



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Organizational Structure & Culture

Borislava Borisova

Student number ID2114506

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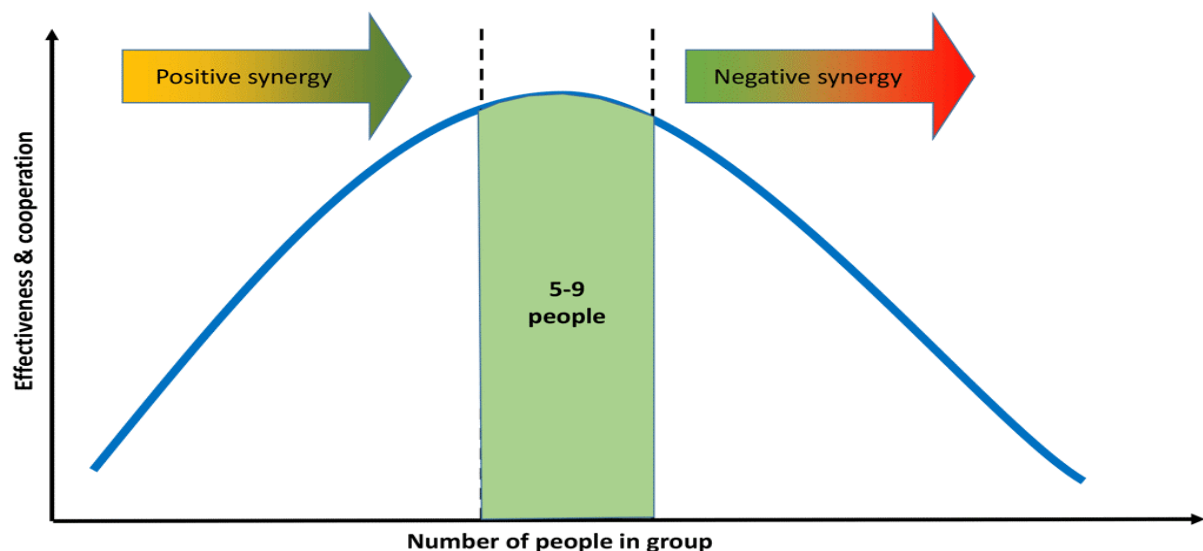
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Introduction

This report mainly examines the organizational structure and culture within Amazon which is the leading technological giant across worldwide. It estimates certain strategies and tactics applied by Amazon to increase their sales growth around 44% in the first quarter of 2021. The report has determined certain factors that contribute towards highest sales growth & profitability in Amazon during COVID 19 recession. It also evaluate that how Amazon may able to witness exceptional financial growth in COVID 19 recession. Amazon is the leading technological giant in e-commerce market. During this pandemic, The company has already expanded their services into different sectors like supermarket, pharmacy, spacecraft and healthcare due to technological innovations.

What extent to which Amazon structure and culture has achieved 44% sales

During this pandemic, Amazon has recorded highest sales growth around 44% in the first three months of 2021. The reason behind Amazon immense success is its technological innovations and highly skilled workforce. Due to its free shipping and other exciting subscription plans, Around 200 million people were willing to pay for Prime membership packages. The company has always focused upon flexible agile team based structure to manage their business operations (Nytimes, 2021). Through this agile team structure, The company was able to break down complex tasks into simple managerial plans. The company has ultimately focused upon its two pizza team structure which is the major secret of Amazon success. The two pizza team structure mainly states that a small team may able to carry out certain operations effectively and update timely to each other regarding business policies (Business Insider, 2021). The two-pizza team mainly consist efficient team members who are willing to innovate new things and solve relevant problems.

