

Team 3 Executive Summary

Amazon is a global e-commerce and cloud computing company, founded by Jeff Bezos in 1994. Despite being a Fortune 500 company and a tremendous force in the tech industry, there are still issues with their organization's design that are having a negative impact on the organization's future growth and development. It was chosen to focus solely on the organization's culture for analysis, as this seems like one of the primary sources of issues for the organization. The team hopes to leverage organizational design concepts to study the work culture and offer recommendations for Amazon moving forward. To approach this project, the team analyzed Amazon's organizational design, enabling the extraction of insights regarding the current state of the organization, and the reasons behind its poor culture.

In terms of high-level strategy, Amazon pursues cost leadership, with a strong focus on customers and continuous innovation. Its pursuit for high growth has also placed unreasonably high expectations on its employees. The company is currently following a functional structure, with many additional acquisitions as subsidiaries also having their own division, hindering company's wide collaboration on key projects. Amazon's external focus and need for flexibility categorizes it as having an adaptability culture, which has paved way for poor cultural practices, such as the 14 leadership principles and Rank and Yank. Their warehouse culture also puts high expectation on the employees, resulting in overworked employees and poor working conditions. They also used an internal IT system known as the Anytime Feedback Tool, which enables employees to offer anonymous feedback regarding their colleagues, fueling a competitive culture. Amazon is also notorious for their aggressive introduction of automation into the workplace, which is constantly changing and removing the work tasks of the employees leading to employee frustration and decreased morale. Relating to both the overall socio-cultural and the tech industry's human resource sectors, there is a subpar perception of Amazon leading to issues in recruiting and overall public dealings with the organization. Lastly, they are in the elaboration stage of their life cycle, focusing on team development, but are starting to face the need for revitalization with respect to their existing structure and values.

Based on the findings and conclusions regarding the organization's culture, the team has generated a set of five recommendations which Amazon should consider moving forward with their organization. These recommendations will not only aid in solving their cultural issues, but will also accelerate the growth of the organization. Firstly, they should reconsider their employee development approach, removing the Rank and Yank system in favour of one which focuses on the growth and development of all employees, to foster a culture of collaboration rather than competition. They should also consider removing their Anytime Feedback Tool, in favour of one which is not anonymous, putting additional effort into fostering face-to-face feedback to further develop the collaborative culture. Amazon should also consider the improvement of their overall warehouse working conditions, through the adoption of Engineered Labour Standards to improve the overall warehouse culture. Furthermore, as they face the need for revitalization, they should consider an organizational restructuring which offers an increased focus on teams centered around specific products, creating a culture of collaboration and teamwork. Lastly, Amazon should also work to improve their public perception within the human resource sector through the improvement of their careers program, aiding in the recruitment of more skilled and diverse employees and managers to help drive the cultural change.