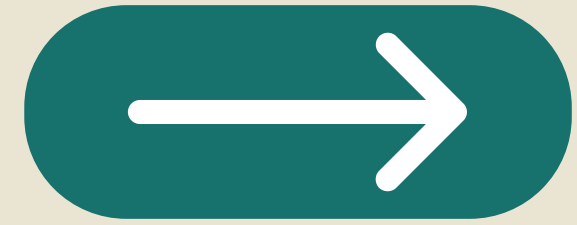




**UMS**  
UNIVERSITI MALAYSIA SABAH



# amazon

● **BA31403 ISSUES IN INTERNATIONAL BUSINESS- SEM II-2023/2024**

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**Submission Date: 23 May 2024**

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**EDUCATIONAL PURPOSE ONLY**

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## United States I Labour and the right to work

**01** Overview of Amazon

**02** Issues/ Problems

**03** Actions by Amazon

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# INTRODUCTION

## AMAZON

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amazon

Logo since January 2000



(Yasar & Wigmore, 2022)

a multinational technology and e-commerce company

founded on July 5, 1994, by Jeff Bezos in Bellevue, Washington

involved in e-commerce, cloud computing, online advertising, digital streaming, and AI.

Continue

# INTRODUCTION

## AMAZON

### Business Network

The e-commerce titan operates in a variety of sectors and industries. (Yasar & Wigmore, 2022)



- Amazon provides products and services across numerous industries from **e-commerce** to **subscription services** to **publishing**.
- Besides, Amazon provides an ever-expanding portfolio of services and products.
- Merchandising, consumer tech, memberships, digital media, Amazon Web Services (AWS), AI solutions, and Amazon's in-house brands.

Continue

# INTRODUCTION

## AMAZON

### Finances Status

1. In **2022**, Amazon held the **2nd** position for four consecutive years **in the Fortune 500** list, which ranks the largest corporations in the United States **based on total revenue**. In the **Forbes Global 2000–2023**, Amazon secured the **36th** spot. (Khristopher, 2023).
2. In the fiscal year 2023, Amazon disclosed **profits totaling \$30.43 billion**, generating **annual revenue of \$574.79 billion**, marking an **11.83% rise** from the prior fiscal period. **Sales** surged from **\$386.064 billion to \$574.785 billion in 2020**, driven by ongoing business expansion (Amazon Annual Report, 2023).

Continue

The screenshot shows a webpage with the following content:

- URL: <https://www.forbes.com/companies/amazon/?list=global2000>
- Employees: 1,541,000
- Forbes Lists
- America's Best Employers By State (
- #36 Global 2000 (2023)
- Amazon Financial Summary
- Select list year: 2023
- Revenue: \$524.9B
- Assets: \$464.4B
- Profits: \$4.3B

<https://www.cbsnews.com/news/fortune-500-list-biggest-companies-walmart-amazon-apple/>

<https://ir.aboutamazon.com/annual-reports-proxies-and-shareholder-letters/default.aspx>

# INTRODUCTION

AMAZON

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## Controversies and Criticisms

Despite its considerable success, Amazon has faced **significant backlash** from various quarters over the years.

- Dominant and anti-competitive actions,
- **Unfair treatment of employees,**
- Significant environmental impact,
- E-waste,
- Counterfeit listings of products,
- Tax avoidance.