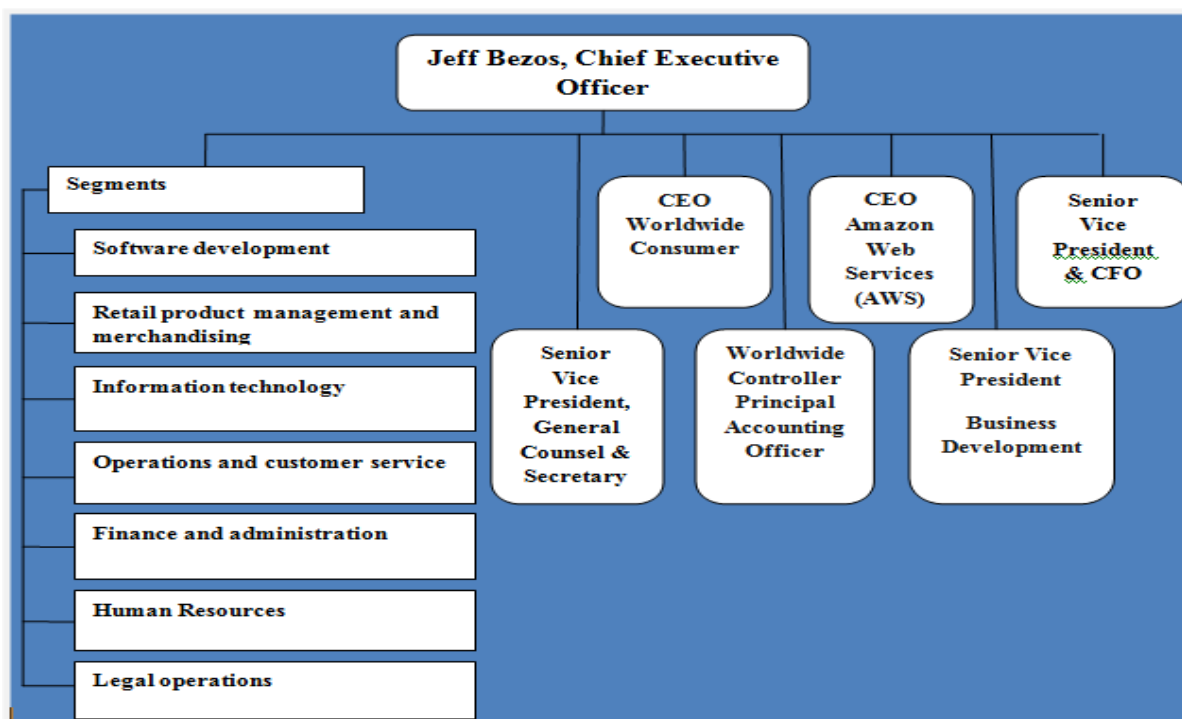


Jeff Bezos Two Pizza Rule

Source: (Guardian, 2021)

For example, If advertisement team require some data on grocery sales collection, then they need to switch towards analytics dashboard for it. If that dashborard was not created, then the team have to create it. This pizza rule has ultimately helped Amazon to think creatively

and expand its business into diverse sectors (Guardian, 2021). This two-pizza rule has actually helped employees to take active participation in business meetings and share their creative ideas with others. This has actually helped Amazon to achieve ambitious milestones and boost sales collections. It states that small group team is quite better as compared to large team. The reason is that large sizes make people overconfident and they make certain excuses to delay that project. Thus, Small size ultimately contributes towards better meeting effectiveness and boost sales collections. In this way, Amazon was able to deliver excellent customer service. Apart from this, Strong organizational structure has helped Amazon to increase their profit margins around 220%. The company has mainly adopted efficient flat structure that consist 12 higher level senior executives including CEO Jeff Bezos, Andy Jassy, senior leaders and other functional departments (Guardian, 2021). Thus, Flat structure often contributes towards better decision-making process and decentralization among team members. Within Amazon structure, Each team member often work like small company and concentrate upon achieving desired results. For example, Senior managers often act as functional head for store management and other logistics operations. On the other hand, Software development managers often focus upon technical issues and optimize manual processes (Kohan, 2021). This structure may actually help Amazon to offer exceptional customer service by sharing multiple ideas with subordinates.

