

Evaluate Amazon's HRM department using the five factors Framework

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Abstract:

This study evaluates Amazon's Human Resource Management (HRM) strategies using a five-factor analytical framework. It examines how external environmental factors, workforce demographics and skills, organizational culture, strategic alignment, and technological integration influence HR practices. The analysis highlights Amazon's proactive initiatives, including diversity programs such as Amazon Future Engineer and Women in Amazon Engineering, as well as employee development offerings like Amazon Career Choice. These efforts align with the company's customer-centric mission and support innovation and global expansion. However, the report also identifies critical challenges, such as workplace safety concerns, high-pressure environments, and the mixed impacts of automation. Recommendations emphasize enhancing transparency, expanding wellness programs, and strengthening social responsibility initiatives to improve employee well-being and organizational sustainability. Overall, Amazon's HRM effectively supports strategic objectives but requires continued refinement to address employee satisfaction and operational ethics.

Keywords: Amazon; Human Resource Management; Five-Factor Framework

Workforce Development; Organizational Culture

Part1 Introduction

1.1 Purpose of this report

This report evaluates Amazon's Human Resource Management (HRM) strategies and their alignment with its overarching business objectives.

1.2 Background

Amazon, founded in 1994, is a global leader in e-commerce, cloud computing, and artificial intelligence (Amazon, 2024a). The company has a diverse workforce and implements strategic HRM initiatives to support its international expansion, technological innovation, and competitive positioning. However, Amazon faces significant workplace safety and employee well-being challenges, underscoring the need for continuous improvement in its HR practices.

1.3 Scope of this report

This report analyses Amazon's HRM strategies using the five-factor framework. It examines external environmental factors, workforce demographics and skills, organisational culture, strategic alignment, and the role of technology in production and HR processes. The evaluation identifies key challenges and proposes actionable recommendations to enhance Amazon's HRM effectiveness.

Part2 Five Factors Framework analysis

2.1 External environment: Social, political, Legal and economic

Amazon's commitment to social responsibility is reflected in its programs for the underprivileged, such as its Amazon Future Engineer program and Women in Amazon Engineering program. In 2018, Amazon launched an Amazon Future Engineer project to provide equal opportunities for every poor student to learn Computer science (Computer Weekly News, 2019). Such programs promote inclusion by encouraging underrepresented groups to pursue technical careers (Amazon, 2024b). These programs provide equal opportunities for disadvantaged groups to study and help them find jobs.

In addition, Amazon actively adapts to the differences in labour laws in different countries. Amazon has experimented with the employment model of independent platforms such as Amazon Flex and Amazon Delivery Service Partner in some countries and has recruited quite a few genuinely self-employed couriers and couriers. However, the independent contracting method is illegal in other countries, and stricter laws against false self-employment have prevented the spread of independent contracting as the primary employment mode promoted by platform companies (Hassel and Sieker, 2022), but Amazon has been adjusting their strategy. Amazon adopted subcontracting after testing different employment models(Nicolai, 2019), such as in Germany, which effectively avoided the legal risks caused by geographical differences.

2.2 Workforce: Demographics and Skills

The mission of AWE is to make Amazon the best place for technical women and non-binary individuals to work. Davis et al. (2010) Women are more likely to be highly customer-focused and customer-oriented, which means women are more sensitive to the call centre and their relationships with users. This can better meet Amazon's customer-first values. Thus, this program not only helps women solve common challenges they are prone to in the workplace but also helps female Amazon employees become more competitive.

Amazon utilises online learning platforms and e-learning tools to provide courses and training that employees can access anytime, anywhere (Ignacio, 2024). The AWS

training and certification program is believed to enhance the employability of its students (Goteng, Shohel and Tariq, 2022), which could provide employees with advanced technical skills and ensure workforce competitiveness. One notable program is "Amazon Career Choice" (Amazon Career Choice, 2024), which covers the cost of education for courses and degrees in high-demand fields and, since its launch, has benefited thousands of employees. Amazon's culture of continuous learning is reflected in its commitment to providing resources and development opportunities for employees at all levels. Through these training courses and development programs, Amazon is not only upgrading its employees' skills and career development opportunities but is also likely to impact employee retention positively. High-quality training and career development opportunities increase employee job satisfaction and loyalty, reducing employee turnover.

