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Amazon Warehouse Collapse 2021

GA3 - Analysis of Mismanaged Crisis

Group 2

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The crisis we are analyzing is the deadly collapse of an Amazon warehouse in Illinois on 10 December, 2021. This involved the instantiation of a risk because there had been reports of faults in the warehouse since 2019. It could have been anticipated because it followed a tornado alert.

Background information about the company and its organizational/brand image

Amazon is an American multinational technology company founded by Jeffrey Bezos in 1994. Its brand value currently stands over [350 billion](#) U.S. Dollars. The main focus of the company is internet retail sales of consumer products, sales of Amazon Web Services – a cloud computing platform – to other websites and the production and sale of electronic devices like Kindle¹. It is a go to brand for the consumers as it has built trust through reliable shipping, cheap prices and a wide selection of products and services. Amazon has the largest workforce among internet companies worldwide with approximately [1.6 million](#) employees in 2021. According to their website, Amazon aims to be, “the world’s best employer and safest place to work².”

Amazon’s brand values are closely linked to quality of service and commitment to operational excellence. Amazon portrays consumer satisfaction as a big part of its ethos and its brand personality revolves around sincerity with customers and competence in delivering their products and services. Since the start of COVID-19, the company has reinforced the idea that the health and safety of their employees is their top priority. Amazon has been scrutinized for its corporate culture and unsafe working conditions in the past.

Summary of the Crisis

On Dec 10, 2021 six employees died after a tornado destroyed an Amazon warehouse in the US state of Illinois. Despite a prior emergency notice that a tornado attack was imminent,

¹ Kindle is a portable and wireless electronic reading device (e-reader) made by Amazon.

<https://www.britannica.com/technology/Kindle>

² <https://www.aboutamazon.com/news/company-news/2020-letter-to-shareholders>

workers were not sent home in time. The company's spokespeople responded with their "thoughts and prayers" and Jeff Bezos, then CEO of the company, released a statement 24 hours after the event. Dave Clark, Amazon's logistics chief, was one of the first to respond to the crisis and shared that Amazon would be giving out one million dollars for relief efforts. The spokespeople thanked the first responders and deflected any blame by reiterating that the team worked quickly and did their best to ensure that employees reached shelter.

Amazon received huge backlash on social media as it had built a reputation for poor working conditions and questionable labor practices in warehouses in the past. Many labor unions also came out to criticize Amazon and blame them for the loss of life. Some members of Congress also sent a letter to Amazon to inquire about allegations of poor labor policies that may prioritize profits over worker safety. The company has since increased employee wages and run video campaigns focusing on individual worker stories and how Amazon has helped lift them from poverty. There were no major economic repercussions for the company as it was undergoing a boom in business due to the pandemic and subsequent social distancing rules.

Detailed Timeline of Crisis

In early 2019, reports of faults and maintenance issues at Amazon's warehouse emerged but little was done to rectify them. Therefore, when on December 10, 2021 the deadly collapse in the Amazon warehouse occurred, the company received a large amount of backlash. At around 8 PM on Dec 10, Friday, a tornado came through Kentucky and plowed straight into the Amazon warehouse in Edwardsville. This resulted in the death of six people and a total of 45 injuries.

The blame of the incident fell on Amazon and its evidently poor maintenance measures as the tornado ripped off the building's roof and two 40-foot high concrete walls came crashing

down. Dave Clark, logistics chief of Amazon at the time, was the first to comment³ but simply said Edwardsville was in their thoughts and prayers, and that he is thankful to the first responders. Later in the day, he tweeted again⁴ solely focusing on the storm. Both times there was no mention of the warehouse collapse or details on Amazon's response to the crisis.

On December 11, 2021, a full 24 hours later, Amazon CEO Jeff Bezos finally issued a statement (Appendix A). This was only after he took to Instagram⁵ to cheer on his aerospace company Blue Origin's flight to space on Dec 11 instead of first expressing regret for the lives lost the previous day. The same day, Amazon announced (Appendix B) that they will donate \$1M to support relief work in Edwardsville.