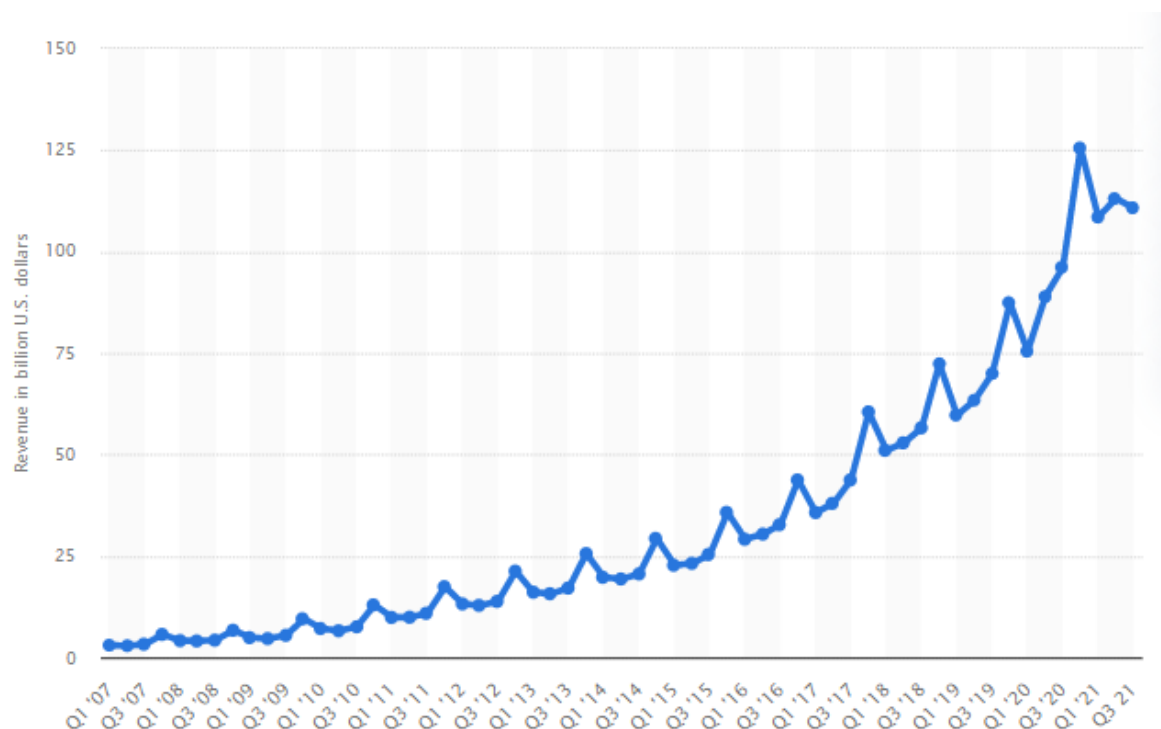


Amazon structure

Source: (Clare, 2021)

Another factor that has contributed towards Amazon immense success during pandemic is its highly efficient skilled delivery drivers. The company has already established its warehouses in different countries to expand its distribution network. On the other side, Amazon delivery drivers mainly sold 250-300 packages over a single day. These drivers often make 200 stops per day and work harder to deliver right parcels to customers within a given time period (Fox business, 2021). This mainly helps Amazon to complete high volume of orders within a given time period. At present, the company has 115,000 drivers that provides 1 hour quick and reliable delivery service to customers. These drivers often work tirelessly around 8-10 hour to offer quick fast delivery service to customers. With such dedicated delivery workforce, the company was able to optimize their business operations. In May 2021, Amazon has also announced its biggest plan of hiring more than 75,000 delivery drivers and warehouse workers in their fulfillment centers (Nytimes, 2021). With this plan, the company has also decided to provide \$100 bonus to newly recruited candidates.

This is a greater opportunity for Amazon to revamp their entire online shopping process and achieved massive profit with the successful completion of online orders. With the support of independent delivery contractors, the company was able to achieve highest profitability around 8.1 billion and expanded their online orders around 31% (Gallup, 2021). The company is also planning to hire freelance driver to speed up their delivery service and boost sales collections.



