

**Ministry of Education and Science of Ukraine**  
**Ukrainian-American Concordia University**  
*Department of International Economic Relations, Business & Management*

Bachelor's Qualification Work

**Evaluation of management effectiveness in the organization**  
(On the basis of Amazon Inc.)

Bachelor's student of

Field of Study 07 – Management  
and Administration

Specialty 073 – Management

Educ. program – IT Management

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Kyiv – 2022

## Abstract:

In this era of technology and a technology-driven economy, everything is almost digital. Office workers engage in high levels of sitting time. Effective, context-specific, and scalable strategies are needed to support widespread sitting reduction. This study aimed to evaluate organisational-support strategies alone or in combination with an activity tracker to reduce sitting in office workers. The complexity of analysis and the importance of use of performance measures provide a way to review the strengths and weakness of eight different ways to utilize performance measures. Among the topics to be addressed are dashboards, process improvement initiatives, self-assessment award frameworks, and integrated management frameworks including the Balanced Scorecard. Finally, the article discusses which frameworks should be used for what purposes and what criteria should be used to select a framework.

**Keywords:** Organizational Assessment, Technology, Organizational Support, Management Frameworks, Performance analysis, Performance Evaluation.

## Анотація:

У цю епоху технологій та технологічної економіки все майже цифрове. Офісні працівники займають багато часу сидючи. Необхідні ефективні, залежні від контексту та масштабовані стратегії для підтримки широкого скорочення сидіння. Метою цього дослідження було оцінити стратегії організаційної підтримки окремо або в поєднанні з трекером активності, щоб зменшити кількість сидіння серед офісних працівників. Складність аналізу та важливість використання показників ефективності дають змогу переглянути сильні та слабкі сторони восьми різних способів використання показників ефективності. Серед тем, які потрібно розглянути, є інформаційні панелі, ініціативи з покращення процесів, рамки нагороди для самооцінки та інтегровані структури управління, включаючи збалансовану систему показників. Нарешті, у статті обговорюється, які фреймворки слід використовувати для яких цілей і які критерії слід використовувати для вибору фреймворку.

**Ключові слова:** організаційна оцінка, технологія, організаційна підтримка, основи управління, аналіз ефективності, оцінка ефективності.

**PHEE-institute «Ukrainian-American Concordia University»**

**Faculty of management and business**

**Department of international economic relations, business and management**

Educational level: **bachelor degree**  
Specialty: **073 “Management”**  
Educational Program **“Management”**

**APPROVED**

Head of Department \_\_\_\_\_

“ ” \_\_\_\_\_ 202\_\_

**TASK**  
**FOR BACHELOR’S QUALIFICATION WORK**

**Aisha Umar**

(Name, Surname )

1. Topic of the work

**Evaluation of management effectiveness in the organization**

Supervisor of the work \_\_\_\_\_,  
(surname, name, degree, academic rank)

Which approved by Order of University from **“22” December 2022 №22-12/2022- 3c**

2. Deadline for bachelor’s qualification work submission **“16” May 2022**

3. Data-out to the bachelor’s qualification work \_\_\_\_\_  
to the bachelor thesis materials received during the consultation with the representatives of Amazon Inc. company

4. Contents of the explanatory note (list of issues to be developed)

There are three main topics/tasks for the thesis: theoretical and methodical bases of management effectiveness; research of the organizational and economic mechanism of management efficiency of company; development of measures to improve the management of the enterprise.

5. List of graphic material (with exact indication of any mandatory drawings)

Graph for illustrating the dynamic of financial indicators of the company activity and schemes for visualization the international organization management system of the company.

## 6. Consultants for parts of the work

Part of the project	Surname, name, position	Signature, date	
		Given	Accepted
<b>1</b>	<b><i>Syerova</i></b>		
<b>2</b>	<b><i>Syerova</i></b>		
<b>3</b>	<b><i>Syerova</i></b>		

## 7. Date of issue of the assignment

### Time Schedule

№	The title of the parts of the bachelor's qualification work	Deadlines	Notes
1.	I chapter	<i>14.02-13.03.2022</i>	<i>Done</i>
2.	II chapter	<i>14.03-10.04.2022</i>	<i>Done</i>
3.	III chapter	<i>11.04-24.04.2022</i>	<i>Done</i>
4.	Introduction, conclusions, summary	<i>25.04 – 01.05.2022</i>	<i>Done</i>
5.	Pre-defense	<i>06.06.2022</i>	<i>Done</i>

Student \_\_\_\_\_  
(signature)

Supervisor \_\_\_\_\_  
(signature)

Conclusions: \_\_\_\_\_

*The bachelor thesis of Aisha Umar is relevant and devoted to the efficiency of management. The reviewed bachelor thesis consists of content, introduction, 3 sections, conclusions, and recommendations. The content of the paragraphs is fully complied with the parts' titles and the topic of the bachelor thesis. The content and structure of the work meet the requirements and current standards for obtaining an educational bachelor's degree. Illustrative materials facilitate the perception of presented information and indicate persistence in the collection and processing (analyzing) of statistical data. The practical significance of this bachelor thesis is proved by the opportunity of using of proposed improving set of measures on the company. Proposed recommendations will increase the efficiency of management system of the company. The bachelor thesis is a completely independent study of current theoretical and practical aspects of management. The bachelor thesis of Aisha Umar is recommended for defense with the highest score.*

Supervisor \_\_\_\_\_

(signature)

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## **Introduction**

The evaluation of the effectiveness of any organization is the key factor that determines whether or not an organization will be successful in any project that it undertakes. A lot of work, methods, techniques are employed when it comes to evaluating a company's work, its employees and the work that it does. In fact, big companies that Amazon, Facebook, Google, etc. even hire specialists to do that job. Other countries however, have special rules and regulations for every big corporation to follow when evaluating its employees or projects.

For example, in China, no organization is allowed to investigate or evaluate their own performances. Especially if the company offers services like restaurants, fast-food chains, water companies, etc. This is all due to the fact that in past, some companies have been found to engage in poor hygienic services to their customers and as a result, the Chinese government decided to employ those measures as a way of measuring and evaluating a company's performances. Other company's also have their own special way of evaluating the effectiveness of their businesses.

Having worked at BlizzardBuildsworth, a Real Estate company, located in Western Africa, Nigeria. There, during my time, I was privileged to witness some of the methods my boss employed in evaluating how his company performed. We almost had like a tradition in the company that after every 4 months, there would be something like an exam, meant for the bottom tier, middle tier and top tier staffs, including the boss himself in the evaluation of staff's performances. Our company used a special software developed by the IT department, that would gather every information on the leads, sales and meetings that we had in a week. Then at the end of every week, that information would be scaled and the employee with the highest points would be regarded as top employee of the week. I, personally think that the method was effective, because it made everyone in the company want to be at the top. Also, the public acknowledgement and announcement of results made everyone want to be at the top.

We also had a special tradition of visiting our clients and interviewing them to see how satisfied they are with the services that they are being provided with. Because our company is a real estate company, it was very important to us that every home we sold or rented out was finished very well and that the residents occupying that house were as comfortable as possible. So, the visitation of past, present and future clients was something that our company took very seriously.

Another thing was, staying current and active on the market. Because Nigeria is a big country with huge population, the need and demand for homes are on the rise. And also, there is huge competition present there. Everyone wants to be the best on the market and everyone wants to maximize profits while providing the best services possible. One may ask, how do you stay current and active on the market? Well, I think it is very easy and pretty straightforward to do that. You just have to be creative and invent new ways to market and advertise your products and services. One unique way that we did that was the creation of a very short, yet informative promo video that kinds of explains what our company does and the kinds of services we provide. No one wants to watch a 10-minute video about anything. So, the idea was to make it short and interesting and I believe we had executed that very finely. Other ways of staying current in the market would be keep your customers engaged at all times. It could be through an open house tour, so the client has an idea of what he or she is buying. Besides, no one wants to do business with a robot. Every business wants to build some degree of trust when doing business with people. And what better way to do it than to that than finding fun ways to engage your customers.

Overall, I think the best way to achieve satisfaction in any business is through description of duties clearly. When employees know what their jobs entail, they tend to work more effectively and efficiently as compared to when they do not have a proper job description. The diagram below is going to paint us a vivid picture of how job description should look like.

The object of research is management system of an organization.

The subject of research is the evaluation of effectiveness in an organization.



Purpose of the final qualifying paper is the perfection of management system of effectiveness in an organization.

In order to get this right, the following steps have to be followed:

- 1) to give the organizational and economic characteristics of the object of research;
- 2) to analyze management system of the research object;
- 3) to assess the economic effectiveness in an organization;
- 4) to develop a recommendations of improvement of the enterprise activity.

The set purpose and assignments determined the structure of the final qualifying paper:

- Chapter I. Theoretical Analysis and Methodological Aspects of Evaluation of Management Effectiveness in Organization;
- Chapter II. Study of Management Efficiency of Company;
- Chapter III. Opportunities for Increasing Management Efficiency and Competitiveness of the Company on the Market

**Methodology:** observation methods (for collection of initial information for analysis), analysis of company's commitments implementation, statistical methods, analysis of the existing risk management system, analysis of assessment of risks, statistical methods, expert survey methods (for identification and assessment of risks), scenario modelling, graphic method (for graphical display of the received data).



## Chapter I. Theoretical Analysis and Methodological Aspects of Evaluation of Management Effectiveness in Organizations

### 1.1 Essence of Management Effectiveness in an Organization

Before even understanding how Performance Evaluation works, we must first have to understand the meaning of performance management. And so, by my own understanding, performance management is the process of evaluating or appraising a company or sets of employees to effectively understand their strengths and weaknesses.

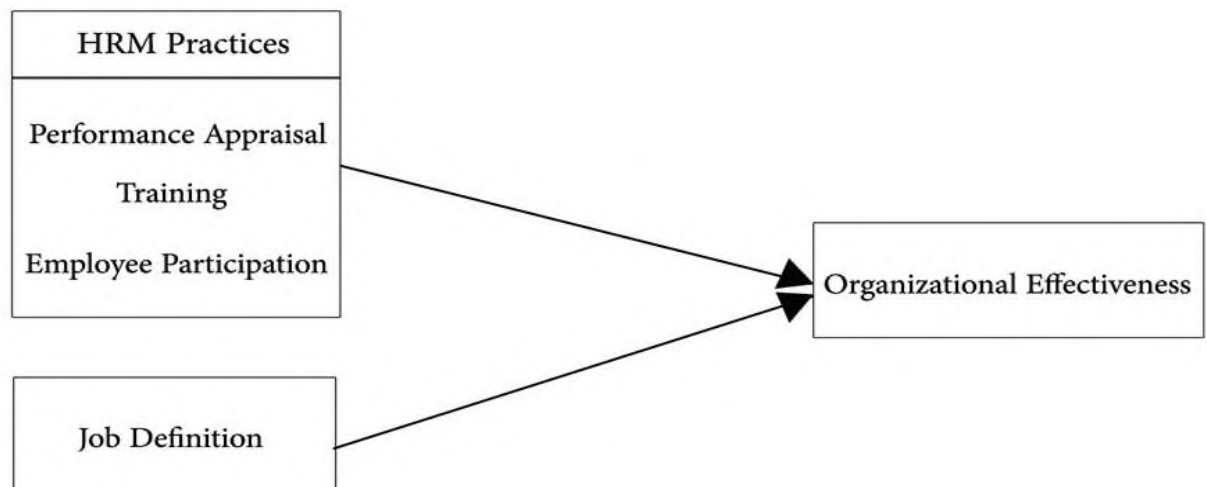


Fig. 1. Conceptual Frame Work

Source: made by the author

This framework was developed in order to better understand HRM Practices and the value it brings to the Organization. And of course, under HRM practices, there are a number of subset things considered like performance appraisals, trainings, etc.<sup>1</sup>

In a time where the technological progress has dramatically increased, the velocity with which the goods and services are produced and delivered has facilitated the

<sup>1</sup> European Journal of Business and Management, ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online), Vol.7, No.12, 2015.

communication between organizations, the most valuable factor for a more efficient function of a business remaining the human performance level.