Continue



# INTRODUCTION

AMAZON

## "Amazon Workers' Rights,"

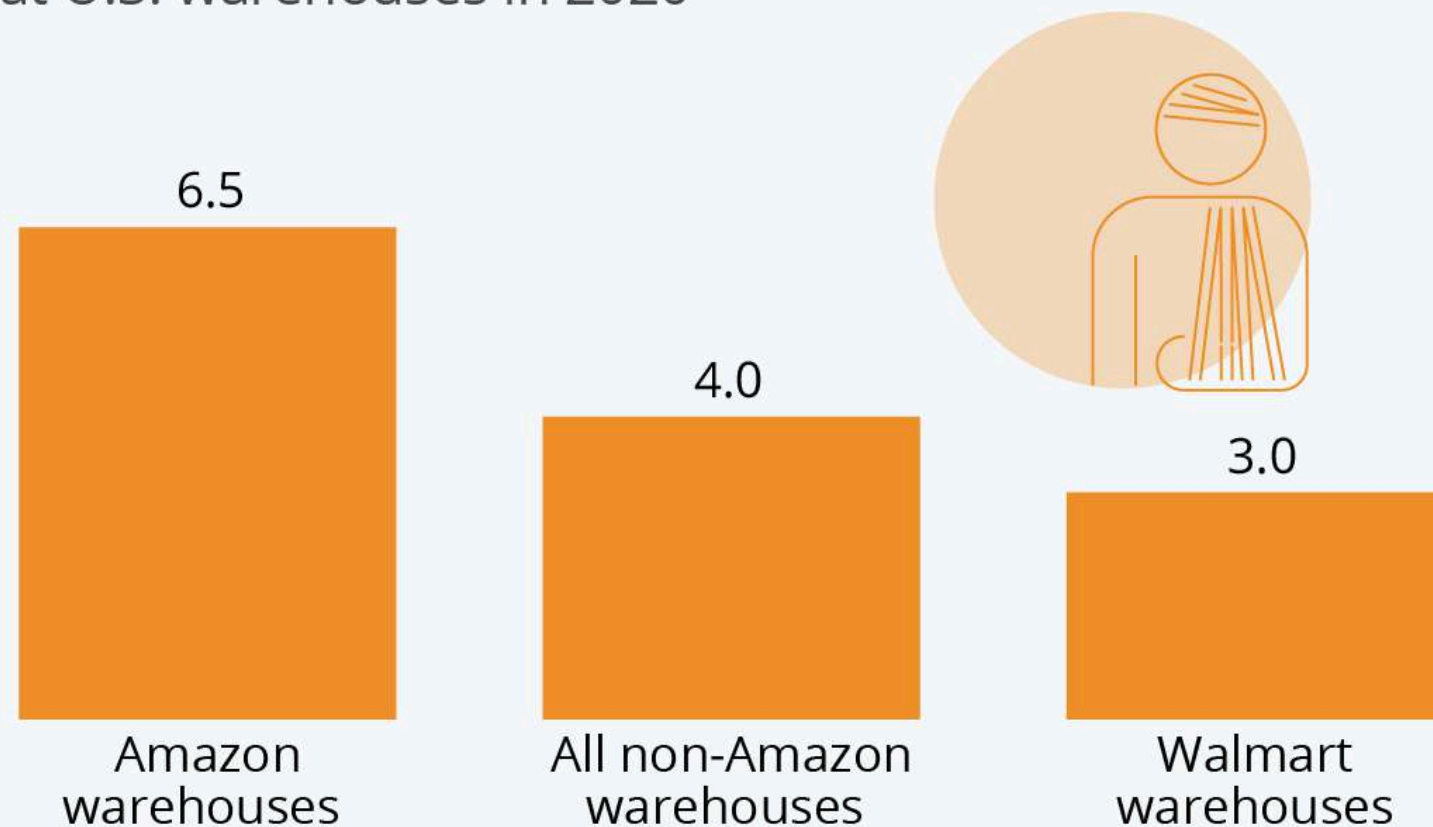
- This issue has gained attention across various locations where Amazon operates its distribution hubs, including states like California, Texas, and New York. (Fortune 500, 2024)
- The **parties involved** in this issue include:
  1. Amazon
  2. Amazon Workers (566,000 employees)
  3. Labor Unions
  4. Government Agencies

Next

[https://web.archive.org/web/20181115003549mp\\_/http://fortune.com/fortune500/list/filtered?sortBy=employees&first500](https://web.archive.org/web/20181115003549mp_/http://fortune.com/fortune500/list/filtered?sortBy=employees&first500)

## Amazon Warehouse Injuries Far Above Average

Injury rate per 100 full-time employees at U.S. warehouses in 2020\*



\* All employers data refers to 2019 Bureau of Labor Statistics data.

