

Amazon Faces A Crucible Moment With Employees

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Given the harsh and widespread criticism over their treatment of Amazon employees during the... [+]
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Amazon is at a crossroads. Amazon and CEO Jeff Bezos are facing sharp criticism over their treatment of Amazon employees – and the way the company responds to the objections may well determine its future. The ordeal over Amazon's employee engagement can serve either as the stumbling block that causes the company to stagnate and perhaps even decline, or as a shot in the arm that refocuses and reenergizes the organization.

Amazon Has Come Under Fire

Reports of unsafe working conditions at Amazon warehouses have attracted widespread attention and many questions have been raised about whether or not Amazon fired whistleblowers who raised concerns about the lack of protection for employees at the company:

- The news television show [60 Minutes](#) recently did a deep dive into the matter.
- A [single video from CNN](#) on the topic has been viewed over 300,000 times on YouTube and received nearly 1,600 comments.
- A group of nine U.S. senators including five former presidential candidates issued an [open letter](#) to CEO Jeff Bezos, seeking more information about the recent employee firings.

- A [blog post](#) by Tim Bray, former vice president and Distinguished Engineer at Amazon Web Services, explaining that he quit “in dismay” over the firings has received extensive coverage in the news and social media.

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In response to the hailstorm of criticism, Amazon has enumerated the actions it has taken to ensure workplace safety and support its employees, including implementing over 150 significant process changes, setting up testing stations in and regularly sanitizing its locations, and increasing employee pay.

The company has also announced that going forward it will reinvest at least \$4 billion into Covid-19 related expenses including employee safety. It is unclear, though, how much of that spend will be directed toward employee good vs. customer and business growth efforts, such as developing consumer home testing kits for the virus, optimizing a supply chain for pandemic supplies and treatments, and investing in research for coronavirus vaccines and therapies.

It is also unclear whether the importance the company now seems to be placing on its employees is in response to the negative coverage and scrutiny, or if it truly reflects the company's sentiments. Skeptics seem justified in questioning if Amazon truly values its frontline employees and is invested in their wellbeing. After all, before the pandemic Amazon had been accused of poor working conditions and employee morale at the company's warehouses.

Employee Engagement Matters to All Stakeholders

The criticism aimed at Amazon matters because employee engagement impacts customers' perceptions and purchase decisions. [Research by public relations firm Weber Shandwick](#) has shown that when consumers discuss companies, how they treat employees is among

their top five concerns. And in [a report issued by Edelman Intelligence](#), a global research firm, no single action by a company is more interconnected with its ability to build trust with the public than “treating employees well.”

The Covid-19 pandemic has heightened the priority customers put on employee welfare. [Researchers at Morning Consult surveyed 2,200 American adults in March 2020](#) and found 67% said it was very important that companies “take care of their employees and treat them well, even in tough times.” 53% agreed with the statement “I am more likely to purchase from companies that treat their employees with flexibility and empathy.”

How Amazon treats its employees also matters because it impacts the company’s ability to retain existing employees and attract new ones. Bray’s departure from the company was a widely-publicized example of the damaging effect that worker mistreatment can have on other employees, but it’s unlikely to be the only consequence. A significant percentage of warehouse employees currently choosing to stay home without pay may decide not to return at all.

Although Amazon has been hiring at record levels during the global pandemic, adding 175,000 employees in the last two months, this pace won’t continue and the company will eventually return to the same war for talent that many employers had been fighting before Covid-19. Future potential employees will no doubt be influenced by the broad news coverage during the crisis. Beyond that, employer review sites such as Glassdoor and Indeed and social media such as LinkedIn have created influential platforms for employees to shape perceptions of companies among prospective employees.

Amazon’s employee engagement also matters to investors. In last week’s shareholder meeting, participants pressed Bezos and other Amazon representatives about the company’s treatment of employees. They also asked about the risk to the company’s reputation that the increased scrutiny into its workforce management might cause. On the eve of the meeting, [CtW Investment Group](#), an organization that works with union-sponsored pension funds that own nearly 900,000 Amazon shares, convened hundreds of shareholders so they could hear directly from warehouse workers.

Bezos’s Vision Depends on Employees

Above all, employee engagement matters to Bezos himself, whether he realizes it or not. Since its inception, he has run the organization less as a company that sells goods and services and more as a force for transformation based on ideas and values.

Bezos demands the company remain “relentless” in its “customer obsession.” He uses his annual [letters to shareholders](#) to evangelize his management philosophies and practices. The organization uses core values entitled “[Leadership Principles](#)” to propagate

his unique approach to running a business. Clearly, effective employee engagement is critical to operationalizing the culture Bezos desires.

Moreover, after five months of research into Bezos and the company, writer Franklin Foer concluded [in The Atlantic](#) that Bezos envisions Amazon ushering in a better future for the world – a future where entrepreneurs create solutions to the world’s biggest problems and corporations are the force for positive change and social good. To fulfill this vision, Bezos needs employees to be fulfilled and focused, productive and purposeful.

Amazon’s Golden Opportunity

Despite all the trouble they’ve caused the company, the crisis and criticism present Amazon with an opportunity — to become the standard bearer in employee engagement.

The charges against Amazon seem to have set the company back on its heels and it’s been operating from a defensive position for several weeks now. It needs to get out in front of the concerns with substantive changes, instead of issuing news releases like the one it produced in advance of last week’s shareholder meeting that looked like a news story and promoted how Amazon is protecting employees. Instead of creating canned videos of workers praising the company and touting its safety measures, it should pursue ground-breaking solutions that actually improve its workplaces and culture,

Now is the time for Amazon to demonstrate true leadership in the way it engages its workforce. Some possible approaches include:

- **Proactively involve frontline employees** in problem-solving and decision-making on workplace safety and employee engagement.
- **Regularly survey employees** and solicit feedback from them to understand their needs and concerns – and **communicate with transparency** to employees and other stakeholders about the findings and plans for addressing them.
- **Institute new measures of performance** and definitions of success for employees, and ensure alignment of expectations on employees throughout the organization.
- **Develop an integrated employee experience** that addresses their full range of needs – emotional, financial, social, and physiological, in addition to safety.
- **Share employee engagement best practices** with other companies, reporting on progress as well as setbacks, as it has previously done with new product failures such as the Fire Phone.

All the resourcefulness and passion – as well as superior operational capabilities and vast resources – that has enabled Amazon to produce so many ground-breaking innovations for customers should now be directed toward employees. Bezos and his leadership team must see Amazon’s workforce not as an expensive drag on the company’s profitability, but as an energizing flywheel that propels its productivity.

In other words, if Amazon wants to remain “customer-obsessed,” it must also become employee-obsessed.



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