The employees working under a performing management system know their priorities, their current activities, their goals, as well as how should they contribute to their team or their organization performance.

According to Anton Rotary and Adriana Prodan “the professional performances evaluation represents the process of establishing the way and the measurement in which the employee fulfils its duties and responsibilities that come with the job description, in comparison with the established standards and transmission of the results to the employees”<sup>2</sup>.

As a result, the performance evaluation has a central role and constitutes an important element or a fundamental component of the performance management system, furthermore the means through which the organizational objectives develop into individual ones. From this point of view, the performance evaluation holds a significant number of the performance management system characteristics.

Evaluating performances is the fundamental activity of the human resources management developed in order to determine the degree in which the employees of an organization efficiently fulfil the assigned tasks.

Evaluating performances is an efficient management process, in which the manager constantly performs a surveillance of the employees’ performance and offers feedback.

Some of the main important goals of personnel policy are:

- The importance of time in making sure things are done quickly
- Clear explanation of employee rights and duties
- Just use of employee man power

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<sup>2</sup> Rotary A., Prodan A., *Managementul Resurselor Umane*, Editura Sedcom Libris, Ia i, 1998.

**The evaluation of the employees by their superiors** is manifested by different assessments that the superior makes. This type of evaluation is based on the presumption that the manager is the most qualified to realistically, objectively and correctly evaluate the performances of each employee, and the “unity of command” principle underlines this approach. Within an evaluation system, the superiors’ assessments have to be objective and based on the present performances. To achieve this goal, the manager has to keep a strict record of what the employees did or did not perform, a record of individual performances, so not to forget certain achievements of the employees during the time. The assessment is an important part of the personal file of the employee. Managers and employees have different assessment elements when dealing with the system of evaluating performances. The manager appreciates the system according to the way in which it helps to establish and communicate the performances to the employees. The employees appreciate the system according to:

- the salaries and rewards are based on the evaluation;
- the evaluation are based on the present performances;
- the performance standards are consequently applied;
- it is assured the double communication between the manager and the subordinate.

**The evaluation of the superiors by the subordinates** is a frequent applied concept in some organizations from all over the world and newer in Romania. It is considered that there are two advantages of this type of evaluation. The first one is that, in case in which the relations superior subordinate are critical, the subordinate’s evaluation may be useful to identify competent superiors. The second advantage is that a system like this determines the superiors to be responsible towards their subordinates. Nevertheless, this advantage might become a disadvantage when the superior – knowing that his subordinates evaluate him/her – tries to be “pleasant” and conciliating.

A major disadvantage is the negative reaction of many superiors to be evaluated by their subordinates. The fear of the subordinates of retaliation from their superiors may lead to

unrealistic evaluation. The principles of the relation superior-subordinate may deteriorate or distorted by this type of evaluation. The problems and disadvantages connected with the evaluation of the superiors by the subordinate may be eluded by moderately use of this system in some special situations.

**Self-evaluation** may be used in some situations. In fact, self-evaluation is an instrument of self-development that determines every employee to identify its strong points and weaknesses and to establish certain tasks to improve its proficiency and work results. Self-assessment produces strong feedback and may be a way of increasing every employee trust in its ability to fulfil a certain given assignment.

**External Evaluation** is completed by groups of specialists, experts from a certain field of activity. The external experts are requested in special cases when higher rank persons are to be evaluated or to determine the potential of a person before a possible promotion. This way of evaluation has the disadvantage that the external experts do not know all the specific aspects of the organization and furthermore is expensive and time consuming.

An external, clear and useful source is considered the group of the clients, suppliers and consumers of the organization products and services, which on different ways may supply information that enlighten the way in which the employees fulfil their duties and may influence the organizational performances.

The need for the evaluation of an organization's performance is not only needed, but essential and very critical to the growth and development of that organization. You do not expect to get results when you do not pay attention to the activities going on in your organization. Big companies like Amazon and Apple have a special team and all the necessary tools needed to efficiently and effectively carry out that assignment. Some companies even use a special software and computer programs to keep track of everything happening in the corporation so as not to miss anything and so as to be better informed.

When you want to cater for your customers and keep all of them happy and satisfied, then there are a certain guidelines and rules that you must follow to achieve that. And when a

company integrates those guidelines and rules as part of the company's norms, then operation becomes easier and even more productive. Employees feel more important because after every work or assignment, they get feedback on the job they had completed. and sometimes feedbacks are underrated, but I think they are one of the most crucial things in getting the company to the top and above all your competitors. When an employee finishes a job and he or she is not given feedback, then it would just be like a blindman walking alone with no support or with little means to indicate which direction they want to go. Giving feedbacks does not only boost performances, but it also makes the employee feel wanted and appreciated. Now, we are going to look at some of the reasons why performance evaluation is necessary:

- i. It allows the organization to know what part of the organization is performing best and what part is lagging
- ii. Gives the company a financial edge that will in turn boost their race in the market and make them top their competitors.
- iii. It motivates the underperforming employees
- iv. It maintains equality between all the employees.

There are also steps to consider when evaluating a company's performance. The figure below is going to give us a better understanding of the necessary steps needed in the hunt for that.



Fig. 2. Performance Evaluation

Source: made by the author

The performance evaluation diagram gives us an idea of the steps taken in the proper evaluation of performances in an organization. From stating the purpose to setting an example for employees in the company. These steps all add up to the bright performances of an organization.

## **1.2 Mechanism of Evaluation of Management Effectiveness in an Organization**

We first have to understand the concept of evaluation and how it works. So, what is Evaluation? Evaluation is carefully collecting information about something in order to make necessary decisions about it. There are a large number and wide variety of evaluations. Evaluation is closely related to performance management (whether about organizations, groups, processes or individuals), which includes identifying measures to assess progress toward achieving results.<sup>3</sup> Some of the steps also involved in the evaluation of Organizations are:

- i. Defining the problem
- ii. Collecting Information
- iii. Analyzing the information, you collected
- iv. Report back or share feedback
- v. Share and inform solutions to other company staffs.

When a company follows these 5 steps involved in the evaluation process, the probability of the company failing to reach top level is far less compared to when a company does not employ the methods mentioned above.

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<sup>3</sup> [https://www.amazon.com/dp/1933719087?m=A2TC72WHZRJ81Y&ref=sp\\_detail\\_page](https://www.amazon.com/dp/1933719087?m=A2TC72WHZRJ81Y&ref=sp_detail_page). Field Guide to Nonprofit Program Design, Marketing and Evaluation.



According to the general theoretical approaches to determining, the effectiveness of the broadest category is social efficiency. The economic efficiency of the country's economic complex, the efficiency of social production, and the efficiency of the enterprise's operations are its components. At the same time, economic efficiency can be considered in different aspects: according to the elements of the reproduction process (efficiency of production, circulation, consumption); in accordance with the factors of the production process (efficiency of the use of fixed assets, working capital, labor force, etc.); on a territorial basis, etc. The effectiveness of economic activity is also considered as a component of social efficiency.

The efficiency of economic activity as a set of different forms of economic relations of a certain country with foreign partners is estimated in three directions: a) by the level of government - at the level of the state, a separate region, a concrete enterprise, its units; b) by types of activities - foreign trade, scientific and technical cooperation, currency-finance, investment activity, joint venture, etc.; c) at a time interval - short, medium, and long-run.

In accordance with the mentioned membership, the final result of economic activity is determined according to the following aspects of the analysis:

- Institutional analysis, which provides an assessment of the political, legal, and organizational conditions for the implementation of economic activity;
- Commercial analysis (market analysis), which provides an evaluation of the current market situation (first of all, demand and prices) and an assessment of the probable changes in the market conditions;
- Technical analysis, which involves studying a set of techniques that allow you to carry out a certain economic operation or implement a project and find out the level of excellence of technical support;
- Financial analysis, which is carried out in order to justify the effectiveness of economic activity based on the interests of the owner;
- Economic analysis, which is carried out by comparing costs and results, and is aimed at determining the benefit to be received by the subject of economic activity,

the state, and society as a whole, in the case of the implementation of a certain type of economic activity; the task of such analysis also includes the definition of the risk with which this activity will be related;

- Social analysis, which provides an assessment of the social consequences of the impact of economic activity;
- Ecological analysis, the results of which conclude about impact of certain economic operations and projects on the environment and government policy about this.

The diagram below is going to illustrate better to us the steps taken in the evaluation process.



Fig. 3. Evaluation Process.

Source: made by the author

Assessing your business performance should be an ongoing process. It helps you identify areas that need to be improved before they become major issues.

### **1.3 Methodological Approaches to the Evaluation of Management Effectiveness**

The need for Evaluation does not only track the progress of an organization, but it also gives every employee working in that organization satisfaction, knowing that their company is going in the right direction. When an organization conduct its activities without any evaluation or appraisal, then it is almost like driving a car blindly. It would not be impossible, but it is still very dangerous since you do not know what direction you are driving in. For example, Amazon has a strategy that it employs in evaluating the company's progress and development quarterly. Even though Amazon is one of the largest corporations in the world making billions of dollars in profit every year, they still consider Evaluation to be a very important part of their activity. In my humble opinion, there are several reasons why a company would need to be evaluated or appraised.

1. Be able to track the company's progress both Internally and Externally
2. Creates a competitive advantage over the company's competitors
3. Makes the company well prepared for any crisis to come in the future
4. Gives the employees working there a cushion, knowing that they are working and employing the correct tools to execute their day-day tasks
5. Allows the company to turn negativity into positivity by allowing them to analyze a problem or crisis long before it happens.

As much as all the advantages have been listed above, there are also a lot of drawbacks when a company is not analyzed and evaluated properly. Some of those are:

1. Poor employee performances due to lack of feedbacks
2. High probability of the company failing in its operations
3. Creates all sorts of weaknesses for competitors to take advantage of
4. Creates a very confusing and chaotic environment to work in.

### **Steps in Organizational assessment: A Tool to Improve Your Performance**

To successfully evaluate any organization's performance, there are several steps to be taken in order to ensure success. In my own opinion, there are ways to effectively to that.

- Make sure you conduct external analysis before finally analyzing the internal sector
- Make sure you understand how the organization works
- Seek consultation where needed
- Do not be afraid to go back and ask questions in case anything is missing.

