



# Assessment 2 – Group Presentation

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# Introduction

- ▶ For this assessment, Amazon is selected. Amazon was created on 5<sup>th</sup> July 1994, by Jeff Bezos.

## BACKGROUND

- ▶ Amazon is an online platform that provides different types of services and products that include anything from the gadgets to the video games to books.
- ▶ In 2015, Amazon's market capitalization outshined Walmart.
- ▶ The Whole Foods Store acquired by Amazon for \$13.4.
- ▶ More than 100 million members of Amazon Prime at global level.



# Performance of Amazon

- ▶ As compared to its competitors like Target and Walmart, Amazon's performance has improved due to the market strategies used by it which lead to high performance.



(Kohan, 2021)

# Competitors of Amazon

- ▶ Best Buy (BBY)
- ▶ Family Dollar
- ▶ Staples
- ▶ Target (TGT)
- ▶ Walmart (WMT)
- ▶ Big Lots (BIG)
- ▶ SysMac



|                          |        | <b>Competitive Advantage</b> |                       |
|--------------------------|--------|------------------------------|-----------------------|
|                          |        | Low Cost                     | High Cost             |
| <b>Competitive Scope</b> | Broad  | Overall Cost Leadership      | Differentiation       |
|                          | Narrow | Cost Focus                   | Differentiation Focus |

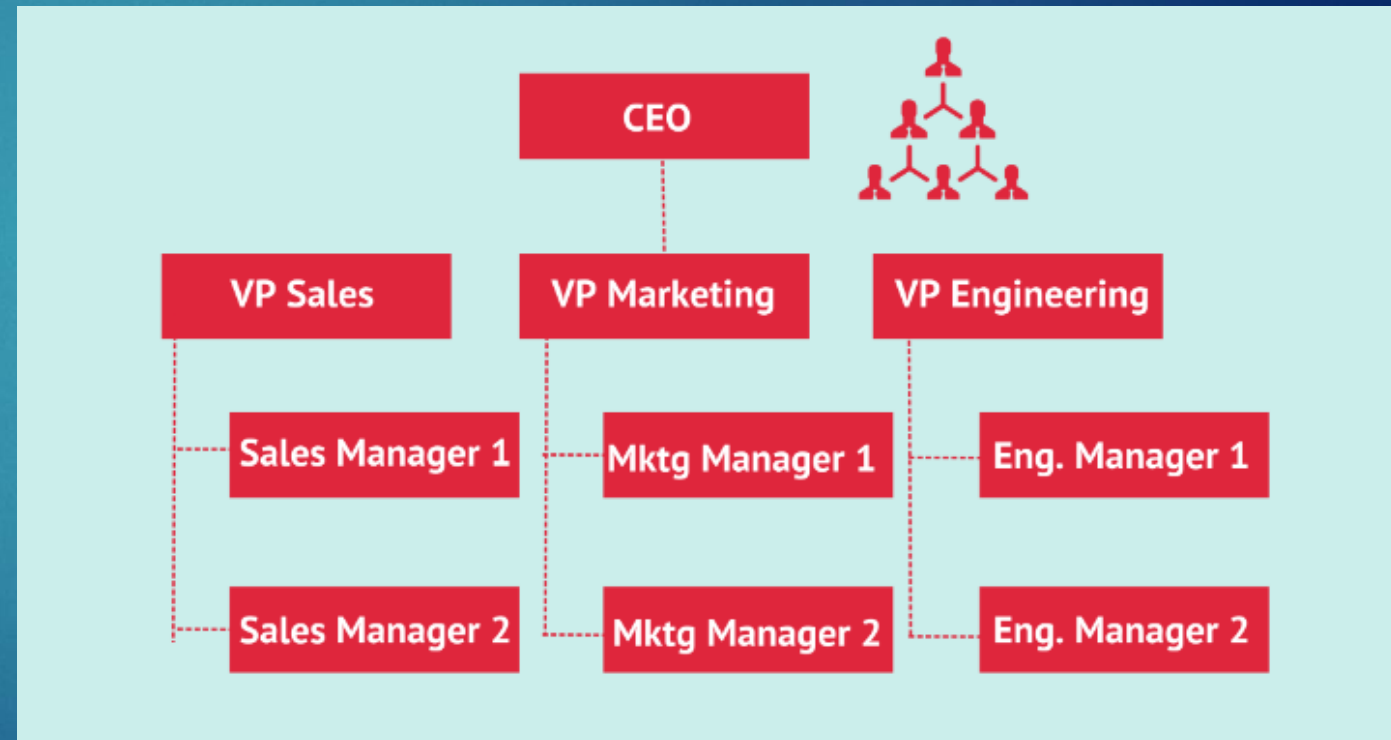
# Competitive Resources and Competitive Strategy

- ▶ Amazon's size, economy, multiple locations around the world and efficient internal management systems allow it to produce the same products at lower prices than its competitors.
- ▶ If they offer a premium product/service at a higher price, they have a competitive advantage because consumers perceive the product/service as premium.



