

AMAZON ORGANISATION

Structure and Culture

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Structure and Culture

Introduction

The progress and development of an organisation are mainly based on its structure and culture. When a company has a culture grounded on a strong set of beliefs and widely shared values that are supported by the structure and strategic plans (Westwood and Clegg 2009), the companies that have a strong culture and structure then it benefits them in three ways i.e. the employees have an idea how the higher management wants them to respond to any problem or situation. Moreover, the employees believe that the expected replies from the management will be proper as well as they will be rewarded for their performance and for representing the company's values. The culture and structure of an organisation considered as the base of an organisation.

The structure of the company refers to the policies and rules that help in developing the overall culture of the company (Westwood and Clegg 2009). In order for the organisations to achieve success, their culture and structure must be very open, creative and innovative that allows the employees to easily get adjusted in the environment and be satisfied with their jobs. This assignment aims towards demonstrating the concept of structure and culture of an organisation. The company chosen for this assignment is Amazon. The structures, culture and the relationship between them will be thoroughly discussed in this assignment. The key nature of Amazon managerial work, leadership styles and the element of effective management will be explained in this assignment. In addition to this, the behavioural approaches and the factors that impact the employee's behaviour will be discussed.

Discussion

Brief Introduction of the Organisation

Amazon is one of the top technology company based in Seattle, Washington. This organisation was established in the year 1994 by Jeff Bezos in Bellevue (Bezos 1998). Initially, this company was an online market place that focused on selling book, but with the further progress, it expanded to sell video games, software, furniture, toys, jewellery, apparel and food. Presently, this company concentrates on cloud computing, e-commerce, artificial intelligence, and digital streaming. It is considered as one of the “Big Four” technology organisations along with Apple, Facebook and Google. According to Bezos (1998), “Amazon has been referred to as one of the most influential economic and cultural forces in the world as well as the world's most valuable brand”.

This organisation is well known for disrupting the well-established industries through their mas scale and technological innovation. Amazon is the biggest marketplace, a live-streaming platform, AI assistant provider, and cloud computing platform in the global world in terms of its capitalisation and revenue. This organisation is guided by four key principles, including a commitment to operational excellence, customer obsession rather than competitor concentration, long-term thinking and passion for invention (Bezos 1998). This organisation is striving to have a positive influence on employees, the economy, communities and SMEs. Amazonians are considered as passionate builders and smart that has diverse goals and backgrounds who share a mutual desire for learning and inventions.

Organisational Structure

Organisational structure decides the specific roles and responsibilities that need to be allocated to employees. It determines the way of monitoring the performance of the employees as well as makes the communication easier among the different management level and employees (Szczepańska 2018). The organisational structure is highly dependent on the company's goals and objectives and the way they accomplish those goals. There are two types of organisational structure centralised and decentralised. The organisations that have centralised structure, the top level has all the decision making power and the higher management closely control and monitor the employees and the subordinates (Egeberg et al., 2016). In contrast to this, the organisations that has decentralised structure, the power is distributed on both the higher as well as lower-level making it easier for the manager to implement immediate changes and increase the satisfaction levels of the subordinates.

The organisational structure of Amazon.com allows the extensive control on the worldwide operations. The corporate structure of Amazon Company helps the in determining the direct impact of managers on the functioning activities in numerous business sectors. Since amazon is a leading e-commerce business, its structure assists in the expansion of market reach (Egeberg et al., 2016). The corporate structure of this company, benefits them in terms of diversifying their business and adding more products. The organisational structure of Amazon Company is functional that concentrates on the business roles that act as a ground for determining the interfacing between the various elements of the company. The functional organisational structure of this company complements its technological foundation. This structure act as a determining element to find the capabilities of this company in order to withstand the competition in the market. This structure strengthens this organisation and allows e-commerce industry. This functional structure allows a

complete managerial control within Amazon Company, allowing the effective implementation of strategic plans.