2.3 Organisation's Culture

Amazon's HR policy fits well with the Organization's Culture. When Amazon was founded in 1995, Its mission was "to be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online, endeavours to offer its customers the lowest possible price (Tritt and Teschner, 2019). Amazon has made many efforts to do so, such as setting up a separate interface that allows customers to communicate directly with website employees. It is very important to effectively resolve customer complaints, and every time a customer complaint is issued, it is immediately sent to the employee in charge, asking him to explain it as soon as possible (Tiwari, 2018). This enables employees to develop customer-oriented work habits that ensure a satisfying customer experience at Amazon.

2.4 Organisational strategy

In addition, Amazon's human resources department is structured to support the company's functional needs. It is organised into different professional teams, each responsible for various HR functions such as recruitment, compensation, training, and employee retention (Mulugeta, 2022). This specialisation allows Amazon to effectively manage the diverse and complex human resource needs of different geographies and business units. Amazon's HR leadership is strategically positioned within the company's organisational structure.

Amazon uses a rigorous and diverse hiring process to hire people who can contribute to the company's long-term success. Amazon has invested heavily in employee training and development to achieve its strategic goals. The company offers a comprehensive training program to help employees improve their skills and align with Amazon's business philosophy (Tiwari, 2018). This training enhanc-

es employee performance and ensures that employees remain adaptable and capable of driving innovation and growth. Amazon's talent management strategy is closely tied to its strategic goals. The company emphasises developing and retaining talent for its global expansion and technology innovation initiatives. By identifying high-potential employees and providing them with opportunities to grow and develop, Amazon makes sure it has enough skilled, strong talent to drive its strategic goals. In summary, Amazon's human resource management practices are strategically aligned with the company's overall goals, ensuring the organisation has the right talent and resources to achieve its goals. His structure, leadership, and activities contribute to this consistency, making HR a key component of Amazon's strategic success.

2.5 Technology of Production and Organisation of Work

AI has helped Amazon improve operational efficiency in customer support, and these innovations have reshaped HR strategies to ensure that Amazon can deliver personalised product recommendations and provide customers with a better experience when browsing and buying. The AI recommendation system recommends relevant products to customers based on the user's browsing and purchase history, thus improving customer satisfaction and shopping experience. Firstly, AI-driven recommendation systems have led to significant sales growth for Amazon, with algorithms that recommend products contributing 35% of Amazon's revenue (Gandhi, 2023). Secondly, Amazon's Kiva robot significantly optimises warehouse operations with the need for human supervision and can deliver goods from one place to another within the warehouse without significant labour (Jaffna and Bhowmik, 2024). While Kiva takes on some of the traditional repetitive tasks in the warehouse, such as transporting goods and improving efficiency, human workers are still required to perform many critical tasks, such as storing, picking and packing goods. So, the human resource management department no longer needs to arrange for workers to transport goods in the warehouse; instead, it needs to increase the use of robots, maintenance robots, and other positions. However, with the intervention of automation, although some repetitive labour can be eliminated, the intervention of robots accelerates the process of the entire warehouse. Amazon warehouses are pressuring employees at a new rate to improve efficiency or catch up with robots, reducing or eliminating their breaks, leading to employee dissatisfaction and burnout.

Part4 Conclusion and Recommendation

4.1 Conclusion

Amazon's human resource management policies con-

tribute significantly to its business objectives. Diversity programs, skills development programs, and strategic workforce programs ensure that the company remains adaptable and innovative in a highly competitive environment. Its customer-centric culture and investment in employee development result in a workforce aligned with the company's mission. Still, Amazon has been criticised for its human resource management practices. The company is also being criticised for workplace safety and high-pressure work environments, and addressing these issues is critical to improving employee retention and satisfaction.

4.2 Recommendation

1. Increase the transparency of decision-making and provide employees with more opportunities for feedback and participation.
2. Implement a comprehensive health and wellness program to address workplace stress and safety issues. Expand initiatives such as mental health support and Human-oriented workspaces. This includes a structured forum for dialogue between management and employees.
3. Expand initiatives such as "Amazon Future Engineers" to demonstrate the company's commitment to social development.

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