Source: Strategic Organizing Center

statista

# ISSUES 1

(Strategic organizing center, 2023)

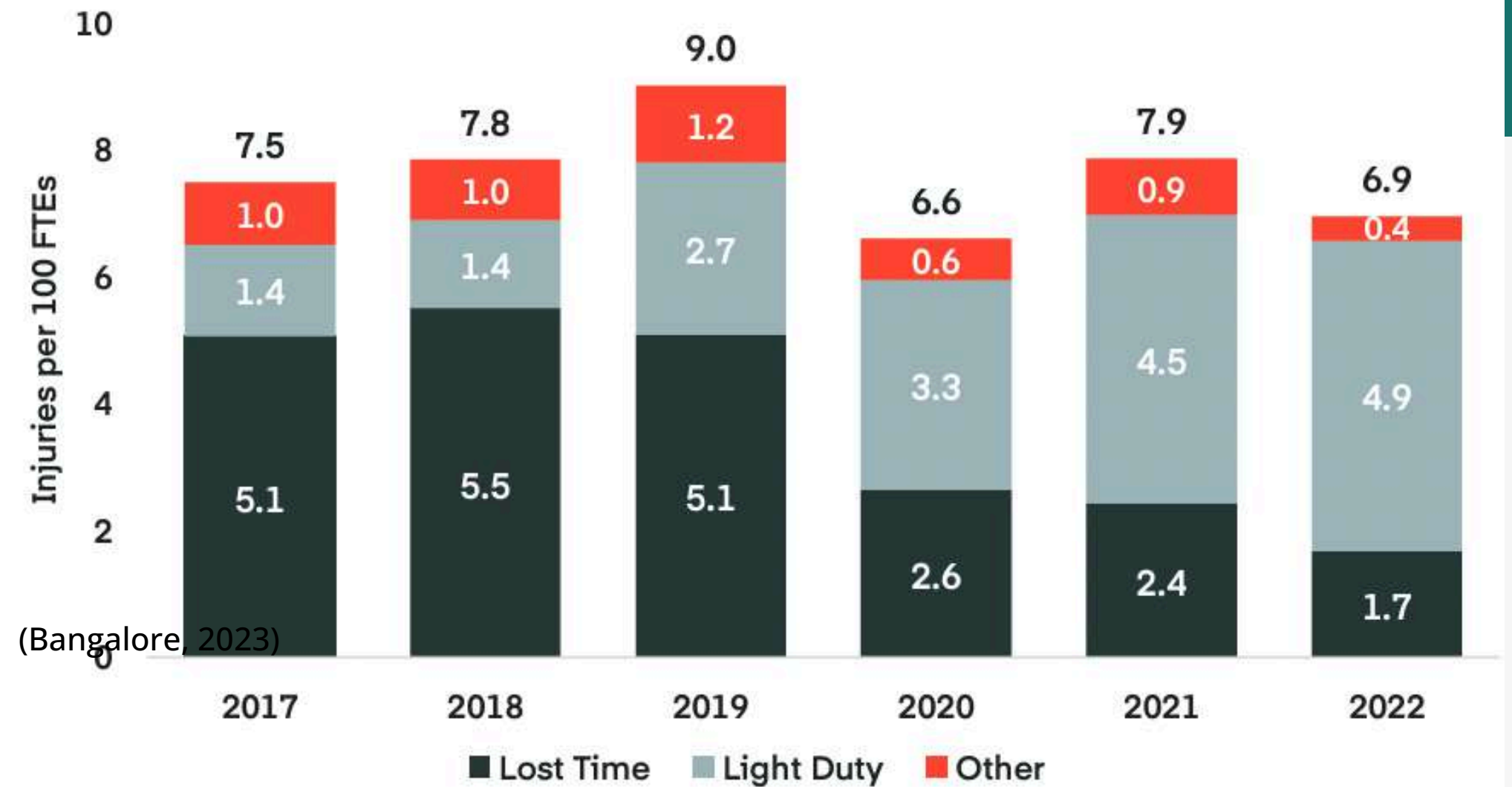
## 01 Annual injury rates in 2022

**Injury and illness** statistics for 1,034 warehouses, logistics, and delivery facilities, with an average annual workforce that increased from **200,828 employees** in 2017 to **716,688 employees** in 2022.

## 02 Lost Time; Light Duty

95% out of 38,609 total recordable injuries were categorised as serious injured to perform **light duty** (unable to perform their usual tasks) or **Lost Time injuries** (workers were forced to miss work entirely)

FIGURE 1: INJURY RATES AT AMAZON FACILITIES BY CASE TYPE, 2017 TO 2022



## 03 Suspending disciplinary action during COVID-19

Amazon has temporarily eased its work speed pressures while **suspending its disciplinary action** against workers for underperformance on productivity metrics. Yet, the **productivity pressures has returned** claiming to accommodate COVID-related safety measures.