### ***How does OA Help your organization?***

Some of the uses of OA include the following points below:

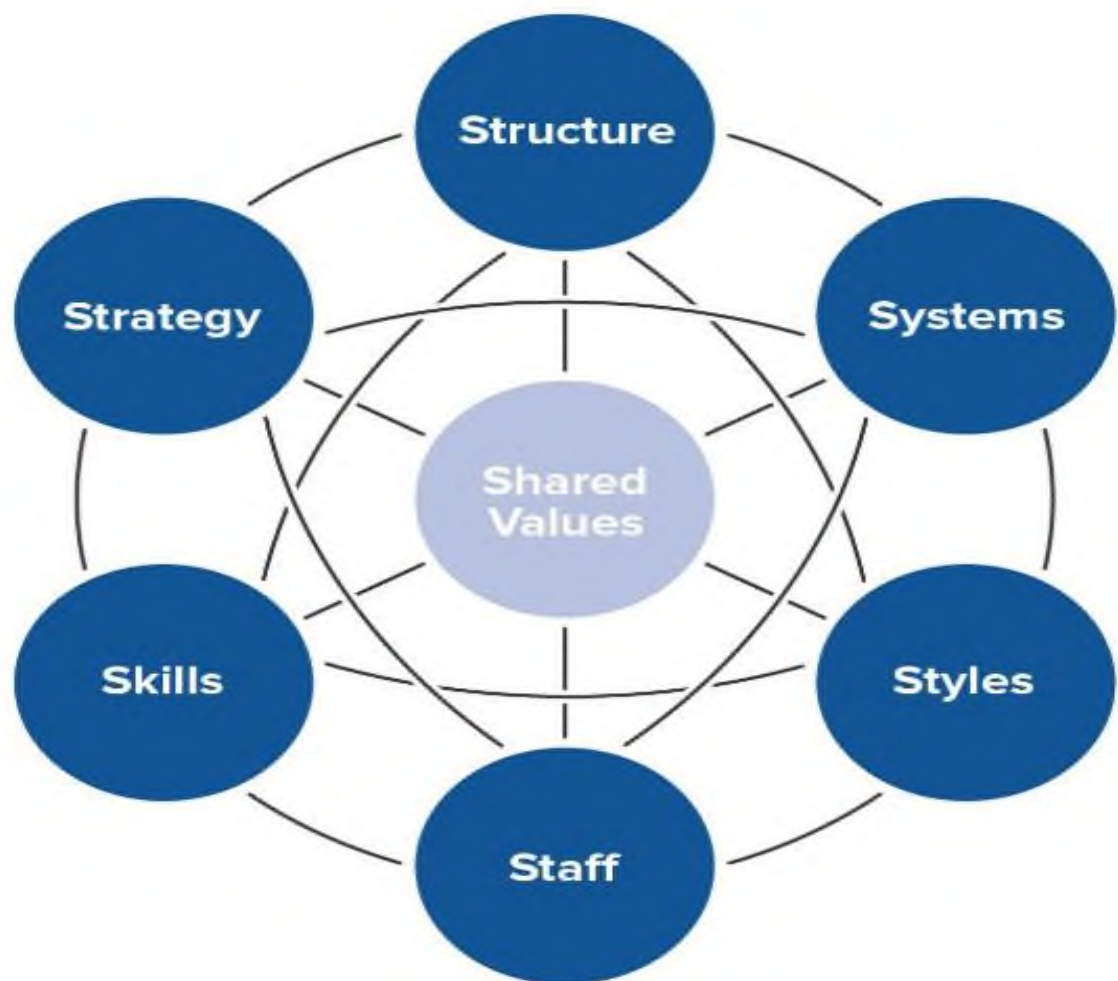
- It helps you run your business smoothly and successfully
- It allows you to better understand your organization and its operations even better.
- It helps your organization overcome its competitors and be the best in the market.
- OA helps employees bring out the best in themselves.

### **1.4 Organizational Assessment Models for Enterprise Transformation**

It is clear that Assessments have been used for generations. And of course, it is clear how important OA is. In my own opinion, OA is what determines whether an organization

will be successful or not. When there are proper rules and guidelines followed to achieve OA, then the chances of your company becoming successful is high.

During my time at BlizzardBuildsworth, there were special plans and rules set in place to make sure that company and employee appraisal was done in a timely and organized manner. And I can confidently say that it has helped the company grow to its full potential. Sometimes, OA can be taken for granted and underestimated because employers or the people running the company don't really understand the gravity of it. But when it is carefully studied and implemented correctly, I can tell you that it makes a huge difference. To better understand my point, below is a diagram that will give us an idea of an Organizational model;



#### Fig. 4. Organizational Model Graphical Design

Source: made by the author

It is sometimes difficult to stress how important OA is. Many people unfortunately underestimate its importance and the role it can play in ensuring that business operations are run successfully without any problems.

### 1.5 Assessment Modes

There are different Modes of Assessment employed by different Organizations. It is best to find the best model that works for your company. You are not expected to use just any type of model that suits you. It is sometimes a tedious and difficult job to do, but when you get it right, your company is also at the same time expected to be successful. So, some of the models are going to be discussed below.

**Managed or External Assessment:** This can sometimes be viewed as internal and external evaluation. And by internal, I mean that the assessment is being carried out internally either by the top management or low-tier management. And by external evaluation, that is people are being hired from the outside to carry out that assessment.

And of course, different companies have different ways of achieving that, depending on what suits your company. It is very important to find the right set of tools to do so. If this step is not achieved properly, then it may cause serious harm to either you or the company as a whole.

**Self-Assessment.** This is otherwise referred to as self-assessment. In this case individuals working in the organization are being assessed either by the people in charge of them or a survey. Just like how at the end of every semester at our university, the school hands out survey questions to students to assess the course they took. By doing that, it gives the university a better understanding of what to improve or change and of course it better improves every student's performance.

Table 1: The different types of Organizational assessments

	<b>Internal/External</b>	<b>Hybrid</b>	<b>Self-Assessment</b>
<b>Model Knowledge Resources</b>	Crucial	Crucial	Numbered
	Poor	Okay	Top
	Top	Okay	Poor
<b>Time</b>	Poor	Poor	Crucial
<b>Bias Best Uses</b>	Poor	Okay	Crucial
	New tool or model is used	For long-term work or contracts	Encourage d to better improve performance

Source: made by the author

### 1.6. Comparison of Organizational Assessment Tools

There are a number of Organizational assessment tools. Just like how I stated previously, an organization has to be able to choose and see what works for their company. You cannot just go ahead and choose any type of assessment just by thinking it would work. When you do that, then your chances of failing in any project you undertake is high. So, what some companies do is, they sometimes hire experts to analyze the organization both externally and internally. When that is carried out, then it helps the people there make a decision on the type of Organizational assessment tools to choose. And of course, different companies have different types of tools that they use, depending on your capability and

depending on what suits your needs better. So, below are some of the types of tools that some organizations use;

### *Causality*

As any expert would tell you, if your firm is facing any sort of difficulty, then the first thing to do is to identify the cause of the problem. Because I believe that when the cause of the problem is identified, already 50% of the problem has been solved. And so, by definition, causality is the relationship between the problem and the solution. And this brings us back to the original question of the importance of Organizational assessment. When OA is absent in any organization, then be rest assured that even if a problem arises, it will be very difficult to identify. That is why in my own opinion, the importance of OA cannot be played with.

Now of course, if an external agent is the one evaluating your company, there are many factors that can influence his/her decision if necessary, information is not made available to that person. It is encouraged that everything be disclosed to that person to help understand the reason for the evaluation.



## **Chapter II. Study of Management Efficiency of Company**

### **2.1 Organizational Structure and Characteristics of Financial and Economic Activity of the Enterprise**

The study of Management Efficiency is very important and delicate in every Organization. It is through that that a Company's performance is understood and known. Let us take real estate industries for example, in Nigeria, these companies are the ones performing on a really high level and bringing in the big profits. But of course, it does not come easy. There are a lot of obstacles for a company to overcome before solidifying its position at the top. And the most integral part is the management. Once you get that wrong, then be rest assured that every other thing is going to come crumbling down.

In a time where the technological progress has dramatically increased, the velocity with which the goods and services are produced and delivered has facilitated the communication between organizations, the most valuable factor for a more efficient function of a business remaining the human performance level.

The employees working under a performing management system know their priorities, their current activities, their goals, as well as how should they contribute to their team or their organization performance.

According to Anton Rotaru and Adriana Prodan “the professional performances evaluation represents the process of establishing the way and the measurement in which the employee fulfils its duties and responsibilities that come with the job description, in comparison with the established standards and transmission of the results to the employees”.<sup>4</sup> As a result, the performance evaluation has a central role and constitutes an important element or a fundamental component of the performance management system, furthermore the means through which the organizational objectives develop into individual ones. From this point of view, the performance evaluation holds a significant number of the performance management system characteristics.

Evaluating performances is the fundamental activity of the human resources management developed to identify which the employees of an organization efficiently fulfil the assigned tasks.

Evaluating performances is an efficient management process, in which the manager constantly performs a surveillance of the employees’ performance and offers feedback.

The assessment process may be used by organization and by the employees. The organization may have an evaluation on the quality of its employees and their capacity to obtain the desired performances. However, sometimes, the performance evaluation may produce some tensions, especially if it is not performed objectively. As for the employee, he/she may get to know the way in which the evaluation performed by his/her superior corresponds to his/her self-evaluation and if there is a correlation between the results of the work, the performances and the salary.

To improve to professional performances and abilities in the majority of Romanian organizations it is absolutely mandatory an efficient foresight of the future evolution of the

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<sup>4</sup> Rotaru A., Prodan A., *Managementul Resurselor Umane*, Editura Sedcom Libris, Iași, 1998.

work environment, the human resources activities, the motivation of the employees and the continuous professional development of the employees.

In this section, we are going to use Amazon Company as an example to better understand and have an idea of how Organizational Structures are. For huge companies like Amazon, you would expect to have a huge company structure considering they have over a million employees all over the world.

Below is the Company Structure of Amazon just to give you an idea of how the company is set up. Sometimes, to better understand how a company operates, the best way to do it is through the company's Organizational Structure.

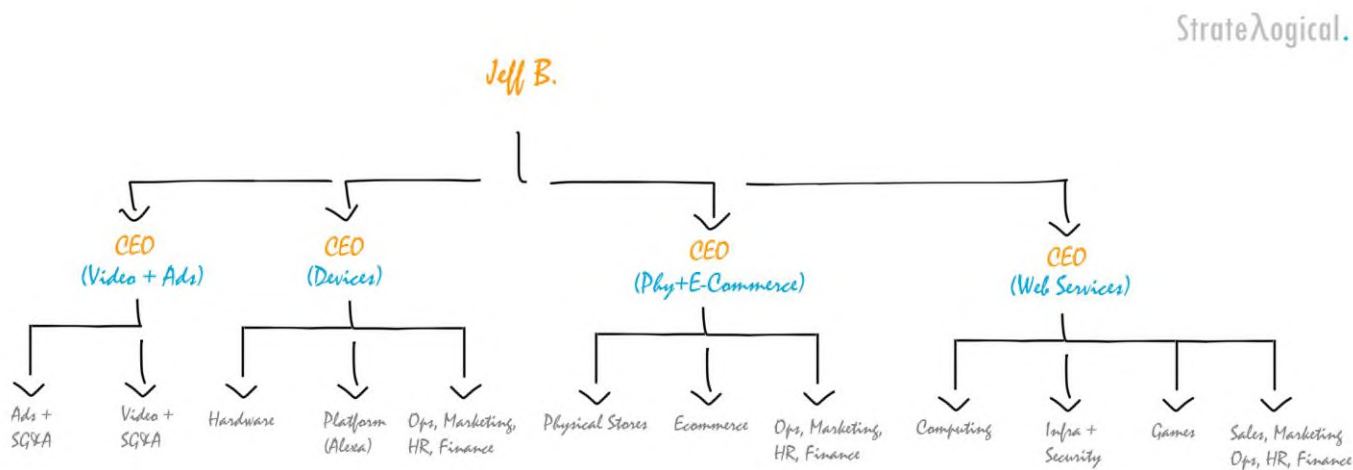


Fig. 5: Amazon Company Structure

Source: made by the author

The three Primary Components of Amazon's Organizational structure are:

1. Geographical Divisions and Subdivisions
  - a) This is divided into 2 groups. National and International
  - b) The location is also made available here
2. Global Hierarchy

- a) This determines how the firm is ranked world-wide
- b) The firm's employees and CEO is also determined how popular he/she is.