On December 12th, one of the deceased worker's girlfriends shared texts from⁶ her partner saying that Amazon would not allow the workers to leave the warehouse until the storm passed. Workers also began speaking up about lack of adequate emergency training,⁷ pre-crisis.

Assessment of Crisis Management by the Company

Amazon's crisis management lacked not only during the response to the warehouse collapse, but also in terms of their preparation. This would have been a preventable crisis had they done enough for worker safety, especially after reports about warehouse faults arose in 2019. Moreover, delays and inadequacies in statements and compensation schemes showed that they did not have a thorough enough crisis communication plan from beforehand.

³ <https://twitter.com/davehclark/status/1469535803160379393>

⁴ <https://twitter.com/davehclark/status/1469767353760202755>

⁵ <https://www.instagram.com/p/CXWLFkxr5td/>

<https://nypost.com/2021/12/11/jeff-bezos-ripped-for-ignoring-amazon-warehouse-tornado-collapse/>

⁶ <https://nypost.com/2021/12/12/amazon-worker-texted-girlfriend-he-wasnt-allowed-to-leave-warehouse/>

⁷ <https://theintercept.com/2021/12/13/amazon-illinois-tornado-safety-protocols/>

Furthermore, considering this incident involved death, injuries, and a tornado that was already creating chaos and fear about how to cope, this crisis required proactive communication with higher levels of compassion, concern, and quick announcements of clear action items.

In the crisis communication stage, Amazon's first mistake was that the person who mattered most issued a statement too late. As CEO of the company and a man with billions of dollars of net worth, Jeff Bezos had all eyes on him to make an empathetic and considerate comment. Responding to the crisis 24 hours later and that too only after celebrating his space tourists made it seem like he was very detached from the tragedy. Even Amazon's Twitter statement about committing money towards relief efforts came quite a while after the incident and should not have required that much thought, especially if they had planned for such an event prior to the onset of the crisis. We would have made Bezos send out an initial statement less than an hour after the incident and announced relief aid within 3 hours at most.

Bezos' statement also lacked in terms of the content. While the second tweet in his thread provided some reassurance, in the first and hence more visible tweet, his statement was quite generic. The phrase "thoughts and prayers" is particularly overused. There was much more that Amazon could have been doing such as investigating the situation. We would have rephrased the first part to say: *"The news from Edwardsville is tragic. Amid our pain for our workers and their families, we are carefully looking into what went wrong and how we can prevent weather conditions from impacting our team this way again."*

We feel that this still protects them from liability by directing the blame towards the weather, but at least expresses more concern and commitment towards safety.

Amazon's response also lacked consistency and accuracy. Their statements differed from what was being put into practice. Firstly, many workers complained about the ineffective

emergency response training, being made to seek shelter in bathrooms and assembly areas being surrounded by heavy items. Issues like this made the crisis even more competence-based and indicated that Amazon was responsible for the severity of the incident.

However, the company took a denial-based approach. They did not respond when asked about why some workers were sheltered in bathrooms or about the dangerous placement of heavy items. Alisa Carrol, Public Relations manager at Amazon, stated that “emergency response training is provided to new employees and that training is reinforced throughout the year.”⁸ However, workers heavily contested this and said they had not received any such training in months, and even in cases where they did, it was not comprehensive. One spokesperson maintained that workers were directed to shelter in a designated assembly area, and that one of the areas was simply near a bathroom. This was inappropriate because in a time where they should care for their employees, they are trying to make them seem untrustworthy. It also made Amazon seem inauthentic. In cases where Amazon did not respond at all, it seemed like they were shying away from their responsibilities and mistakes. Even Dave Clark’s statements seemed to emphasize an avoidance strategy.

Lastly, John Felton, senior vice president of Amazon’s global delivery services, said “There was a tremendous effort that happened that night to keep everybody safe.” This again indicates a high level of denial and unsound perception of people’s mood because there were clearly huge flaws in Amazon’s response to the emergency.