# ISSUES 1

## WORKPLACE SAFETY/INJURIES

(Strategic organizing center, 2023)

Amazon's policies created an **inhumane working atmosphere** for employees, resulting in frequent injuries and chronic stress, as well as **economic insecurity** triggered by **frequent firings and injury-related job displacement**.

Amazon became obsessed with speed efficiency, **employing extensive productivity and monitoring systems** to put additional pressure on production workers.

It contributes to **physical and mental health toll**, including injuries of sprain, strain or tears of muscles, burnout and exhaustion of workers.



[https://warehouseworkers.org/wp-content/uploads/2023/04/SOC\\_In-Denial\\_Amazon-Injury-Report-April-2023.pdf](https://warehouseworkers.org/wp-content/uploads/2023/04/SOC_In-Denial_Amazon-Injury-Report-April-2023.pdf)



## AMAZON ANNOUNCED A “TEMPORARY LIGHT DUTY PROGRAM IN 2018” (Strategic organizing center, 2023)

- **Minimise costs** by maintaining injured workers on the job while they recover.
- Amazon's robotic warehouses stated that **executing a Temporary Light Duty policy** might reduce lost time injuries and workers' compensation costs by 70%.

## AMAZON WAS CITED FOR VIOLATIONS OF BASIC SAFETY STANDARDS

- OSHA discovered that Amazon **intentionally failed to record nearly 100 additional injury cases** yearly in the entire US Amazon warehouse network, using **fraudulent conduct** to conceal injuries from OSHA and SDNY investigations.

[https://warehouseworkers.org/wp-content/uploads/2023/04/SOC\\_In-Denial\\_Amazon-Injury-Report-April-2023.pdf](https://warehouseworkers.org/wp-content/uploads/2023/04/SOC_In-Denial_Amazon-Injury-Report-April-2023.pdf)

# ISSUES 2

LABOUR RIGHT (Sanvi Bangalore, 2023)

CASE 1



<https://www.cbsnews.com/news/amazon-disabled-workers-american-disabilities-act-violations-report/>

- violating the **American Disabilities Act (ADA)**
- The process for disabled or injured workers to request accommodations is **reportedly convoluted** and often results in their requests **being ignored** or excessively delayed (Sanvi Bangalore, 2023)
- such as that of Denise Kohr, a warehouse worker who suffered a shoulder injury, reveal her story, Kohr describes her experience as a nightmare, attributing it to the relentless pressure to meet stringent productivity quotas and the arduous process of obtaining necessary accommodations.

# ISSUES 2

## CASE 2

<https://www.nytimes.com/2021/10/24/technology/amazon-employee-leave-errors.html>

### LABOUR RIGHT

#### 01 Underpayment (Jodi Kantor et al., 2021)

Tara Jones's experience, where she discovered repeated **underpayments in her paycheck**

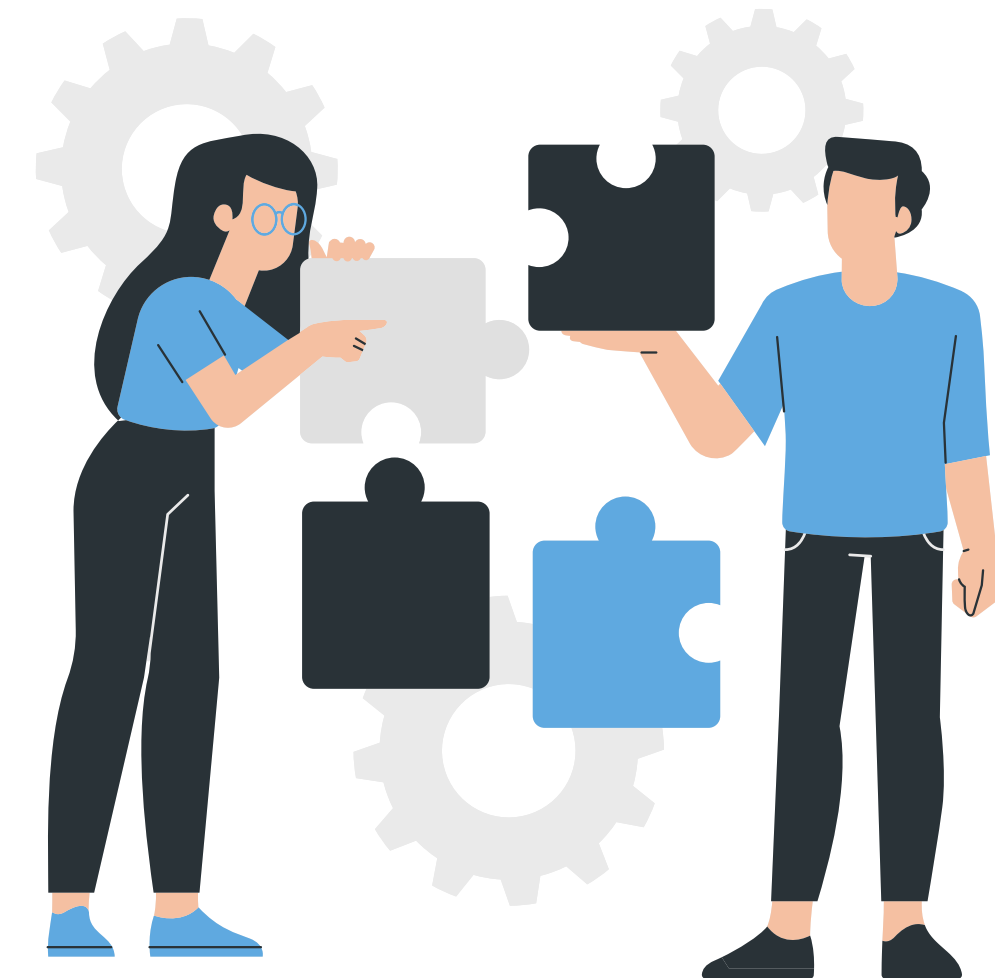
(The mistake kept repeating even after she reported the issue)