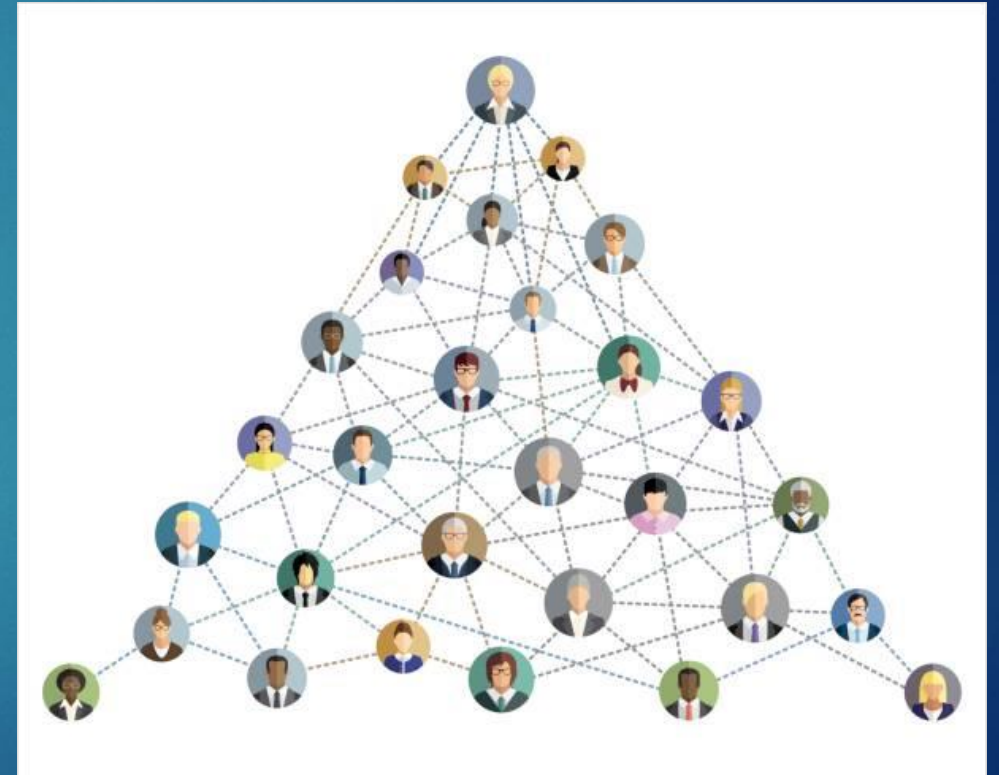
# Relationship between Organization Structure and its Performance

- ▶ Amazon.com is designed to track global operations.
- ▶ Organizational structure of Amazon determines organization design's interactions amongst the business processes, individuals and other resources within an e-commerce organization.
- ▶ Amazon has an organizational structure, which supports its growing spectrum of markets and subsidiaries' management like the Whole Foods Market.



# Relationship between Organization Structure and its Performance (Cont.)

- ▶ The organizational planning of the company includes the organizational structure, which is the technical basis for the operation of the online service.
- ▶ This additional requirement makes the company's organizational structure a decisive factor in the company's exposure to Wal-Mart, Alibaba, eBay, Home Depot, Costco Wholesale, and Rotten, as well as competitors such as IBM and Intel.
- ▶ The importance of Amazon's organizational structure also includes supporting management control.
- ▶ This control facilitates strategic management planning in the IT industry.



# Relationship between Organization Structure and its Performance (Cont.)

- ▶ The features of Amazon's structure help the company diversify its business and bring new products to the e-commerce market.
- ▶ The implementation of Amazon's mission and organizational vision depends, among other things, on the structure of the organization.
- ▶ Future enterprise architecture elements are expected to represent business needs through new enterprise elements.



# Tasks and Skills that a Manager uses to run Amazon

## PLANNING

- ▶ Planning takes enough effort and time, however, strategic planning helps in eliminating the wasted firefighting resources.
- ▶ When Amazon launched Amazon Fresh in 2007, Walmart's lack of physical stores to support it prevented it from competing and maintaining Amazon's market leadership role.
- ▶ Even after buying Whole Foods in 2017 for \$13.4 billion, Amazon is at a disadvantage due to Walmart's dominance.



# Tasks and Skills that a Manager uses to run Amazon (Cont.)

## ORGANIZING

- ▶ The business online retail market is full of competition. To maintain Amazon's market leadership, an effective organizational structure is critical to increase profitability and efficiency.
- ▶ Organizational structures bring resources and people together effectively and efficiently for creating services and products.
- ▶ Because of Amazon's geographic dispersion across the board, warehouses are organized by geographic region.
- ▶ Large teams can lead to communication breakdowns and invitations to engage in personal agendas, while smaller teams can adapt and respond to change more quickly.