On December 12th, Amazon spokesperson Kelly Nantel said the building was constructed according to code. She gave a strong statement (Appendix C) in terms of aiming to learn from

⁸https://www.business-standard.com/article/companies/amazon-warehouse-policies-have-put-workers-at-risk-says-report-121121600886_1.html

this incident, however, this was still 2 days after the event and may not have been as prominent as statements by Bezos or higher personnel.

With Amazon's negligence in the event, stock prices did go down in the days following it. However, they were still benefiting from increased sales during the holiday. On another level, the effects played out particularly within employees as they expressed that they could no longer rely on Amazon to keep them safe.⁹

Strategic Recommendations

In case of this crisis, Amazon used a denial strategy although they should have provided at least a partial apology-since the get go. Although the warehouse collapsed due to a natural disaster, which would usually entail minimal crisis responsibility for the company, Amazon workers' experiences revealed the company's failure to comply with safety standards, thereby creating strong crisis responsibility. Below are our specific strategic recommendations based on the Amazon's shortcomings during the crisis response:

- "Stealing the thunder," and controlling the narrative to minimize the reputational damage that this incident caused. By the time the company and its CEO commented, news organizations had already reported on the crisis. An official statement would be issued in less than an hour with follow-ups every 8 hours for the next 3 days.
- Working with local authorities to know more about what is happening. External and internal communications will then include more information about how we are following up. Amazon should particularly communicate that all centers must hold emergency

⁹ <https://twitter.com/MorePerfectUS/status/1470514524361003019>

training within the next 3 months and also have an internal team revise the emergency strategies as needed.

- Share some of the key steps or pointers in Amazon emergency training through graphics. These should be posted to social media to show Amazon has safety plans in place.
- They should also track and inform people about what specific things the relief money has successfully been used for.
- Get local department heads to personally reach out to Amazon employees in Edwardsville, check up on them and express support either via email or phone call.
- Few weeks after the incident, Amazon should reach out to the contracting company that made the warehouse and create a short video or photo-based Twitter thread on human stories of the contractors. For example, center an employee who is hard-working and with strong family values. Someone who thinks of his loved ones as he's building sites for others and cares for their safety just as much as his own family.

Appendix A: Jeff Bezos' Statement



Jeff Bezos 
@JeffBezos



The news from Edwardsville is tragic. We're heartbroken over the loss of our teammates there, and our thoughts and prayers are with their families and loved ones. (1/2)

4:59 AM · Dec 12, 2021 · Twitter for iPhone

445 Retweets 289 Quote Tweets 5,497 Likes



Tweet your reply

Reply



Jeff Bezos  @JeffBezos · Dec 12, 2021



Replying to @JeffBezos

(2/2) All of Edwardsville should know that the Amazon team is committed to supporting them and will be by their side through this crisis. We extend our fullest gratitude to all the incredible first responders who have worked so tirelessly at the site.

 1,350

 314

 2,930



Appendix B: Amazon's Statement



Amazon News 
@amazonnews



(1/2) We continue working to support our team and the community in Edwardsville and have committed \$1M to the Edwardsville Community Foundation to support their relief work.

7:07 AM · Dec 12, 2021 · Sprinklr

21 Retweets **44** Quote Tweets **134** Likes



Tweet your reply

Reply



Amazon News  @amazonnews · Dec 12, 2021



Replying to @amazonnews

(2/2) We're also working with local and state officials to help where needed most and appreciate everything they and first responders across the region are doing to help with recovery efforts.

 21

 10

 66



Appendix C: Amazon Spokesperson, Kelly Nantel's Statement

“We want to go back and look at every aspect of this,” Nantel continued.

“There’s always going to be tremendous learnings from any type of catastrophic event like this and we want to make sure our policies, our practices are consistent with any learnings that we have from this event and with all best practices.”

Source: Palmer, 2021 (CNBC)

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