#### 02 Systemic problems (Jodi Kantor et al., 2021)

Former and current employees describe instances where workers facing medical crises were **mistakenly marked as absent** and subsequently fired while doctors' notes disappeared in the company's databases

#### 03 Criticism of Amazon's Priorities (Jodi Kantor et al., 2021)

Internal warnings of inadequate service levels and deficient processes.



# ISSUES 3

## AMAZON VIOLATING LABOUR LAW

- According to a ruling by **National Labor Relations Board (NLRB)** Administrative Law Judge Lauren Esposito, Amazon and its consultants engaged in activities that violated federal labor law. (Annie Palmer,2023)
- Amazon reportedly **made threatening** remarks to dissuade employees from unionizing.

- These actions **included racializing union organisers and questioning and threatening workers** who were involved in union activities.

(Annie Palmer,2023)

<https://www.cnbc.com/2023/12/01/amazon-broke-federal-labor-law-by-racially-disparaging-union-leaders.html>





01

### **Union Interference and Election Challenges**

Employees at BHM1 votes against joining the Retail, Wholesale and Department Store Union was overturned due to **improper interference by Amazon**

02

### **Employee Treatment and Discrimination**

The **disparaging languages** was used to describe employees with racial undertones, underscores company's commitment to respecting rights and dignity of its workforce

01

### **Challenges to JFK8 Election results**

By **contesting election outcomes and questioning integrity** of NLRB.

Amazon seeks to undermine legitimacy of unionization process while maintain control over its workforce.

# ACTIONS (ISSUES 1)

## WORKPLACE SAFETY/INJURIES



**According to Amazon's official website (2023), significant investments have been dedicated to workplace safety. From 2019 to 2022, \$1 billion was invested in safety projects (unrelated to COVID-19), and in 2023 alone, \$550 million was committed to these efforts.**

- Amazon adopts a holistic safety approach, embedding it across operations.
- Shifts start with safety tips or discussions, emphasizing its importance.
- Decision-making prioritizes risk reduction and improving safety outcomes.
- Over 5,000 safety professionals in the U.S. focus on minimizing risks and ensuring employee safety.

# ACTIONS (ISSUES 1) (Amazon News, 2023)



## 1. Ergonomic design

- Invests significantly in improving ergonomic conditions to **reduce musculoskeletal disorders (MSDs)**.
- Use advanced **digital human modeling software** to assess risks and propose innovative solutions like engineering controls.
- Five-year partnership with the U.S. National Safety Council.
- Example: ErgoPick, Height-adjustable workstations, Job rotation.



## 2. Robotics

- Simplify tasks, reduce employee strain, and lower injury risks.
- **Minimize repetitive motions** like reaching, bending, or pushing heavy carts.
- In 2022, robotics sites: 18% lower recordable injury rates (RIR) and 21% lower lost time injury rates (LTIR).
- Example: Lifting and transporting carts, Package sorting, Containerized storage systems.