### 3. Global Groups on the Basis of Function

- a) This is the most important part of the firm
- b) The main goal is to know how efficient the company is running

Some of the pros of Amazon are;

- i. The structure of the firm is organized.
- ii. Better implementation of rules
- iii. The market activity of the company is consistent.

Based on statistics, more than 60% of the firm's products are sold by a third-party business not by Amazon.

Below is also another figure that explains the financial well-being of Amazon. Although we already know that Amazon is a company that is doing well, but it is sometimes needed because just like any other company, it sometimes undergoes through financial difficulties.

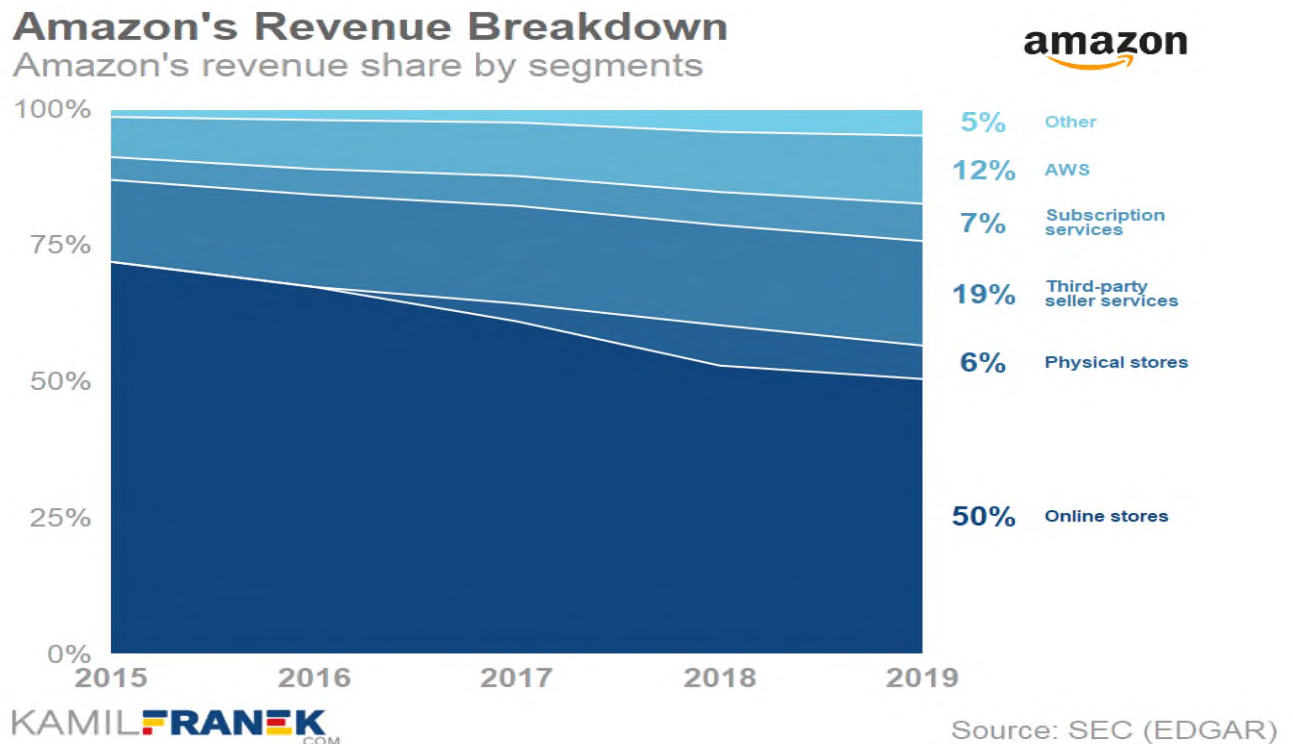


Fig. 6: Amazon's Revenue Breakdown

Source: <https://www.kamilfranek.com/amazon-annual-report-financial-overview-and-analysis/>

The chart above shows how Amazon makes its money. Of course, for a company like Amazon, you expect it to have several income channels either through commercial activities or through the products and services it offers. During my presentation, I will be sure to explain some of Amazon's figures of the last 10 years as shown in the diagram above.

Some of the Characteristics of Amazon's Financial Activity include:

I. 50% of the revenue that Amazon achieves is coming from online stores. And this is not a huge surprise for me as the company started online. But what is

interesting is how the company grew and got to the position it is today. You don't get there by just doing nothing, clearly, Amazon has a special technique it uses.

II. Also, another thing that is interesting is majority of Amazon's revenues does not come from Amazon directly selling its products and services to its customers, rather it is all being done by a third-party seller. And I think that is genius.

III. Also, another revenue stream for Amazon is through its AWS Company. What they do is they offer computing services to all these IT companies to rent. For example, when a company is looking to start a business and does not have the resources to buy some computing things, Amazon offers that type of service.

## **2.2 Analysis of Management System of Company**

For a company to be successful, there are important factors or evaluation processes that is being followed. Some of the popular way to do that is through PESTLE Analysis. To better understand that, PESTLE analysis is carried out to have a competitive advantage. During the course of that analysis, a lot of things are being discussed and carried out. When all of those factors are analyzed, then the company will know its strengths and weaknesses.

a) Countries like the states and European countries are advanced

- b) Support from the Government
- c) Strengthening cyber-security

### 1. Economic Factors Important to Amazon

This depends on the part of the globe that the company is operating from. When a country is economically stable, then you would expect any organization operating from that region to be doing well.

- a) Countries like the states is a good example. Many successful companies are located and operated from there.
- b) Increasing business opportunities in that region.

### 2. Social/Sociocultural Factors Influencing Amazon

Social factors are also some of the factors that can affect any business's income. For example if you are a food company and selling pork in Muslim countries, then you are likely to have low income.

- a) Wealth gap
- b) Increasing opportunity in third-world countries

### 3. Technological Factors in Amazon's Business

Technological factors are also some of the factors to take into consideration when operating in a new environment;

- a) The threat and opportunity available
- b) Effectiveness and Efficiency of the Opportunities available.

### 4. Ecological/Environmental Factors

Also, another important factor is the ecological/environmental factors. And I feel this is the most important because if you do not have a proper understanding of how your surroundings are set up, then you are bound to fail.

- a) The rates and taxes in that region
- b) Opportunities available in that region.

### **2.3 Assessment of the Efficiency of the Enterprise**

Competitors are the firms that compete to serve the same customers in the same marketplace. Competitors can compete directly or indirectly. Competition happens on two levels: Product or service competition.

1. Low Cost-leadership: Every company's dream is to be able to manufacture lots of products or service at a cheaper rate. This determines whether or not a company is efficient or not. When a firm is able to achieve that, then the chances of it being successful is high.

2. Product differentiation: No company wants to have the same product as any other company. Because when that happens, the market becomes saturated and then the consumer's choice becomes difficult. For example, Apple company is viewed to be unique because of its products and services. Although Samsung is thought to be a strong competitor, a lot of people still view apple's products to be unique and special.

3. Focus Strategies: This is a strategy used by many businesses to ensure that the strategy it employs is focused on a particular good or service. When you have businesses jumping from one particular point to another and confused on the type of service or product it was initially providing, then that becomes a problem. The main aim of every business is to make their customers happy and satisfied with the products they are offering. When that is achieved, it is considered to be a success.



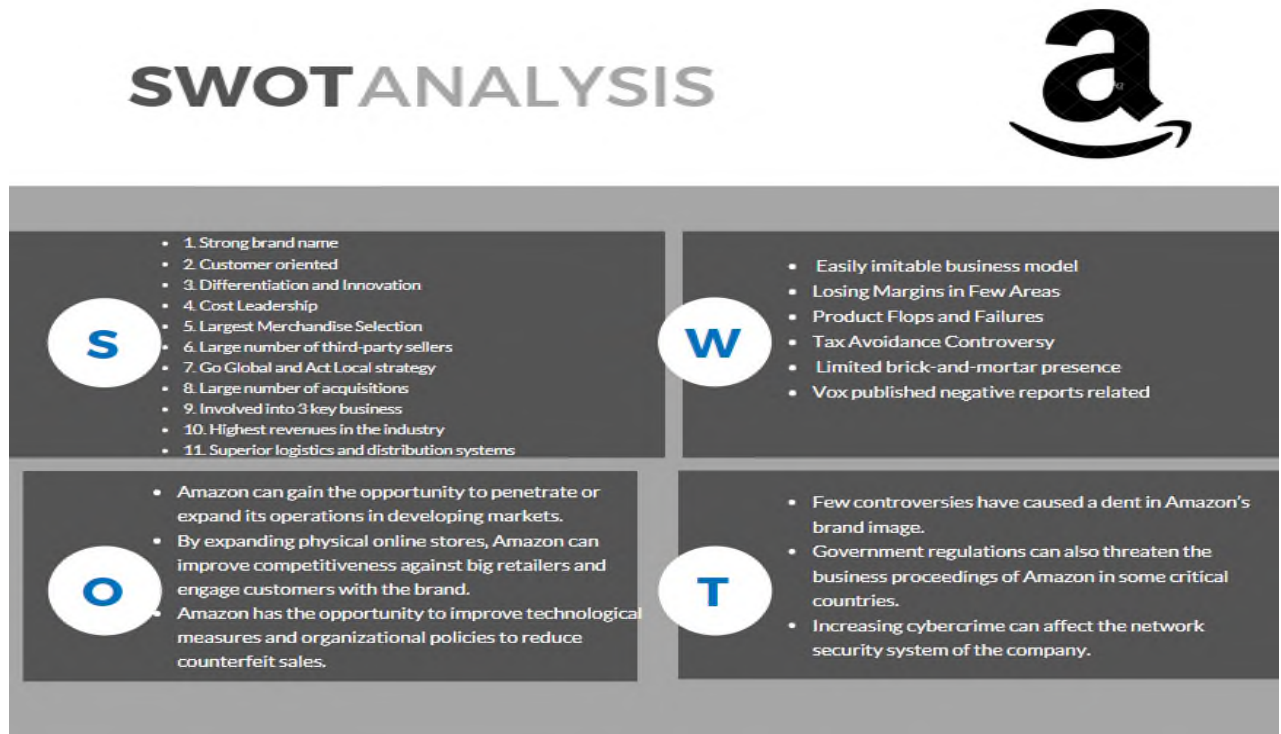


Fig. 7: Amazon SWOT Analysis Diagram

Source: <https://phdessay.com/wp-content/uploads/2017/06/SWOT-analysis-amazon.png>

### Amazon Strengths

- Strong brand name
- Customer oriented
- Differentiation and Innovation
- Cost Leadership
- Largest Merchandise Selection
- Large number of acquisitions
- Involved into 3 key business
- Highest revenues in the industry
- Superior logistics and distribution systems

Amazon is one of the oldest and time-tested portal providing multi-branded quality products worldwide. Amazon has products in every possible segment, ranging from white

goods, books, brown goods, electronics, toys, kitchenware and much more. The last two decades has seen a phenomenal growth for the global e-commerce giant, Amazon.