Amazon sales growth 2021

Source: (Nytimes, 2021)

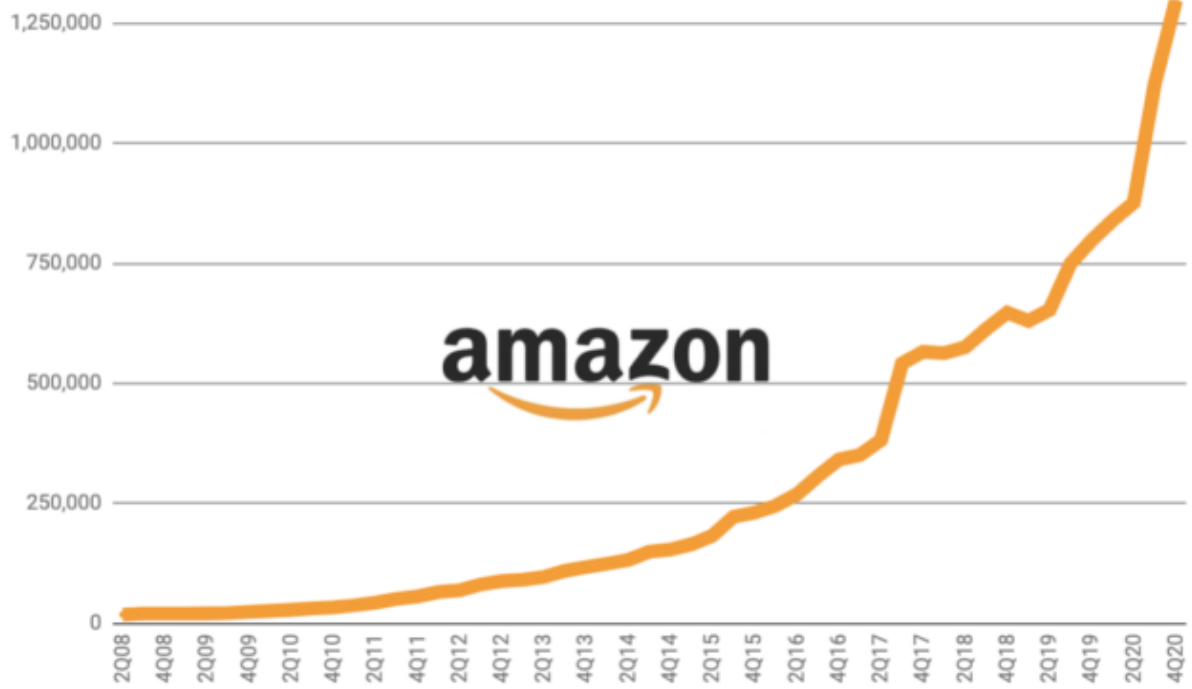
From above analysis, it is stated that above factors has ultimately helped Amazon to increase their profit margins around 105.8 billion. Another key success factor for Amazon is its efficient safety initiatives for its colleagues (Mooers, 2020). Earlier, the warehouse workers has also protested against Amazon over their poor treatment and working conditions. Thus, the company has decided to implement more than 150 social distancing and safety protocols for its warehouse workers and other subordinates. The company has also introduced on-site vaccination sites for its warehouse workers to ensure employees safety.

In fact, the company has also introduced diagnostic labs where workers can easily test themselves with clinical professional supervision. These health initiatives has made employees feel more valued and respected within the workplace. In this way, Employees are highly committed towards the successful accomplishment of goal. On the other side, the company has also introduced several initiatives for the wellbeing of warehouse workers such as paid sick leave policies, deep cleanings and protective gear for employee wellbeing (Clare, 2021). With such testing initiatives, the company was able to create strong presence in medical diagnostic area and able to start its own small-scale testing pilot for worker's safety.

From above discussion, it is stated that Amazon success completely lies in its excellent organizational culture. During this pandemic, the company has constantly focused upon expanding compensation packages and bonus plans to generate higher revenue. The company has offered \$4,000 bonus to workers amid such unemployment crisis (Amazon, 2021). On the other side, the company has also decided to increase wages around £12.50. Thus, Rapid increment in wages develops greater loyalty, emotional commitment and determination among employees to achieve corporate goals.

Further, the company has also decided to create 10,000 new jobs within UK by the end of 2021. This may help Amazon to expand its online shopping services and cover more online fulfillment orders. In this way, the technological giant was able to attract 1.3 million employees. With this initiative, the company was quite successful in expanding their additional delivery capacity and offered \$500 bonus to their delivery partners and frontline workers (Nytimes, 2021). These employment initiatives have actually helped Amazon to perceive itself as most valuable brand across the world.