# ACTIONS (ISSUES 2)

## LABOR RIGHT (CASE1)



## People with Disabilities Are Welcome at Amazon

If you have a disability, you're encouraged to apply at Amazon.

Explore Roles Near You

### Amazon's Proactive Measures for Disability Accommodation (Amazonjobs website)

- 1. On-the-Job Accommodation:** Offers options to help associates with disabilities or medical conditions perform their job safely.
- 2. Work Wellness Coaching:** Provides virtual 1:1 coaching for Amazon employees with disabilities or medical conditions, focusing on executive functioning skills like memory, organization, planning, focus, stress, energy management, and communication.
- 3. Vocational Rehabilitation:** Offers services to assist employees in returning to work. Consultants collaborate with associates to create individualized action plans.
- 4. Mental Health and Well-Being:** Focuses on employee wellness, reducing stigma, and raising mental health awareness within a safe community.

# ACTIONS (ISSUES 2)



## 1. Wellness Services Program

- Amazon's Wellness Services Program **provides on-site first aid.**
- Over 1,200 onsite medical representatives, mostly EMTs, staff Wellness Centers and Amcare locations.
- **200+ Injury Prevention Specialists** focus on **preventing injuries** and **promoting ergonomic practices.**
- OMRs and IPSs adhere to detailed protocols.
- Emphasis on employee autonomy in seeking off-site medical care.
- OMRs and IPSs **refrain from diagnosing or excusing employees from work.**

(Amazon News, 2023)

## 2. Mental Health Program

- Offerings include an **Employee Assistance Program** and **health plan benefits.**
- Tens of thousands of managers **received mental health awareness training** in 2022.
- Guided programs, coaching, and counseling sessions are available.
- Awarded the **Platinum Bell Seal** by **Mental Health America.**
- Amazon fosters a culture of wellness and continual improvement in employee safety.

(Amazon News, 2023)



# ACTION 3 : BROKE THE LABOR LAW (ISSUE 3)

## New York Attorney General: Amazon's Firing of Worker May Violate Labor Law



One article that discusses Positive Actions by Amazon in Response to Labor Law Violations. This title highlights the potential legal issue, the specific law involved, and the context of the protest over workplace safety, while attributing the statement to the New York Attorney General. It also addresses concerns raised by the attorney general regarding **Amazon's safety measures** and the termination of the employee at the Staten Island warehouse. (Secon, H. 2020)

# ACTION 3: BROKE THE LABOR LAW (ISSUE 3)



## Enhanced Employee Benefits

- **Increase in pay.** In 2018, the corporation established a minimum wage of **\$15 per hour** for its U.S. employees, which is much **more than** the government minimum.
- Comprehensive health coverage. Employees receive medical, dentistry and vision insurance, **guaranteeing** that they and their families can **access critical healthcare services.**
- Amazon has launched a variety of **professional development** and **educational programs.**
- For example, the "**Career Choice**" program pays 95% of employees' tuition for courses in high-demand disciplines, regardless of whether those abilities are related to an Amazon profession.
- In response to criticism about **worker safety**, Amazon has implemented a number of **safety precautions.** (FreshEssays. 2023)



## Diversity and Inclusion Initiatives

- Amazon has made concerted efforts to create a **diverse and welcoming workplace.**
- The corporation has implemented several programs to promote diversity, equity, and inclusion (**DEI**).
- These initiatives include **training programs** on unconscious bias and inclusive behavior for all employees, including managers and executives.
- The organization monitors diversity data to **stay accountable** and create targets for continual progress. (FreshEssays. 2023)

FreshEssays. (2023). Analysis of Amazon's ethical issue of disregard for workers' rights. FreshEssays. Retrieved from <https://samples.freshessays.com/analysis-of-amazons-ethical-issue-of-disregard-for-workers-rights.html>

# RECOMMENDATION

## TESLA (Issue workplace safety/injuries)

Employees at Tesla's Austin facility have reported unsafe working conditions, including incidents such as physical altercations, explosions, and being caught by large robotic equipment. (Alex Inwood, 2023)

### Improvement of Training Programs

- Tesla has opened a new training center aimed at providing their production employees with **essential manufacturing skills**, emphasising the **importance of ergonomics** and **safe working practices**.
- Training programs are regularly updated to incorporate new safety guidelines and practices.
- This training is designed to equip employees with the necessary knowledge before they begin work on the production line.