One of the key characteristics of this type of structure is that it offers necessary support for expansion in e-commerce industry when the company branch out their processes. Upcoming foundations of the functional structure are anticipated to apprehend the business provisions grounded on new organisational constituents that signify a more expanded business. The important characteristics in the Amazon's organisational structure are:

International Hierarchy

Hierarchy refers to a structural feature of a traditional organisation. The hierarchal structure of Amazon Company is vertical. This organisation follows the vertical line of authority and command that has a significant impact in its online retailing (Banerjee and Srivastava 2017). The senior manager directives are present all through the Amazon Company impacting all the significant workplaces of this company internationally. The deliberated aim of this vertical corporate structure is to simplify the control of manager in the entire organisation.

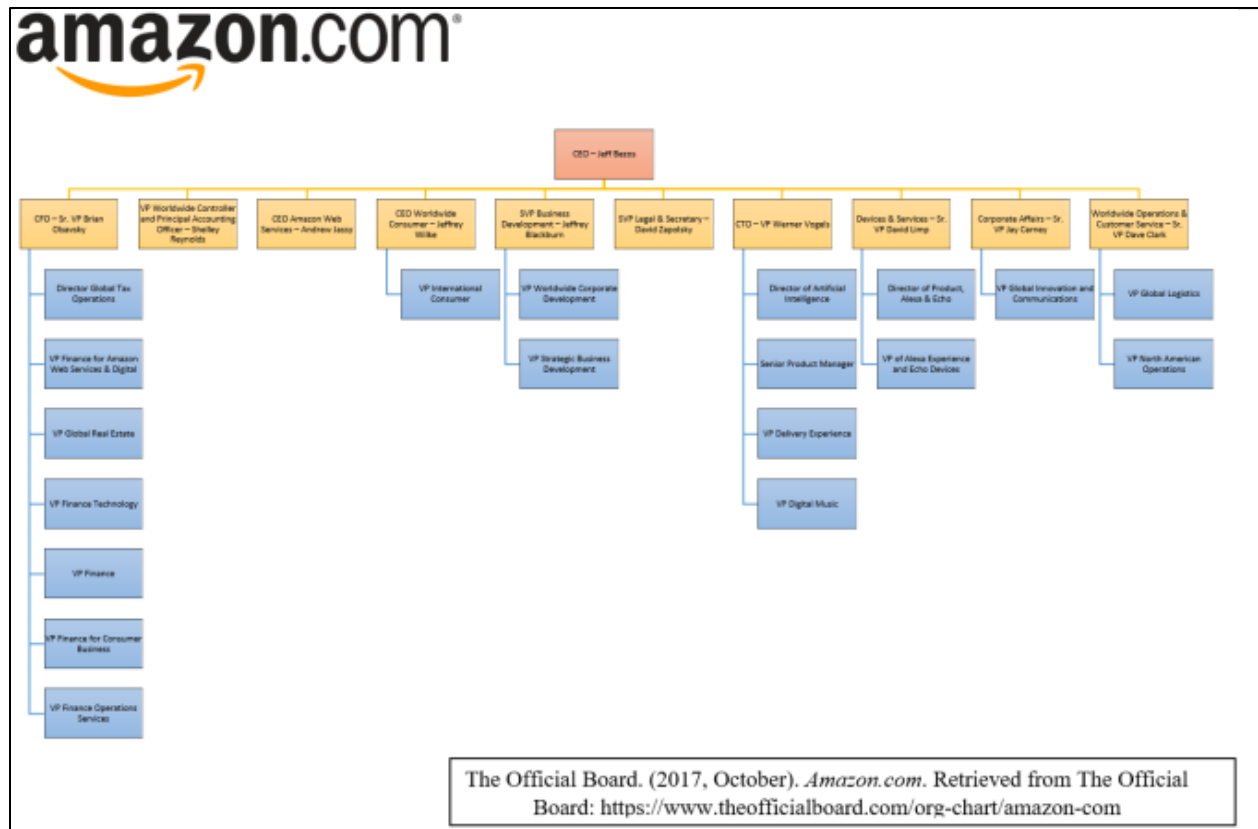
International Function-Based Groups

The strongest characteristic of the Amazon's organisational structure is Function based groups. All of their business functions have a dedicated team along with a designated senior manager. The strategic aim of having a functional structure is to facilitate this organisation in carrying out their e-commerce operations successfully within their company (Bezos 1998). According to "Amazon.com Inc.'s Generic & Intensive Growth Strategies", its on-going universal expansion the organisation is growing over this aspect of the business structure in terms of simplicity of forming processes in new markets. In amazon's organisational structure, the main function based groups are office of CEO, International consumer business, AWS (Amazon Web