Amazon Worldwide Employment



Amazon employment

Source: (Clare, 2021)

Behavioral Factors that contributes towards Amazon success

The reason behind Amazon immense success is its strong leadership principles and innovative culture. Over the past few years, the company has set unique and bold vision to become best employer across the world. Apart from this, the company has built dedicated team of computer scientists, engineers and freelancers to create employment opportunities for employees (Kohan, 2021). The company always gives top-most priority to communication and workplace safety to build emotional bond with customers. During this pandemic, the company has introduced Amazon Relief Fund to provide greater financial support to their delivery partners and colleagues that have experienced financial crisis. The ultimate success of Amazon lies in its customer-oriented mindset. The company often encourages their staff members to take necessary risks for fulfilling undesired ambitions (Business Insider, 2021). The company often motivates employees to think creatively and make better decisions in future time-period. The following behavioral aspects have contributed towards Amazon long-term growth. Some of them are as follows:

Customer Obsession Mindset: Amazon CEO Jeff Bezos always states that organization should focus upon customers rather than competitors. Thus, Amazon often encourage their employees to think creatively and suggest appropriate solutions to improve customer service. For instance, Amazon has introduced customer service training program for employees (Amazon, 2021). Under such training program, Employees may able to connect with customers through phone call, emails and social media. Thus, Customer-obsession mindset mainly helped Amazon to differentiate itself from other rivals and dominate e-commerce market.

14 leadership principles

Customer Obsession	Ownership	Invent and simplify	Hire and Develop the Best
Are Right, A Lot	Learn and Be Curious	Insist on Highest Standards	Think Big
Earn Trust	Dive Deep	Bias for Action	Frugality
Disagree and commit	Deliver Results		

Amazon Leadership Principles

Source: (Amazon, 2021)

Embrace Innovation: Amazon always tried to create innovative culture for staff members by asking them to take necessary risks. The company is usually accompanied by diverse management team including engineers, retail specialists and HR executives (Bryar and Carr, 2021). This may ultimately motivate employees to think big and exchange their ideas with others. With such innovative ideas, Amazon was able to expand their online shopping order and emerge itself as ultimate winners in retail sector.

Make Big Decisions: Amazon always encourages their staff members to take big decisions and coordinate with others. During COVID 19 pandemic, the company has also introduced new automated staffing schedule and gamification program to help warehouse workers in the successful accomplishment of tasks. This may completely empower employees to perform better and reach higher expectations. Moreover, the company often encourages staff members to think like owners by offering stock options and profit sharing schemes (Fox business, 2021). All these efforts has actually helped Amazon to expand their online sales growth during pandemic. On the other side, the company has also planned to hire 100,000 employees in next 18 months to expand their online fulfillment order capacity.

Being Curious Towards new things: Amazon always encourages its people to become more curious and enthusiastic towards business activities. Within Amazon, Software engineers often conduct project-based learning programs and tuition-free courses to help employees in developing new skills (The Verge, 2021). In fact, The company has also introduced several workstation program to build immense curiosity and attention among employees. Thus, Organization often encourages staff members to discover new future possibilities and complete warehouse operations (Clare, 2021). The company has mainly introduced 6-arcade style mini games where workers can compete with each other in virtual game world. In this way, Employees may become more engaged towards corporate tasks.

Access better learning opportunities: The main reason behind Amazon success during pandemic is its excellent learning opportunities. The company often encourages their staff member to become effective learner in future time period. The company often takes advantage of gamification techniques to help employees in achieving production targets. These games may ultimately helped employees to learn new things and access virtual rewards (Gallup, 2021). On the other side, the company has also introduced upskilling program to train their staff members regarding diverse roles such as engineering, digital marketing and finance. These learning opportunities mainly encourage staff members to become effective learner and solve corporate issues.

Conclusion

The report concluded that Amazon has created strong presence in e-commerce market with its strong leadership principles and team based structure. It also demonstrated that Amazon often relied upon decentralized flat structure for better decision-making process and mutual coordination among internal departments. The report has evaluated that Amazon was able to achieve highly exceptional growth due to its highly skilled workforce and well-defined corporate structure. The report has identified that Amazon mainly focus upon gamification techniques and digital learning culture for staff members. The report has summarized that certain behavioral aspects such as customer obsession and innovation was a major contributor towards Amazon success.

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