# Tasks and Skills that a Manager uses to run Amazon (Cont.)

## STAFFING

- ▶ Employees are often the most valuable resource and contribute to the success of an organization. The right person has no price.
- ▶ Like all high-performing companies, Amazon recognizes that having the right people in the right place is critical to its success.
- ▶ Performance reviews of Amazon warehouses are conducted quarterly in the first year of operation and semi-annually in subsequent years of operation.
- ▶ Amazon works hard to create a culture of diversity and inclusion through employee-created and led communication teams.
- ▶ All Amazon employees, including warehouse workers, have access to these groups.



# Tasks and Skills that a Manager uses to run Amazon (Cont.)

## LEADING

- ▶ Many teams' success depends on the effective leadership.
- ▶ The key to effective leadership is trust.
- ▶ The role of a manager has evolved from managing individual employees to managing groups of people who perform similar tasks and share responsibility for common goals.
- ▶ Success of Amazon has been driven through its employees, who exceed the expectations for meeting the industry demands.
- ▶ Amazon Warehouse adopts a transformative management style.
- ▶ Key management practices include:
  - ▶ setting direction,
  - ▶ developing talent, and
  - ▶ transforming organizations

# Application of Leadership Theories on Amazon: Maslow's Hierarchical Theory

- An individual should satisfy the conditions that are specified in hierarchy theory of needs of Maslow for achieving self-actualization and complete growth.

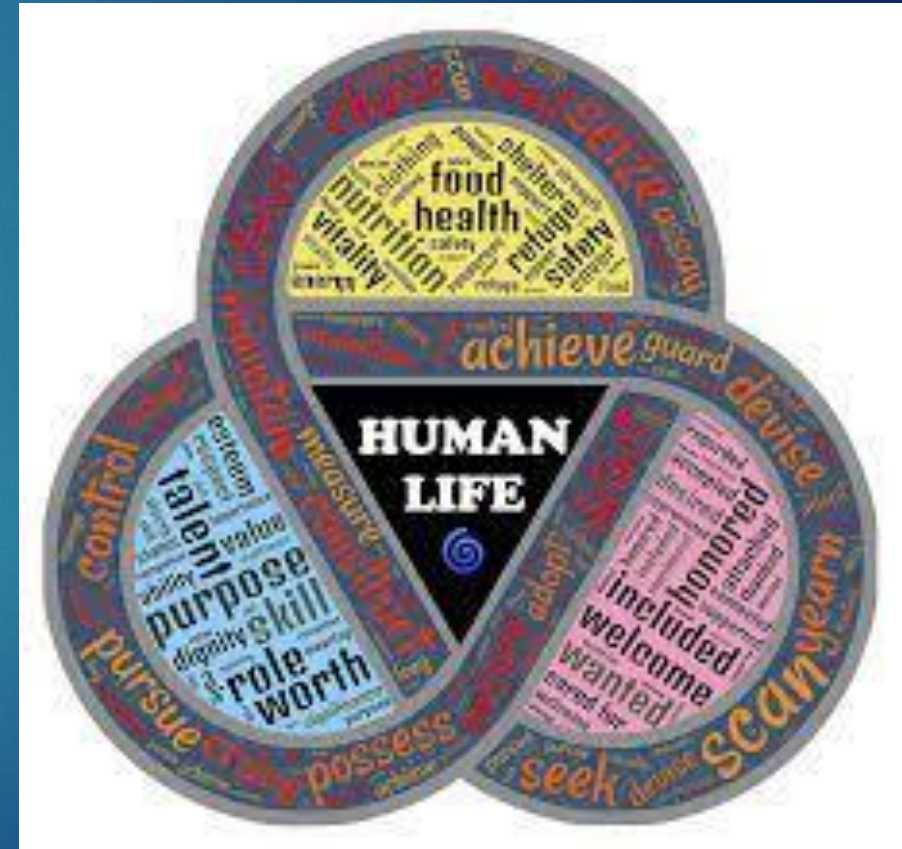


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- ▶ Among various social demands, group participation and personal connections are the most significant ones.
- ▶ Offering and receiving love and compassion, acceptance, commitment, trust and relationship are some of the requirements set out through such rules.

