The Amazonian Dilemma: Is Turnover a Good Thing?

A New York Times article on August 16, “Inside Amazon: Wrestling Big Ideas in a Bruising Workplace” subtitled: "Where Overachievers Go To Feel Badly About Themselves", chronicles a workplace where white collar workers (who are called Amazonians) put in punishing days, frequently cry at their desks and in meetings, and are required to return to work the day after surgery for a miscarriage.

Even though the authors interviewed over 100 current and former Amazon employees, the article has generated a lot of debate among commentators and the public about whether the portrayal was fair and accurate. (Full disclosure here: I just got off the phone with an Amazon customer service rep who answered in less than one minute and solved my thorny Kindle [to which I am addicted] problem with patience and expertise).

Yet the story has to give even the most hardcore Amazon addicts pause: is it worth all this blood, sweat and tears so that I can have immediate delivery of a book to my device at 10:00 at night? Couldn’t I just go to sleep and wait?

A deeper question is whether churning though employee bodies really works. Although Amazon declined to reveal its employee turnover rates to the story's authors, the subjects interviewed knew turnover was high. If Amazon is as data driven as they claim, they must have these numbers. Most experts peg turnover cost at 150% of an employee's salary, much higher for some professional workers. What does that do to their bottom line?
Maybe there is a reason Amazon - despite its success in revolutionizing so much about product delivery - doesn't make much money. 


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