Amazon is a retail giant. It's a monopoly in its own right. It offers fast shipping, made faster when you subscribe for their Prime membership — plus video, music, photos, reading, and many discounts. These offerings make Prime membership (lower cost to students) appealing to consumers in many ways.

Additionally, Amazon has strong brand power; people know it by name and use it for discounts, low shipping rates, and product selection. Amazon also has a low-cost structure, as third parties sell through the site and Amazon sees profits.

Also read about importance of commerce in modern world

Amazon is extremely customer friendly when it comes to acquiring new customers and continuing with on-going customers. As per data, 55% of its customers are repeat buyers, thus this data talks a lot about the trust that the buyers have on Amazon. The added advantage being, Amazon has to spend less money in acquiring new customers. Amazon's robust CRM helps capture all the details, especially for new buyers.

### **Amazon Weaknesses**

- Easily imitable business model
- Losing Margins in Few Areas
- Product Flops and Failures
- Tax Avoidance Controversy
- Limited brick-and-mortar presence
- Vox published negative reports related

Amazon has an incredibly thin profit margin in order to sustain its cost leadership strategy, as well as, its promise of free delivery. Lack of focus on profitability in general and a low-profit margin, in particular, makes the business vulnerable to external shocks and crises and other changes in the marketplace. In other words, due to low-profit margins with negative implications on the level of liquidity and cash reserves, Amazon may find it

difficult to go through the phases of low demand for its products and services caused by changes in the external environment.

Amazon.com Inc. has a business model that others can easily imitate. For example, other firms could easily establish an online retail website that sells just about anything. Also, Amazon generates most of its revenues from developed countries, such as the United States. When other firms become fully established in developing markets, it would be difficult for Amazon to penetrate and compete in such markets.

Amazon has been running in losses especially in the developing nations, as it is yet to make a mark in the developing nation, thus a major loss in aggregate.

#### Opportunities

- Growing physical online stores, Amazon can improve competitiveness against big retailers and engage customers with the brand.
- Can do backward Integration by bringing in-house brands in distinct product categories to differentiate its offerings.

Expansion mainly in Asian; developing economies will help Amazon because those are the markets with low competition in E-commerce industries; are not saturated like developed economies. By having a physical Amazon store in a few locations, the company can increase its brand association and familiarity with the consumers for increasing reliability and repeat purchase.

Another opportunity, which Amazon can capitalize on, relates to it rolling out more products under its own brand instead of being a forwarding site for third party products. In other words, it can increase the number of products under its own brand instead of merely selling and stocking products made by its partners. Own branded products would offer attractive and exciting discounts and offers, thus attracting more consumers and increase stickability.

## Threats

The competition will increase due to the low barriers to entry in the market since offline companies are coming online. All successful Internet businesses attract competition. Since Amazon sells the same or similar products as high street retailers and other online businesses, it may become more and more difficult to differentiate the brand from its competitors. International competitors may also intrude upon Amazon as it expands. Those domestic (US-based) rivals unable to compete with Amazon in the US may entrench overseas and compete with them on foreign fronts. Joint ventures, strategic alliances and mergers could see Amazon losing its top position in some markets. The local brands like Alibaba and Flipkart despite being smaller pose a formidable threat.

Table 2: SWOT Analysis of e-companies

<b>Amazon SWOT Analysis 2021</b>	
<b>Strengths</b>	<b>Weaknesses</b>
Currently Number one in its position making it difficult for its competitors	Many companies like that are upcoming
<b>Opportunities</b>	<b>Threat</b>
The chance to expand and grow extensively	Cyber security threats is considered a proble.
<b>eBay SWOT Analysis 2021</b>	
<b>Strengths</b>	<b>Weaknesses</b>
Largest Internet market in the world. Not a strong competition Focusing on local markets System of payment. Reputation of the mark.	High expenses. No other strategy of growth.

<b>Opportunities</b>	<b>Threat</b>
Increasing of mobile customers. Becoming a retailer market. services and product growing Opening more international e-stores.	Safety of being online. Retailers with regional low cost. Intensification of the competition of Amazon. Rates of exchange.
<b>Wal-Mart SWOT analysis 2021</b>	
<b>Strengths</b>	<b>Weaknesses</b>
Largest retailer in the world. Capability in IT. Broad line of goods. Cost strategy of leadership. Global operations.	Work dependent continuations. Bearing of the high personnel. Little differentiation. Bad publicity.
<b>Opportunities</b>	<b>Threat</b>
Ability to grow out of its existing market and increase its revenue	Big name companies like Amazon
<b>Target SWOT analysis 2021</b>	
<b>Strengths</b>	<b>Weaknesses</b>
Big market opportunities in the states to tap into.  Also known to be the number one gift cards issuer	Big name companies like Amazon and Walmart is a major factor
<b>Opportunities</b>	<b>Threat</b>
The company has the chance expand to foreign markets and grow from there	There is huge competition present there

Source: made by the author

Focusing on the Asian markets could help it generate better sales there. Another smart way of increasing sales is the use of smart stores. It seems Amazon is already planning to do something big through its grocery stores. However, it can try diversification

to increase its profits and generate new sources of revenue. Amazon is an established brand name but it can better use its potential to achieve higher profits.

### **Chapter III. Opportunities for Increasing Management Efficiency of the Company on the Market**

### 3.1 Recommendations of Improvement of the Enterprise Activity

Every company wants the chance to be number one in its region. There are many opportunities and available markets to tap into especially if the country is doing well economically. Like I stated previously, there are a number of special methods and techniques that a company can employ to make sure that high productivity is achieved. When that is done carefully and delicately, both the firm and its employees are expected to be thriving and heading towards success.

And so therefore, a lot of companies adopted a special method for the sake of solving any problem that comes up during the implementation of any special problem-solving methods. Below are some of the methods used by some big-name companies to ensure that there is successful implementation of those methods.

1. **Do Your Research and Bench-mark Best Practice:** If you are going to assess the qual-i-ty of your per-for-mance man-age-ment sys-tem objec-tive-ly, an impor-tant first step is to under-stand what “excellent” looks like for your business.

Spend some time read-ing the lat-est research into per-for-mance man-age-ment trends and best prac-tice. Look at some case stud-ies of organizations who have succeeded after revitalizing their per-for-mance man-age-ment sys-tem. To help with this, we’ve cre-at-ed a free eBook on effec-tive per-for-mance man-age-ment, which summarizes a wide vari-ety of research and case stud-ies into an easily digestible guide.

2. **State your goals clear and obvious:** A number of guid-ing prin-ci-ples have come to light in recent research into per-for-mance man-age-ment — such as the impor-tance of having regular future-focused “check-ins”, giving fre-quent feed-back and decoupling per-for-mance mea-sure-ment from developmen-tal perfor-mance discussions. But how effective your per-for-mance man-age-ment process is will ultimately depend on what you are look-ing to get from it.

For this reason, it's essential to be 100% clear on what your organization's goals for performance management are. This is something that should be discussed and agreed with your senior leadership.

A survey conducted by reward in 2014 found the most common goals for performance management were:

- 1) to improve organizational performance
- 2) to align individual and organizational objectives
- 3) to develop a performance culture
- 4) to improve individual performance
- 5) to align individual behavior to organizational values
- 6) to provide the basis for personal development
- 7) to inform performance pay decisions

**3. How to Measure Organizational performance:** Establishing Your Success Measures: Once you are clear of the goals of your performance management system, the next step is to establish what success should look like for each one. Here are some success measures for a selection of the common performance management goals above, to show you how to measure the effectiveness of your system against your performance management goals:

**Table 3: Performance management goals [2]**

<i>Performance Management Goal</i>	<i>Example Success Measures</i>
<i>Improve organizational / team performance</i>	<ol style="list-style-type: none"> <li>1) Increase in profitability of organization / teams</li> <li>2) Growth in revenue or other measures such as customer satisfaction</li> </ol>
<i>Improve individual performance</i>	<ol style="list-style-type: none"> <li>1) Quality and frequency of</li> </ol>



	<p>employee-manager performance conversations</p> <p>2) Percentage of employees with objectives set</p> <p>3) Quality of objectives</p> <p>4) Percentage of high and low performers in the organization</p>
<i>Encourage performance development</i>	<p>1) Amount of personal development activity undertaken</p> <p>2) Frequency and quality of feedback given</p>
<i>Increase employee motivation and engagement</i>	<p>1) Employee engagement survey results</p> <p>2) Impact of performance reviews on employee motivation levels</p> <p>3) Employee turnover rates</p>
<i>Inform performance pay decisions</i>	<p>1) Ability of managers to differentiate performance for pay purposes</p> <p>2) Satisfaction levels / perceived fairness of performance related pay awards</p>

*Source: Performance Management goals on Clearpointstrategy.com*

You'll want to know how easy your employees and managers find the processes and tools they use, how time-consuming they are, how managers take their time to ensure that those goals are implemented successfully.

**1) Evaluation of Your performance Management System:** Once you have established your success measures, it's time to start collating data and evaluating.

In order to fully understand your performance Management system, you will need a combination of both qualitative and quantitative data. Looking at quantitative figures such as company or team profitability or employee engagement levels in isolation will not help you to understand the direct impact performance management had on them — other factors will also be at play. Methods of getting useful qualitative and quantitative performance management data include:

- 1) Carrying out a dedicated survey of a selection of employees and managers on their views and experiences of the performance management process and tools and how they have contributed to achieving the desired goals
- 2) Focus groups
- 3) Extracting data and reports from your online performance management system (if you have one)

**2) Take Action on the Results:** The key to improving your performance management is to involve a variety of senior managers, managers and employees in discussions on how to make improvements. This will help you to get buy-in to the improved process and greater ownership from those who have to implement it.

Here are five suggested steps to improving your performance management processes:

- 1) Summarize the results and areas for improvement into a presentation that can be easily digested by those outside of HR.
- 2) Consult senior management on the results. Obtain their support for making changes and seek their ideas for how to make improvements.

- 3) Run focus groups with a variety of managers and employees from different areas of the organization. Discuss the results with them and ask for their suggestions for improvement.
- 4) Decide on what actions should be taken to address the issues discussed and draw up a proposed action plan. Discuss this with your senior management and manager/employee focus groups to get their feedback.
- 5) Make any required amendments to the action plan based on the feedback received, then implement the plan.

### **3.2 Improvement of the System of Material Incentives in the Process of Personnel Management**

Incentives are thought to be a very important way to keep any company thriving and successful. That is why all these big-name companies like Amazon, Apple, etc., are known to be successful. These big companies have a good strategy of ensuring that incentives are distributed evenly to ensure that employees are always happy and satisfied. Incentives in my own opinion is a very important thing not to forget when running a business and ensuring that your business is successful.

For example, in the company that I worked, BlizzardBuildsworth, the company had a special incentive's structure to keep all employees happy and contented. If an employee works hard and get the first spot at the end of the month, then on top of his/her salary, a special bonus is being added to make sure that other employees work harder to get there. Even for a company like Amazon where you would expect their bonus structure to be high, they ended up coming short on that. Just a few years back, the employees in Amazon lodged a complaint about the poor working conditions there. So, even if you happen to

work in the company that is regarded to be huge, not every time that employees feel appreciated.