Alex Inwood, (2023)

<https://www.whichcar.com.au/news/teslas-gigafactory-plagued-by-safety-issues>

# WAL-MART (ISSUE BROKE LABOR LAW)

## HOW WAL-MART STOPS WORKERS FROM UNIONISING?

According to Human Rights Watch, Wal-Mart's aggressive tactics to prevent the formation of labor unions often breached federal laws and infringed on the rights of its employees. ( Steven, 2007)

- Wal-Mart encourages **open communication** among employees, allowing them to voice their ideas and concerns.
- Wal-Mart has **increased wages** for full-time employees to an average of \$10.51 per hour and **provides health insurance plans** with premiums starting at \$23 per month across the country.
- Wal-Mart provides competitive wages and health benefits to discourage workers from unionizing.



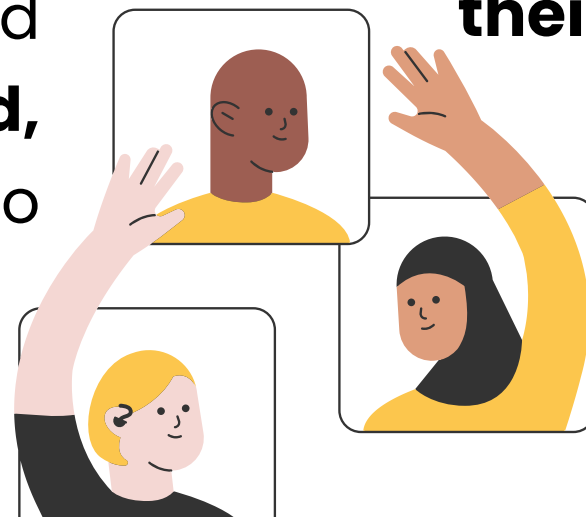
Steven, (2007)

<https://www.nytimes.com/2007/05/01/business/worldbusiness/01iht-walmart.1.5513153.html>

# GROUP'S OPINION (RECOMMENDATION)

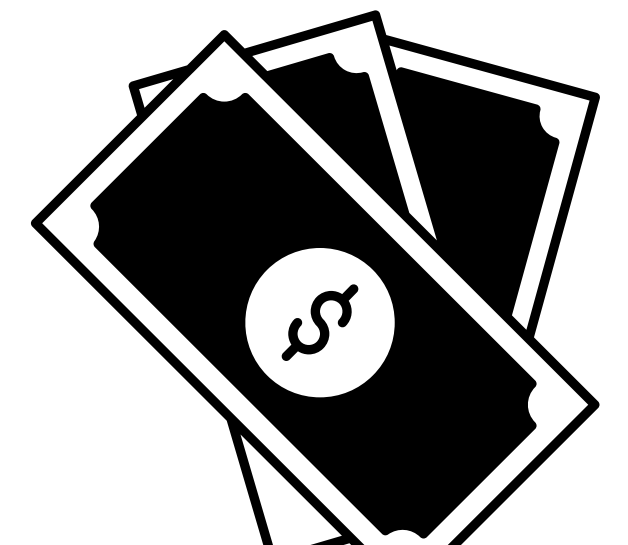
## Address staffing needs/ Maintain sufficient staffing levels.

- Amazon can reduce workplace accidents by **addressing its staffing needs effectively**. Overtime hours are implemented because of low staffing levels.
- They need to **ensure there are enough team members** to complete tasks on schedule can help prevent employee burnout and overwhelm.
- Employing enough staff can **decrease the necessity for overtime** and provide employees with more opportunities for breaks.
- When employees receive sufficient rest and time off, they are more likely to **feel motivated, engaged, and focused**, ultimately helping to prevent accidents.



## Avoid using compensatory time (comp time) as a substitute for overtime pay.

- Private employers are not permitted to offer future time off in exchange for overtime worked currently.
- **Compensatory time cannot be accrued** or "**banked**" for future use.
- Even if employees agree, offering compensatory time violates the **Fair Labor Standards Act**.
- Employee consent is **insufficient to excuse** the employer from **breaking the Labour Law**.
- Amazon must ensure that **employees receive their proper pay every payday**.



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# APPENDIX (TURNITIN REPORT)

Issue in IB presentation.pdf

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GROUP 6

THANK YOU

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