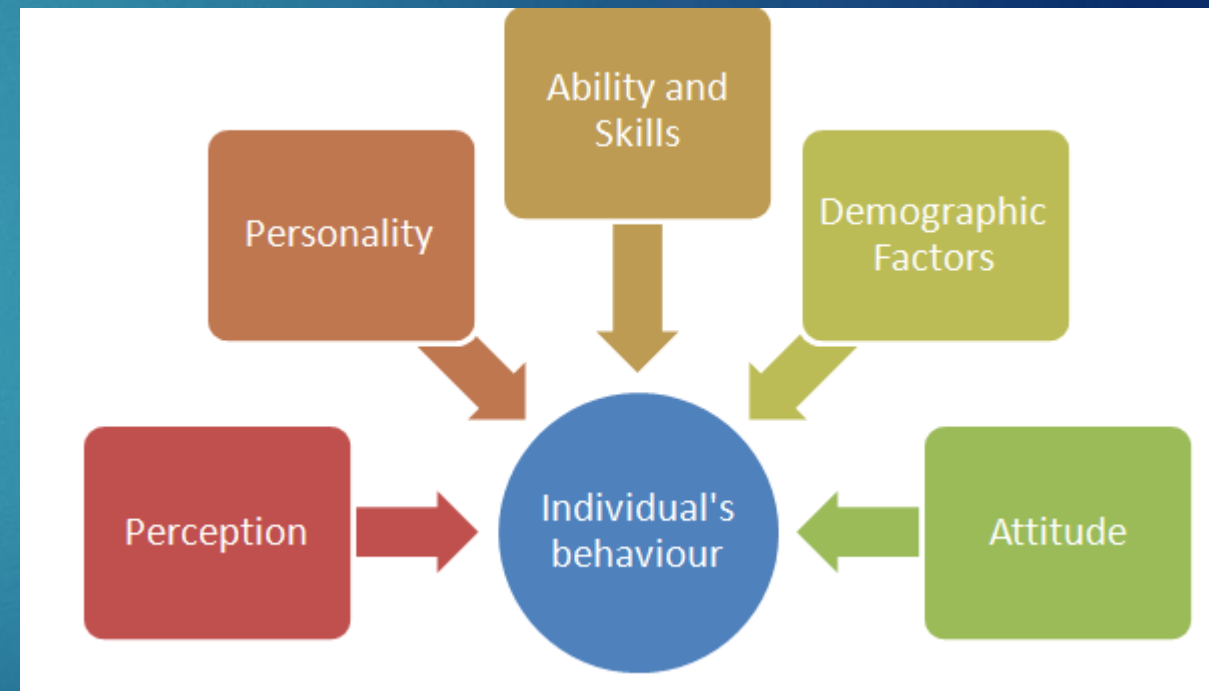
- ▶ Two forms of self-esteem: informal and formal. An individual's feeling of control, mastery and success impact the self-worth's sense.
- ▶ People require to be appreciated and respected by others.

- For a person, acquiring personality and full potential and the most exciting moments of life's quest are deemed few examples.



# Factors that Influences individual Behaviours

- ▶ Influencing factors include internal factors and external factors. The internal factors that most influence an individual's behaviour are leadership, organizational culture, and organizational culture.
- ▶ Since Amazon is essentially an online store, offline leads can have a significant impact because the physical presence of leads has a huge impact on a person.



# Factors that Influences individual Behaviours (Cont.)

- ▶ It is not only about behaviour but also about leadership effectiveness when internal and external factors change, including individual and team performance.
- ▶ Internal factors like job satisfaction, training and development, goals and expectations, skills and workload determine a person's level of performance at Amazon.



# Factors that Influences individual Behaviours (Cont.)

- ▶ If Amazon organizes training programs based on the size of employees, motivates employees and maintains workload, it would increase the operational level of individual performance
- ▶ Such external factors are a supportive work environment, necessary tools and resources, including management support, improving the performance standards of people in the store.



# Factors that Influences Team and Group Behaviours

- ▶ Group behaviour is also influenced by internal factors such as interdependence, social interactions, group perceptions, shared goals and preferences.
- ▶ On the other hand, technology, marketing conditions, social, political and legal changes are external factors that influence group behaviour because new stores in the UK differ politically, legally and socially from previous stores in the US and other countries.
- ▶ The culture is different, which makes the Amazon group behave differently.

# Factors that Influences Team and Group Behaviours (Cont.)

- ▶ Internal factors like
  - ▶ commitment,
  - ▶ trust,
  - ▶ openness,
  - ▶ cooperation,
  - ▶ flexibility and
- ▶ external factors like
  - ▶ management methods, motivational methods, proper team structure and organizational rules together affect the team's performance in the Amazon stores,
- ▶ And if they are used correctly, they ultimately contribute to the growth of the company.



# Conclusion

- ▶ In conclusion, it could be stated that we saw that Amazon has a diverse workforce from around the world, which is a positive sign. They use organizational structures designed for specific places or regions.
- ▶ The company has become the world's largest clothing and footwear retailer, integrating its culture and management style with organizational structures in many countries around the world.
- ▶ Therefore, if Amazon wants to continue expanding, they need to change their approach.
- ▶ Otherwise, they cannot protect their international reputation.

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