The importance of Incentives is:

Incentives are a very important factor to ensuring that a company thrives and performs well. There are a lot of things that can be introduced as incentives, not necessarily monetary to making sure that employees stay motivated. Some of them include;

- Paid vacations for hard-working employees
- Paid health insurances
- Free transportation to and from workplace for employees
- Promotion
- Employee appreciation and recognition

To talk about some of the importance of incentives, the following can be considered;

- Keeping firm's personnel motivated
- Ensuring high productivity
- Meeting company sales target
- Consistency

The second fundamental principle is that strategy is a complex goal and that all organization roles need to be defined by goals derived from strategy—measured in key performance indicators (KPIs). Every company's goal is to have a strategy that works and suits the company. When you have that in place, then the chances of your company becoming successful is very high. There are numerous strategy that different companies employ. But to better understand the whole idea, below is a diagram that best explains it.

From setting up a good strategy to identifying your goal strategy to taking appropriate actions, all the way to getting the right people that best fit into your organization and finally monitoring the whole situation and providing feedback.

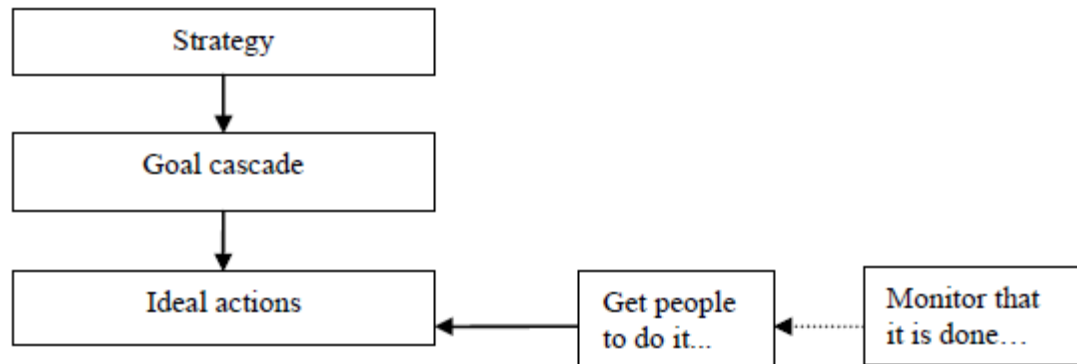


Fig. 8. Simplified OPD model

Source: Nel and Little (2010, p. 50)

Most importantly, as OPD-SHRM imparts in the person a perspective of working for his/her own professional success, it thus becomes an eminent step for the Team Leader to celebrate the person's success in a grand enough way to glorify his/her success, so the person can have the ultimate satisfaction of having finally achieved his/her professional goal that he/she had previously agreed. Rewarding is a crucial practice to be exercised in this phase of celebration.

The OPD-SHRM Elements ensures:

- Focus (Are people clear on goals/KPIs?)
- Accuracy: (Are people clear on the ideal actions to achieve those KPIs?)
- Are there people interested and willing?

Check out the figure below to better understand the whole composition of strategy and its role in the development of organizational goals and objectives.

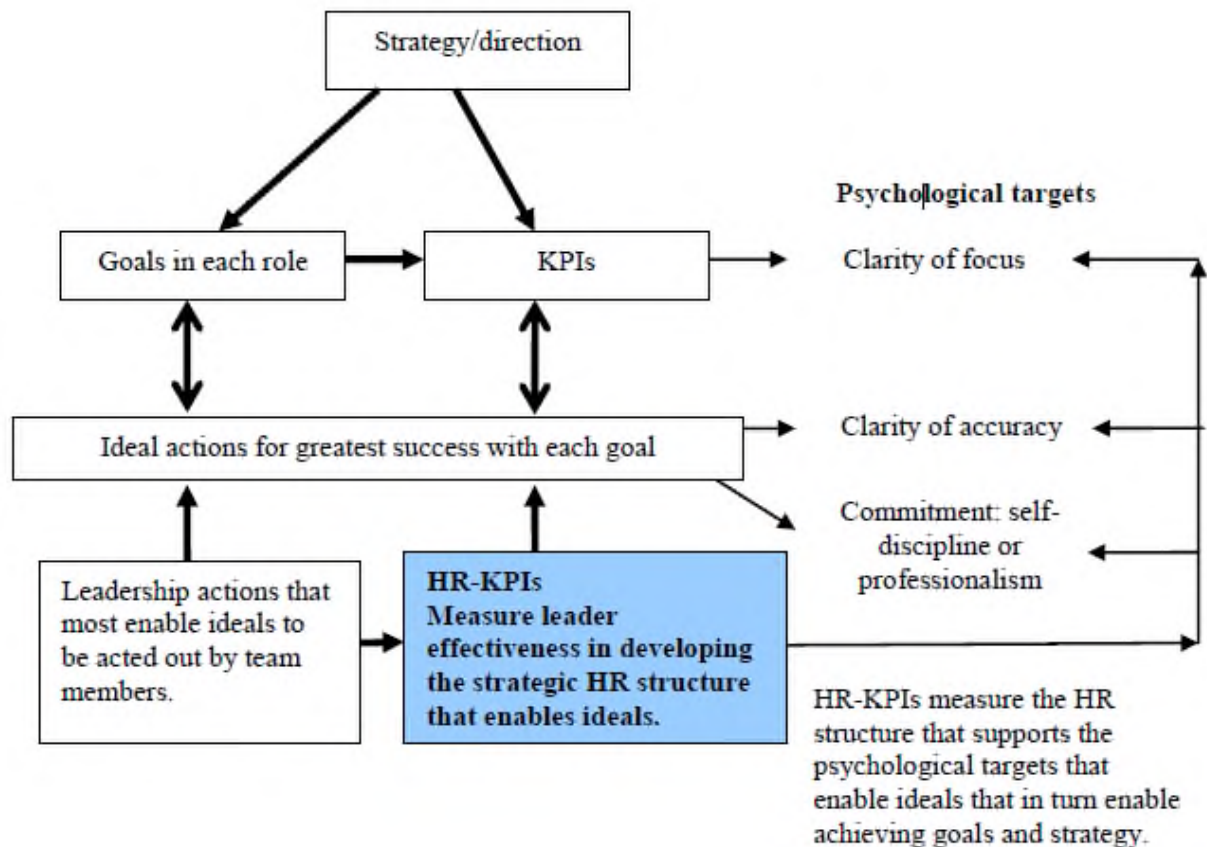


Fig. 9. Linking the details of the role structure to define psychological targets

Source: Nel and Little (2010, p. 49)

To make everything short and understandable, all these information are collected based on scientific findings and research. And I think that is why this process is so unique because all data and information is collected bases on real facts. A company usually appoints a team leader to oversee any task that is being handed out. And this team leader usually has a number of people working under him. So, when a task is handed out, it is the duty of that team leader to record and provide feedback to his subordinates in order to ensure that the work they are doing is good and that no mistakes are being done. That is why feedback is another very important thing to provide, because there is no knowing that you are doing the right thing or not without proper feedback. But when employees have the right amount of information distributed to them, then the work becomes easier as every single person knows what their role and work is.

### **3.3 Implementation of Human Resource Forecasting in the Process of Personnel Management**

Forecasting is another thing that is regarded to be a very important thing. It is advisable to carry out forecasting in everything that you do. Even before undertaking a project, a good and decent company would usually do forecasting. Forecasting does not necessarily mean carrying out financial forecasting. Although, financial forecasting is crucial and the firm's success depends on it, it still is not the only forecasting to do when dealing with huge companies.

There are 3 types of forecasting that is usually being carried out by companies. And of course, this all depends on the size of the company and the financial ability to carry out those forecasts. big companies usually tend to opt for the medium-long term forecasts which is usually between 3-5 years. And this is because companies like that have the means and the resources to do that. For small companies, they usually go for the short-term forecast which is usually for the duration of one year.

There are also factors to note when carrying out these forecasts. Some of the factors include;

- Financial factors
- Economic factors
- Legal Factors
- Social Factors
- Political Factors

When all of that is done appropriately, then things become a whole lot easier for the company. To better have an idea of the type of forecasts and their meaning, below is a detailed explanation.

## Types of Forecasts

### •*Short-Term Forecasts*

This type of forecast is usually done within the period of 2 years. Small Organizations usually tend to be the ones using this type of forecast.

### •*Medium-Term Forecasts*

This is usually between 3-5 years. Both small and large companies use this type of forecast to better understand their stance or chance of being a successful business

### •*Long-Term Forecasts*

This is usually for a long period of time. Its duration is usually more than 5 years. And this is mainly used by Large Corporations because it can cost a lot of money to implement.

## The Role of Human Resources in Amazon and the Strategy it employs

In the past two years, the US investment community has had a very interesting topic, “What will be the next industry subverted by Amazon?” An investment bank has also published a series of reports, showing how terrible Amazon is. Amazon started as a bookstore and defeated Barnes & Noble, the largest bookstore in the United States. Later, from the sub-sector of the bookstore, it entered the entire retail industry, and now the market value exceeds the sum of the top eight retail chains in the United States. Later, the retail company started the cloud service business and is now the world’s largest cloud service provider. Since 2017, it has entered the fresh food market through the acquisition of the Whole Foods Supermarket (Forbes.com, 2018). On the day of the acquisition, the stock prices of chain retailers such as Wal-Mart, Target, Good Market and Sprouts fell sharply. Amazon’s commercial map has no boundaries (eBay, 2018). The successful business must



come from the successful HR management. This article will analyze the SHRM, recruitment and selection, performance and reward management of Amazon, discussing its advantages, as well as its disadvantages, and giving suggestions finally.

In recent years, many e-commerce companies have fallen, and Amazon has stood out to create exciting e-commerce performance. Its amazing growth rate is attributed to the unique management of Amazon's president, Jeff Bezos. The biggest reason for Bezos' success was that he found the most essential and immediate needs of people: they wanted more choices, but they also demanded more convenient, fast and cheap ways to shop. Bezos pointed out that Amazon's online business model is to provide a link between customers and providers, and to revolutionize the sales of products. Amazon is only an information broker, and the company has bridged the gap between products and customers, thus forming two kinds of customers: one is a reader looking for books, and the other is a publisher looking for readers. That is, the reader finds a book or a book to find a reader. Bezos's business philosophy is: Amazon is not a company that sells groceries. It should be a "customer's company". It is an "intermediary" that provides a supply and demand between customers and goods, and therefore requires professional knowledge.

As mentioned above, Amazon's success and mission, it can be seen that Amazon's general strategic goal is to provide customers with fast and good service. As long as the customer wants to buy something, it will be available on Amazon's website. And Amazon's services must meet all of the customer's needs. From the perspective of strategic human resources concept, the marketing and positioning causes the strategy, and the strategy of the enterprise causes the required behavior of the employee and the HR practice. Therefore, in Amazon, the known factor is that the workers are in harsh environment and conditions to worker longer times to meet customers' needs. According to the interview of the CEO of Amazon, Jeff Bezos, Jeff was asked how he thinks about the public critique of the Amazon setting strict rules for the employees that fully against work and life balance. Jeff said it is totally the reflection of the strategy of Amazon. Since Amazon is can be considered as a high-tech company because the process is based on the

Internet, so according to what Jeff said, the people involved in this process should be prepared for the harsh environment and changes. In terms of work and family balance, Jeff strongly stated that “There is no work and family balance, but the work and balance harmony, which means the integration of the work and family. It can be referred to the video that Jeff considers that the high standard working is necessary, and it is workers’ ability to manage the stress and turn the “Unbalance” of the work life into the “Harmony” between work and life.