Services), business development, finance, Consumer Business, Accounting along with Legal and Secretariat.

Geographical Divisions

The functional organisational structure of Amazon includes the geographical division as well. In this structure, the teams are established on geographic regions according to the business functions and goals (Banerjee and Srivastava 2017). The geographic division helps this company in easily managing their globalised E-commerce trade centred on the financial situation of certain countries. On the other hand, this strategic objective of using this structure is to allow the organisation in addressing the concerns and problems of each geographic region considering the issues and difficulties that exists in the regional market. Amazon has a simple method for this structural characteristic, including the following geographical divisions in their day to day operations such as International and North America.



Organisational Culture

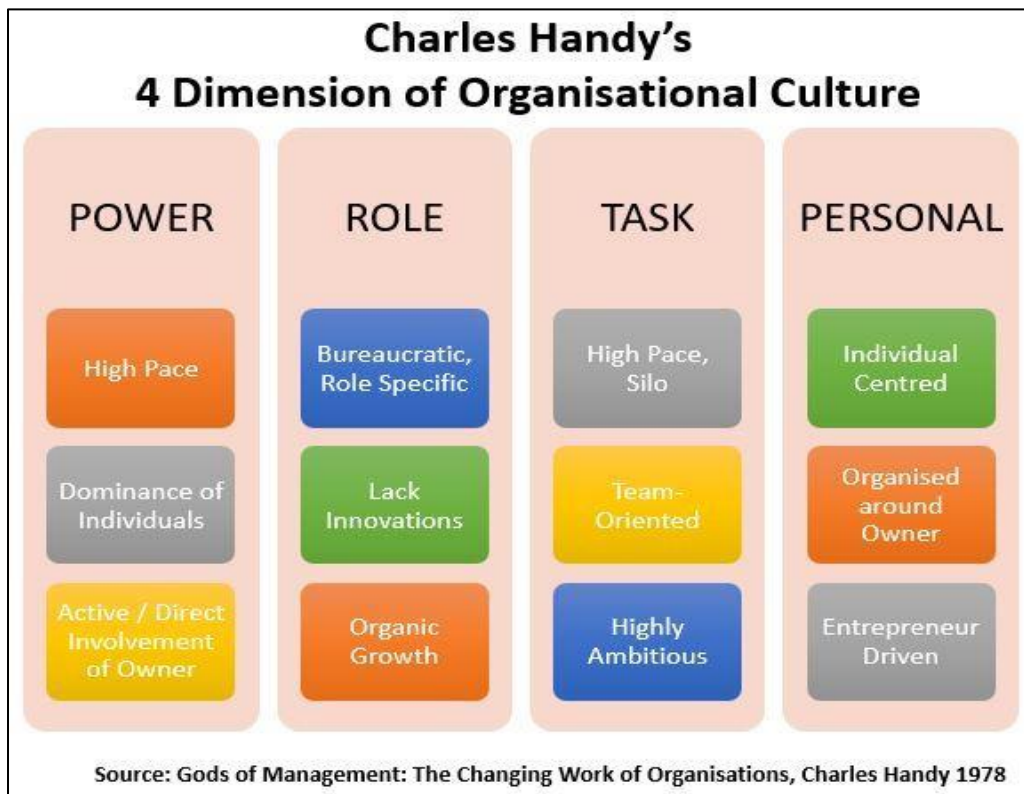
Organisational culture refers to the underlying values, beliefs, assumptions and the techniques of interacting that adds to the exclusive psychological and social environment of the company (Westwood and Clegg 2009). The culture of an organisation involves the company's philosophy, experiences, expectations as well as the values that direct the employee's behaviour and it is articulated in the individuals inner working, job performance, self-image, future expectations and interactions with the external world. The definition of Culture, according to the business dictionary is "It is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid". Organisational culture involves the systems, norms, values, beliefs, vision, assumptions habits, language and beliefs incorporated within the company (Egeberg et al., 2016).

