Issues with Amazon’s CSR Strategy

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In what follows we analyze Amazon’s corporate social responsibility strategy, the initiatives they put forward and how they might improve their CSR record. The company has been criticized for their unethical practices, and is striving to improve in this regard.

Given Amazon’s growing success, it may be hard for some of their dedicated customers to believe that the company is in fact falling far behind in their intended corporate social responsibility practices. From Amazon’s lack of involvement in their hometown community of Seattle, Washington, to their harrowing working environment and malicious treatment of employees, the company that seems to know it all, could in fact use a lesson in corporate social responsibility.

Corporate responsibility can most broadly be defined as:

“A comprehensive set of policies, practices, and programs that are integrated into business operations, supply chains, and decision-making processes throughout the company and usually include issues related to business ethics, community investment, environmental concerns, governance, human rights, the marketplace as well as the workplace” (Tsoutsoura, 2004, p. 3)

While Amazon may be one of the most well known companies in the world today, the question to ask is – is Amazon a socially responsible corporate citizen? For several years now, Amazon has been criticized for many of their practices, or lack of practices, and has even been deemed the “corporate scrooge” for their insufficiencies when it comes to community involvement (Cook, 2012). Although they have worked to improve their CSR strategy over the last several years many aspects of the company’s practices have been brought into question.
While many of Amazon’s competitors like eBay, Netflix, Apple and Google have taken the plunge into CSR, Amazon appears to still stand on the ledge. In a 2012 report, the UK Guardian pointed out many of the flaws in Amazon’s CSR strategy. According to the author “Amazon has made little or no effort to measure, disclose or improve its performance when it comes to the environment, workplace issues, diversity, charitable giving or political activity” (Gunther, December 20th, 2013). The report criticized Amazon’s lack of a sustainability report as well as their limited charitable contributions. The author also mentioned that Amazon refused to release a statement regarding their greenhouse gas emissions or climate strategy and that the company landed in the 127th spot on a list of 145 companies ranked based on their climate impact (Gunther, December 20th, 2013). This certainly gives the impression that Amazon either doesn’t care about the environmental impact they have, or they are not releasing a statement because they are trying to hide something. By not developing a thorough corporate social responsibility program, Amazon shows little care or respect for the society that built their empire and could easily damage their relationship with their consumers.

Whether the Guardian article or some of the other negative press Amazon received served as a wake-up call, or the company was just late in realizing the importance of strong CSR initiatives and how it could improve their overall reputation and standing as a global company, Amazon has made some progress in the last 3 years by implementing several CSR initiatives. In December, 2013, Amazon introduced a program called Amazon Smile, whereby customers can choose from nearly one million organizations to support and a percentage of the proceeds from their purchase will be donated to one of the aforementioned organizations. In 2014, Amazon announced the Amazon Climate Research Grant Program which, according to their website, committed them to “50 million hours of supercomputing using Amazon EC2 Spot to apply to research on better understanding and mitigating climate change” (www.amazon.com). In addition to developing eco-friendly packaging, Amazon has also helped facilitate disaster relief donations by offering their homepage to organizations such as the American Red Cross and has partnered with several organizations to form Amazon Literary Partnership, which funds and supports reading and writing programs.
While it is encouraging to see Amazon’s progress in their CSR strategy, the overall culture of the company is still questionable. Amazon still lacks motivation in improving their factory conditions and the lived of the workers in their factory. If they want to show real improvement, the company needs to place a higher value on social responsibility. As previously mentioned, one of the most important indicators of a company’s commitment to corporate social responsibility is the workplace environment they create and how they value the welfare of the company’s employees. Amazon has struggled greatly in this area.

Evidence of this dates back to 2011 when an investigation took place after workers in a Pennsylvania warehouse were forced to work in dangerous conditions. According to the Morning Call Newspaper “Workers said they were forced to endure brutal heat inside the sprawling warehouse and were pushed to work at a pace many could not sustain” (Soper, September 18\textsuperscript{th} 2011). When working conditions are dangerous to the employees’ health, Amazon, or any company for that matter, has the responsibility to either improve the conditions or lessen the workload; however, in this situation they did nothing to support the wellbeing of their workers.

More recently, in August of this year the \textit{New York Times} wrote an in-depth article detailing Amazon’s faulty CSR strategy and appalling company culture. According to the article, employees at Amazon suffer from more than just harsh physical working conditions; employees are instructed “to rip into colleagues’ ideas, with feedback that can be blunt to the point of painful” (Kanton, Streitfeld, August 15\textsuperscript{th} 2015) and if a particular employee is not working up to the company’s unattainable expectations, their colleagues “diplomatically throw people under the bus” to better their own reputation. While Amazon believes that this kind of environment forms the ideal “Amazonian,” it is degrading and harmful to the employees and their morale. For example, Amazon management puts people on performance improvement plans, with the implication that they will be fired if they do not improve and when they are not able to dedicate 80+ hours a week to the company. The article even quotes a former human resources executive who admitted having to put a woman who had just given birth to a stillborn child and one who had undergone major surgery on a performance improvement plan (Kanton, Streitfeld, August 15\textsuperscript{th} 2015). By putting this amount of pressure on their employees, Amazon is creating a hostile work environment that is damaging to its workers’ psychological well-being. What Amazon management may not realize is that this method of threatening their employees into working harder may actually diminish their quality of work.
Extenuating circumstances aside, 80+ hour work-weeks imply that the company expects its employees to work approximately 16 hours a day – twice as long as the normal corporate work day. Amazon doesn’t seem to take into consideration the personal lives of its employees. Sometimes things just happen in our daily lives that are beyond our control and the fact that the company penalizes its staff members for uncontrollable circumstances is in no way supportive, ethical or responsible.

To truly be a good corporate citizen and a leader in global responsibility, Amazon must continue to work on making social responsibility an organic part of their corporate culture. It is very evident from these examples that corporate social responsibility is clearly not embedded in Amazon’s culture. The “Amazonian” workplace environment proves that they have a lot of room for progress. While they have taken a few steps to improve their community outreach and impact on the world at large, their company culture still falls short of acceptable. As Amazon continues to grow and expand in the market, they have an opportunity to be a global leader in both business and corporate social responsibility. If they continue on their current path, their irresponsible actions and faulty structure will only grow with them, potentially damaging their corporate reputation and their relationship with their customers, employees and suppliers. It would be a tragedy to see the Amazonian empire collapse, particularly due to something that can so easily be improved.
Bibliography