Overall, it is easy to identify the aggressive strategy of Amazon from the required workers’ behavior. On the one hand, it is positive for Amazon to coordinate workers with the strategic goal. On the other hand, the critiques of the Amazon behavior start to question whether this company should make more chances in terms of the employees so the strategic goal can be better met.

#### Recruitment and Selection

The way Amazon recruits and selects is very diverse and very strict, only real talent can be retained. The unconventional use of talent in Amazon is well-known. Jeff knows that absorbing talent is the key to the company’s vitality. Amazon needs people who can contribute to ideas and ideas, and does not care about its employees’ past career. Therefore, Amazon’s employees may include professional athletes and racing enthusiasts, as well as liberal artists, rock musicians, and scholars from Oxford University who study poetry. In order to control costs, the company does not adopt traditional interviews or examination methods when recruiting talents, but reuses the convenience and effectiveness of the network.

Additionally, “The experiment of Socrates” model Jeff has a unique model for discovering talents. A reporter called this model “the experiment of Socrates”, that is, the applicants not only pass his interview, but also to be interviewed by other Amazon.com employees. As long as there is a little dissatisfaction, it will not be hired. There has been an applicant who has been hired through a layer of interviews. Furthermore, when a person is hired by Amazon, the criteria of this person is stricter, which means the requirement

increases all the time, and this is the way Jeff keeps all the candidates to keep having a serious mind.

According to Gayle (2016), who has worked in Amazon before, gives people suggestions that there are three aspects which people can keep in mind to use the to increase the possibility to be accepted by Amazon. The first suggestion is paying much attention to the process. There may take several interviews to fully being accepted, the process may include the several phone interview, online interview and face to face interview. Gayle suggests that people be completely prepared for the interview because of the interviewers came out from the strict training. Interviewers of Amazon keep the clear job description and guidelines in their minds and they will use diverse ways to test candidates. The second suggestion from Gayle is that people should show their leadership. There are 14 leadership principles the candidates should keep in mind. Finally, the suggestion is that preparing for stating the personal past cases because do care about the history of the people because they believe that what people do in the past is what they will do in the future.

In terms of the recruitment and selection process, the approaches of the Amazon are very scientific. In terms of the recruitment process, the required job description and personal traits are made before any interviews. These strict guidelines push interviewers to follow the needs instead of having perception errors. There are several times of interviews done by different people which avoid the self-centered bias, early information bias and stereotypes. Overall, this process makes judgements to be more evidence made. Besides, even though this company care about people's past cases, and their past performance, they do not strictly ask people to have certain past profession past, which allows the diversity.

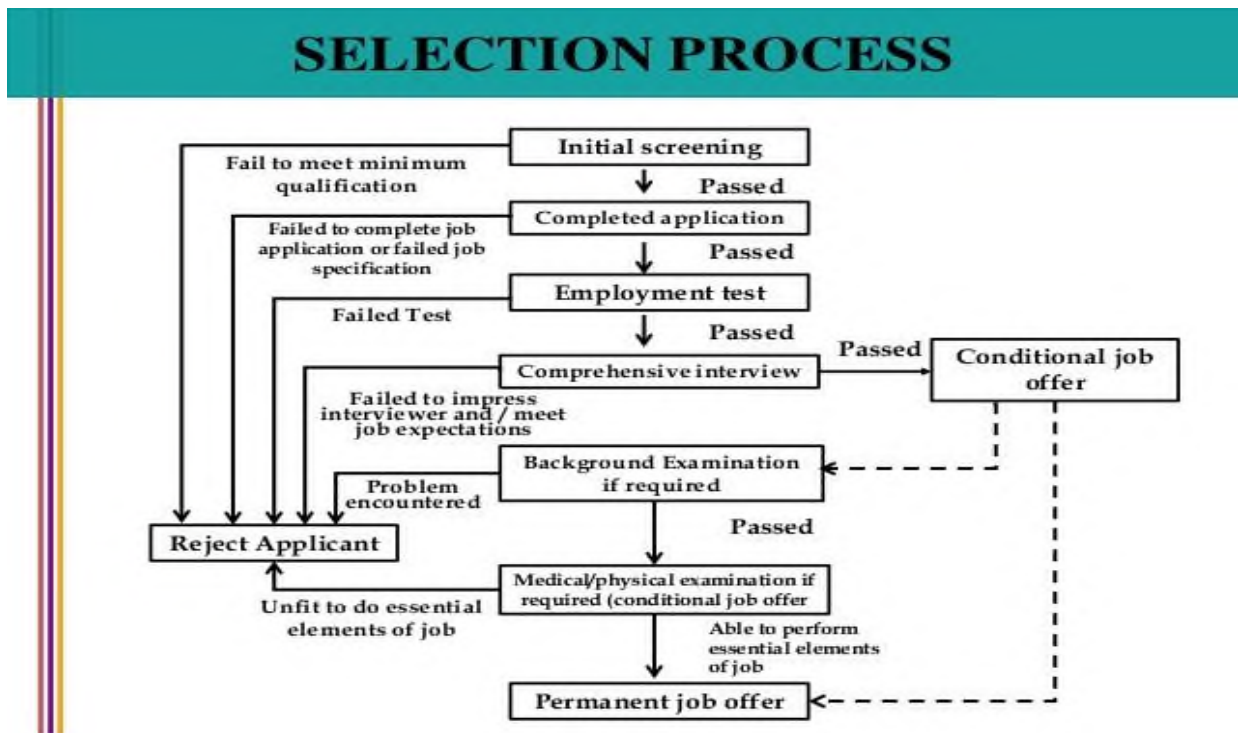


Fig. 10: Amazon Selection and Recruiting Process

Source: <https://blog.brightspyre.com/wp-content/uploads/2019/01/recruitment-and-selection-24-638.jpg>

This framework is a method used to *assess the level of competition* of an organization within an industry. Porter, the formulator, first published this theory in the Harvard Business Review while at Harvard University.

The five forces are threat of substitutes, bargaining power of buyers, threat of new entrants, competitive rivalry and bargaining power of suppliers. These forces will be used to analyze Amazon industry analysis.

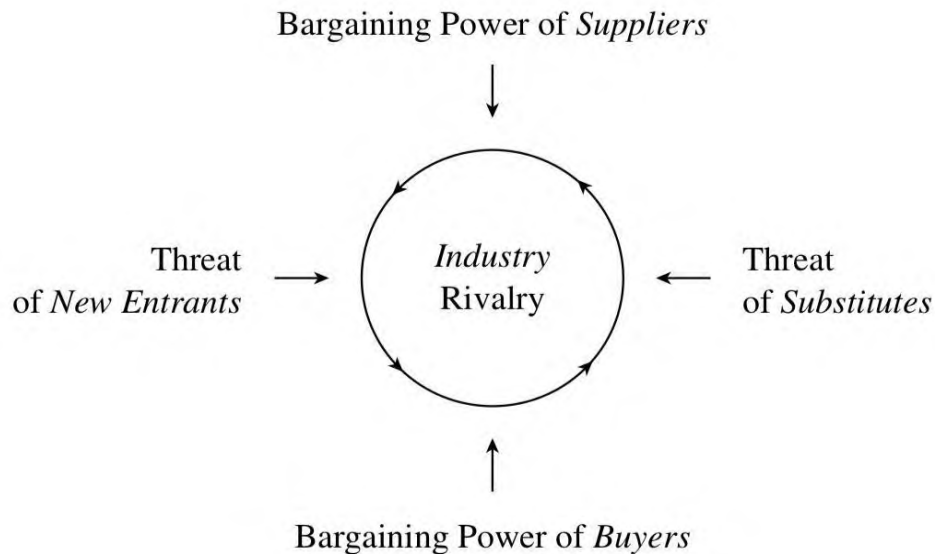


Fig. 11: Graphical representation of Porter's Five Forces

Source: Research Gate, Analysis of Amazon, Management & Organization.

- The Threat of Substitute

This is a *strong force* that Amazon faces due to *low switching costs* as seen with alternatives like eBay. Second is the *high availability of substitutes* for example Tesco which has additional support for physical stores in urgent purchase scenarios. Third is the *low cost of substitutes* for example gumtree where customers have option to meet their sellers despite the higher risks.

- Bargaining Power of Buyers

This is a *strong force* that Amazon faces due to the *high availability of quality information* all over the internet gives consumers a bargaining chip hence exposure and ability to find alternatives. Second is the *high availability of substitutes* for example

*Argos* where they can get same day delivery service or pickup in store instantly after online reservation. Price comparisons can also be made within the two retailers online.

- Threat of new Entrants

This is a weak force due to the *high cost of brand development* for competitors to grow to a level where they can pose a threat to Amazon. Second is the *high economies of scale* that Amazon benefits from giving it leverage over the competition. This is a minor issue for the organization.

- Competitive Rivalry

This is a *strong force* due to the *high aggressiveness of the substitutes* in terms of marketing and developing their ecommerce stores. An example is Tesco that has alternatives for physical stores that pose as a valid *substitute* to Amazon's online store

- Bargaining Power of Suppliers

This is a *moderate force* because of the *moderate size of suppliers* as seen with sellers using the platform competing to keep the prices low. Second is the moderate forward integration which limits suppliers' actual impact on Amazon

Amazon is well positioned to remain the biggest internet retailer in the world. The Porter's five forces show its advantage over the competition with moderate supplier bargaining power and low threat of new entrants. According to (Ladd, 2018) assertion that Amazon will become one of the largest consumer packaged goods and that no industry is Amazon proof show the strategic positioning of the Amazon management team. In the UK, the recommendations to adopt the contingency management theory allow the organization absorb the shock that comes from the uncertainty of the Brexit.

## CONCLUSION

Much has been said during the course of writing this paper. However, there are some important points that I would like to highlight in this part of the paper. We all know how important it is to evaluate and measure the effectiveness and efficiency of any business.

The measurement of the effective and efficient run of a business helps us know our business's strengths, weaknesses, the threats around the environment and the opportunities also available to enhance the growth and development of our business. Sometimes, a business has to acknowledge the problem it is facing before being able to tackle the problem properly. During the past years, many businesses have failed because of the lack of acknowledgement of the problems they were facing. Or sometimes even the lack of feedback to your employees can result in a huge problem. This is due to the fact that for every work done, each and every worker working in your business would want to know how he or she has done. And the only way to do that is by giving them feedbacks. Letting them know whether or not the work they have done is good or not good enough.

It is given to us to understand that there are various ways to measure performance of a business. Especially large businesses like Amazon, Facebook, Coca Cola, with so many departments and Head Offices to manage and supervise, experts have advised some of the departments to keep track of so as to avoid failure in the business. The departments include:

- 1) Marketing department: Marketing department of course plays a very important role in any business. All business adverts go through marketing. So, it is safe to say that without marketing, there is no way your products or services are going to be known by people all over the globe. One of the most famous way businesses market their products is through social media platforms. This has gotten so easier and faster and even cheaper than most other ways to market a product. So, we can see how important it is to keep our marketing team happy and satisfied, because employees working in this department play a key role in the success of the business

- 2) Sales department: this department of course deals with cash flow, revenue generation and so on. And of course, no business can survive without money. All businesses need money to thrive, to motivate employees and to boost overall performance of your sales team. This department also helps you understand how well you attract and retain customers and generate recurring revenue.

3) General business metric: This measures the overall performance of the business. As long as the business is alive and thriving, there will always be things to measure. Every business has data that should be monitored in real-time, such as time to healthcare services, service level, call abandonment, or project burn-down.