The organisational culture of Amazon helps its online e-commerce business to immediately respond to market demands (Bezos 1998). An organisation's corporate culture helps in setting the values and traditions that impact the behaviours of employees. In Amazon, the corporate culture drives the employees to go beyond their conventions and limits to advance towards innovative ideas and solutions benefiting the company. Being the top e-commerce business in the world, this company constantly work towards recruiting talented individuals. Conversely, the corporate culture of Amazon helps in maintaining a capable workforce that aids in the progress and growth of human resources for gaining a extensive competitive advantage. The organisational culture is perceived as a crucial factor for the success of this e-commerce company. The equivalent cultural features outline the capabilities of the human resource of Amazon Company and in turn, the e-commerce organisation.

Amazon Company is well known for its corporate culture as it helps in encouraging the teams to discover various concepts and try new possibilities (Bezos 1998). The cultural circumstances of the company are responsible for the organisations' abilities to seek innovative opportunities to employ data-intensive procedures that facilitate in offering effective online retailing services. According to Amazon Company, "We're a company of pioneers. It is our job to make bold bets, and we get our energy from inventing on behalf of customers. Success is measured against the possible, not the probable. For today's pioneers, that's exactly why there's no place on Earth they would rather build than Amazon". This statement represents that there are there main characteristics of organisational culture of Amazon i.e. customer-centricity, peculiarity and boldness.

Model of Organisational Culture and Design

Charles Handy and Roger Harrison proposed the model of organisational culture that acts as a powerful management tool. According to this organisational culture, there are four diverse kinds of culture, including Person, Role, Task and Power (Szczepańska 2018).



The companies that have a power culture, the authority is held by the higher management and only given to the few individuals whose impact can increase throughout the company. There are certain policies and regulations linked to this type of culture. The individuals that possess all the power within the company make important decisions. Most companies judge their employees on the basis of their achievements rather than concentrating on how these goals are accomplished. The outcome of power culture is that it can help in instant decision making.

The second dimension of this model is role culture and the companies that adopt this kind of culture they significantly have a controlled environment based on rules. Every employee knows

their roles and responsibilities and the power is identified by their position. This type of culture can be established on those companies that have along the chain of command. Amazon Company has also incorporated a role culture within their company.

The third dimension is called task culture. In this type of culture, the groups are established that helps in addressing the progress and problems of the project. Assigning tasks is a vital aspect; therefore, the authority within the groups frequently shifts depending on the team's status and members. The last dimension of this model is the person culture where the company's employees perceive themselves unique and higher than the organisation (Szczepańska 2018). The companies with this type of culture exist only for individuals to work. An organisation with a person culture is really just a collection of persons who transpire to be working and employed for a similar enterprise.

Impact of Culture and Structure on the Performance

The structure and culture of a company have a colossal influence on the employees. The culture and organisational structure facilitate the employees to share their ideas and provide them with more power. The culture of the company refers to the power of teams and individuals, whereas the structure stipulates the leadership power and its impacts. Communication mediums of an organisation related to the company structure (Westwood and Clegg 2009). Creativity is the outcome of an effective corporate culture that inspires innovations.

Conclusion

This assignment gives insights into the structure and culture of the Amazon organisation. The progress and development of an organisation are mainly based on its structure and culture. When a company has a culture grounded on a strong set of beliefs and widely shared values that are supported by the structure and strategic plans. The structures, culture and its influence on the performance have been thoroughly discussed in this assignment. The important nature of Amazon managerial work and the element of effective management was elucidated in this assignment.

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