Amazon's facial recognition technology for potentially infringing on civil liberties (Stanley, 2018).

Impact on public health: Amazon's high-volume, low-cost business model has been criticized for contributing to the obesity epidemic by promoting the consumption of processed and unhealthy foods. In addition, the company's delivery infrastructure has been linked to increased traffic congestion and air pollution in urban areas (Martin, 2018).

Ethical issues: Amazon has been criticized for its poor treatment of workers in other countries, especially those working in supply chains in developing countries. In addition, the company has been accused of engaging in anti-competitive practices and using tax loopholes to avoid paying its fair share of taxes (Davidson, 2019).

Impact on workers' rights: Amazon has been criticized for its anti-union stance and for trying to prevent workers from organizing. The company has also been accused of violating labor laws and engaging in unfair labor practices, including retaliating against workers who speak out against poor working conditions (Smith, 2021).

3.conclusion

Amazon is a well-known e-commerce company that provides a variety of products and services worldwide. The company recognizes the importance of employee well-being in achieving sustained success. To promote employee well-being, Amazon has invested in safe transportation technology, developed local health centers, and implemented working well programs. These efforts have resulted in a 50% decrease in accident rates. Prioritizing employee well-being provides numerous benefits to Amazon, such as increased productivity, reduced absenteeism, and a favorable reputation that attracts top talent worldwide.

While numerous studies have demonstrated the significance of employee well-being in fostering a healthy and productive workforce, Amazon has faced criticism for exploiting its employees by prioritizing labor extraction at the expense of their safety, privacy, and dignity. Employees worldwide have staged protests, demanding better pay, employment benefits, and working conditions. Investigations have also uncovered illegal practices in Chinese factories producing Amazon products, such as long working hours without breaks and inadequate pay.

In conclusion, promoting employee well-being is crucial for organizations to create a positive work environment and enhance individual and organizational outcomes. Although Amazon has made substantial investments to improve employee well-being, it has been criticized for exploiting its workers. Therefore, Amazon should address these concerns by enhancing its employment policies, working conditions, and remuneration to create a favorable work environment and enhance its reputation.

4.reccommendation

Amazon need to pay attention to the working condition of employee, especially for employee work in factories and truck. Amazon should create a safer working environment for employee and reduce job tensinty to ease employee mental stress and depression. Besides, manager need to have regular interaction with workers so that they can understand what obstruct them to work more productivity, they also need pay more attention to employee health to make more employee to have a better place to work and enjoy work when they in Amazon.

Respect employee privacy, excessive intrusion into employees' privacy may lead mental health problem and makes employee stressful when they use Internet, it is also will be accused by public and may face the danger of being indicated by union. Everyone should be liberal, only when employ get respect can they be dedicated to the job.

Improve salary of employee and give better treatment to employee and layoff employee. Many employees get minimum wage and not get fully insurance which is crucial for these workers. As a one of biggest giant, amazon should pay more attention to improve employee welfare to boost economy of community and shape a good reputation.

Reward Employees: For these employee works hard amazon can reward their employee include bonus, extra salary, stock and end year reward.

Create a Positive Work Culture: Amazon can create positive work culture by promoting teamwork, collaboration, and respect among employees. This can include regular team-building activities, open communication channels, and opportunities for employee feedback and suggestions.

Encourage Physical Activity: Amazon can encourage physical activity by offering fitness classes, gym memberships, or organizing walking or running clubs to help employees stay active and healthy.

Support Mental Health: Amazon can provide employees with access to mental health services, such as counseling and therapy, to help employees cope with stress and emotional issues.

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