Now, the big question is why do we need our business to succeed or achieve a higher level of success? Some people might say that they are quite happy with the level of success their business is at. Some might say they do not care whether or not their business is at the highest level as long as they continue to make money, everything is fine. Well, my answer to that is you are wrong. When your business is functioning at its peak, even the customers are going to be happy buying your products or services because they know they are buying quality products. But when your business is at its lowest, and you do not do anything to solve that, even the customers will begin to run away, resulting in the loss of profits.

The journey to greatness is a different experience for each business owner. Hope Wilson, a senior marketing specialist at Skidmore, Owings & Merrill LLP, said she views business success as something larger than her and her company,

*"Success is running a profitable firm that conducts business with honesty and integrity, makes meaningful contributions to the communities it serves and nurtures high-quality, balanced lives for its employees," Wilson told Business News Daily. "As business owners, we must think outside our own doors. We must think about the potential impacts we have on those around us as well as future generations."*

To conclude everything that has been said, every business that exists or will soon exist, deserves to be successful. And according to experts, the only way to come to success is by following these steps:

- 1) Write down your business goals
- 2) Be objective
- 3) Use the SMART method
- 4) Study your field



- 5) Measure your growth
- 6) Remember your mission
- 7) Applaud yourself and your team
- 8) Make sure your business plan is measurable
- 9) Give your customers and staff what they deserve
- 10) Plan, plan and plan some more.

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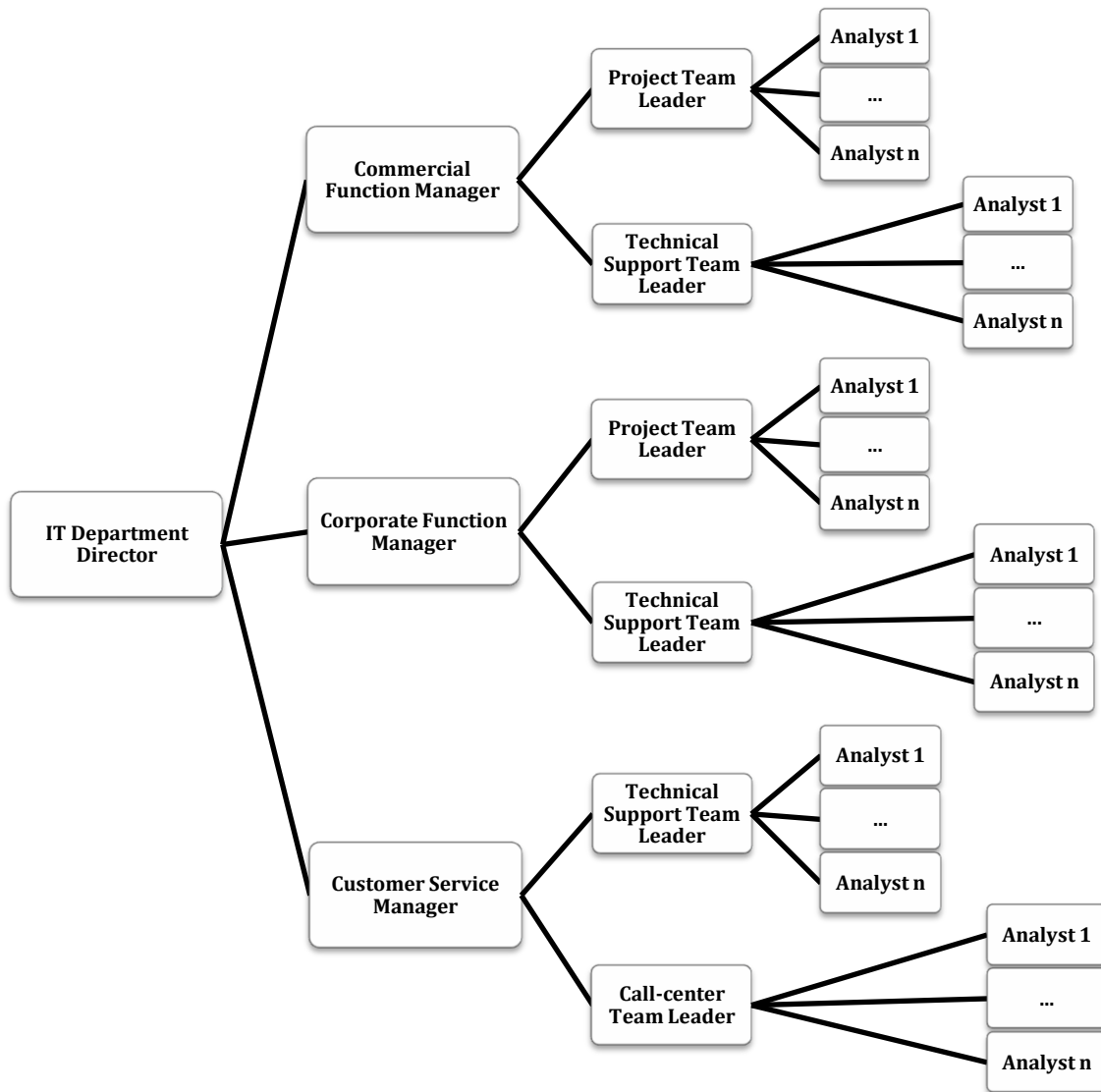
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## Appendix A



## Appendix B

### Survey Questions

1. If I continue to perform well, I will get ahead in this company
  - a. Strongly Agree
  - b. Agree
  - c. Neither Agree nor Disagree
  - d. Disagree
  - e. Strongly Disagree
2. I believe I am paid fairly
  - a. Strongly Agree
  - b. Agree
  - c. Neither Agree nor Disagree
  - d. Disagree
  - e. Strongly Disagree
3. I receive useful coaching and feedback that helps me improve my performance
  - a. Strongly Agree
  - b. Agree
  - c. Neither Agree nor Disagree
  - d. Disagree
  - e. Strongly Disagree
4. I think there is a clear link between job performance and pay at my company
  - a. Strongly Agree
  - b. Agree
  - c. Neither Agree nor Disagree
  - d. Disagree
  - e. Strongly Disagree



5. Management provides recognition for performance when I perform above and beyond my job responsibilities
  - a. Strongly Agree
  - b. Agree
  - c. Neither Agree nor Disagree
  - d. Disagree
  - e. Strongly Disagree
6. I understand how my performance is measured and evaluated
  - a. Strongly Agree
  - b. Agree
  - c. Neither Agree nor Disagree
  - d. Disagree
  - e. Strongly Disagree
7. Key performance activities that are relevant to my role are clear to me for me to be successful in my role
  - a. Yes
  - b. May be
  - c. No
8. How often does your manager give you 'on the spot' social rewarding?
  - a. Often
  - b. Sometimes
  - c. Seldom
  - d. Never
9. How realistic are the expectations of your manager from you?
  - a. Realistic
  - b. To some extent realistic
  - c. Mostly not realistic
  - d. Not realistic at all

10.I know how to be successful in my current role

- a. Yes
- b. May be
- c. No

11.How often does your supervisor do one on one meeting with you?

- a. Weekly
- b. Fortnightly
- c. Monthly
- d. More rare than monthly

## Appendix C

### Answers to survey

Respondent #	If I continue to perform well, I will get ahead in this company	I believe I am paid fairly	I receive useful coaching and feedback that helps me improve my performance	I think there is a clear link between job performance and pay at my company	Management provides recognition for performance when I perform above and beyond my job responsibilities	I understand how my performance is measured and evaluated	Key performance activities that are relevant to my role are clear to me for me to be successful in my role	How often does your manager give you 'on the spot' social rewarding?	How realistic are the expectations of your manager from you?	I know how to be successful in my current role	How often does your supervisor do one on one meeting with you?	Employee Development and Engagement Index
1	5	5	5	5	4	5	4	4	4	4	4	4.83
2	5	5	5	5	4	5	3	4	4	4	2	4.83
3	5	5	5	5	4	5	3	4	4	4	3	4.83
4	5	4	5	5	4	5	4	4	4	4	3	4.67
5	5	5	5	5	5	5	3	4	4	4	4	5.00
6	5	5	5	5	5	5	3	4	3	4	4	5.00
7	5	5	5	5	5	5	3	4	3	3	4	5.00
8	5	5	5	5	5	5	4	4	4	4	4	5.00
9	5	5	5	5	5	5	4	4	4	4	4	5.00
10	5	5	5	5	5	5	4	3	1	3	4	5.00
11	5	4	5	5	5	5	4	4	4	4	1	4.83
12	5	4	4	5	5	5	4	4	4	4	4	4.83
13	5	4	4	5	5	5	4	4	4	4	3	4.83
14	4	4	5	5	5	5	3	4	4	3	4	4.67
15	4	3	5	4	4	5	3	4	3	4	4	4.17
16	4	4	5	4	4	5	2	4	3	3	2	4.33
17	4	4	4	4	4	5	4	3	3	3	2	4.17
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27	4	4	4	4	4	4	3	2	1	4	2	4.00
28	4	4	4	4	4	4	4	3	4	4	4	4.00
29	4	4	4	4	4	4	3	3	4	4	2	4.00
30	4	4	4	4	4	4	3	4	4	4	3	4.00
31	4	4	4	4	4	4	4	3	4	2	3	4.00
32	4	4	4	4	4	3	4	2	3	4	3	3.83
33	3	4	4	3	3	4	2	4	3	4	4	3.50
34	3	4	4	3	3	4	2	4	4	3	4	3.50
35	3	4	4	3	3	4	4	3	3	4	4	3.50
36	3	4	4	3	3	4	3	3	4	3	2	3.50
37	3	4	4	3	3	4	3	3	4	3	2	3.50
38	3	4	3	3	3	4	2	3	4	4	2	3.33
39	3	3	3	3	3	4	4	4	2	4	2	3.17
40	3	3	3	3	3	4	4	4	4	3	2	3.17
41	3	3	3	3	3	3	4	3	2	2	3	3.00
42	3	3	3	3	3	3	3	2	2	3	2	3.00
43	3	3	3	3	3	3	4	2	1	2	3	3.00
44	3	3	3	3	4	3	3	2	2	3	1	3.17
45	3	3	1	3	4	3	3	2	4	3	2	2.83
46	2	2	3	3	4	3	4	2	3	3	4	2.83
47	2	2	3	2	3	3	2	3	4	3	2	2.50
48	2	2	3	2	1	3	4	2	1	2	3	2.17
49	2	2	2	2	2	3	3	3	2	3	3	2.17
50	2	2	2	2	2	3	3	3	2	2	3	2.17
51	2	1	2	2	2	3	4	1	1	2	1	2.00
52	2	1	2	1	1	3	2	1	1	2	3	1.67
53	2	2	1	1	2	2	2	2	1	2	2	1.67
54	1	2	1	1	2	2	2	2	1	2	1	1.50
55	1	2	3	1	2	1	2	1	2	3	4	1.67

## Appendix F

**Numerical coding for variables values**

<b>Answers</b>	<b>Numerical Equivalent</b>
Strongly Agree	5
Agree	4
Neither Agree nor Disagree	3
Disagree	2
Strongly Disagree	1
Yes	4
May be	3
No	2
Often	4
Sometimes	3
Seldom	2
Never	1
Realistic	4
To some extent realistic	3
Mostly not realistic	2
Not realistic at all	1
Weekly	4
Fortnightly	3
Monthly	2
More rare than monthly	1

