


Amazon data showed big jump in diversity among senior leaders — after definition of ‘executive’ was loosened

 seattletimes.com/business/amazon/amazon-data-showed-big-jump-in-diversity-among-senior-leaders-after-definition-of-executive-was-loosened

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In 2016, Amazon didn’t employ a single Black, Native American or multiracial executive and just one Hispanic or Latino executive among its 105 senior leaders in the United States, 78 of whom were white men.

One year later, it was a different picture. In federal government reporting, Amazon said it employed 22 Black executives, 51 Hispanic and Latino executives, 22 multiracial executives and 380 female executives, out of a total of 1,767 executives.

Amid a hiring spree that boosted Amazon’s total employee head count by 71%, the company in 2017 loosened its definition of executive to include every employee at the vice president and director level, which Amazon had formerly reported as midlevel managers. The change expanded Amazon’s executive ranks by 1,600% in one year.

Those figures are pulled from reports Amazon submitted to the Department of Labor’s Equal Employment Opportunity Commission (EEOC) between 2014 and 2018, obtained through a public records request by [Reveal for The Center for Investigative Reporting](#) and shared with The Seattle Times. The EEOC uses company reporting to compile industrywide statistics, audit companies’ employment practices and enforce anti-discrimination statutes.

Amazon spokesperson Jaci Anderson said the company’s decision to reclassify executives was “consistent with the EEOC’s job classifications and reporting by other large companies.” Amazon did not respond on the record to questions about what prompted it to change its policy in 2017. The company stopped releasing its EEOC reporting that same year.

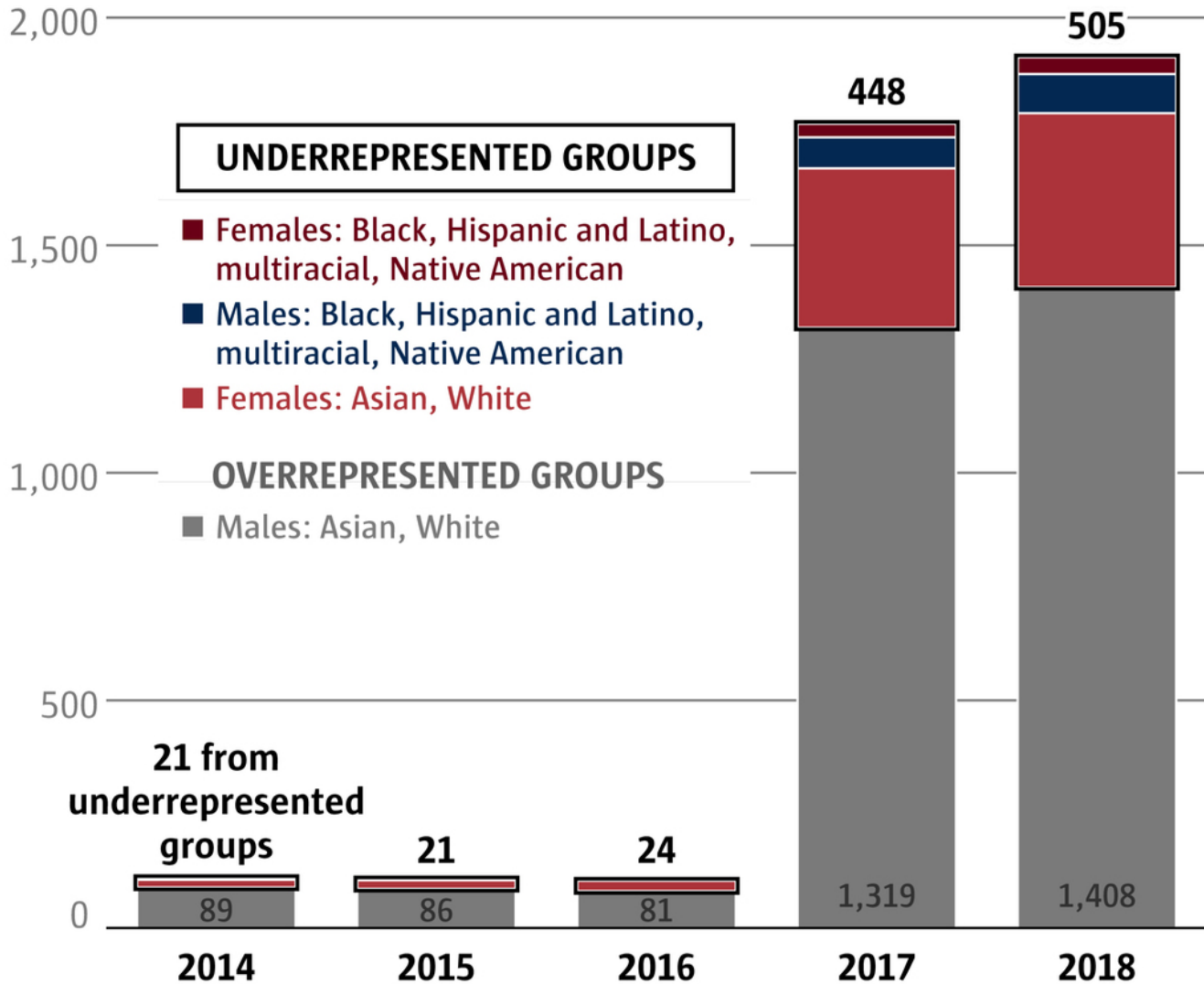
EEOC data reported by some other large tech companies does show similar patterns, though the scale of Amazon’s one-year executive increase makes it an outlier. Five employment law practitioners interviewed by The Seattle Times said such a large one-year increase in a company’s executive head count was abnormal, in their experience.

The change allowed Amazon to report more diversity in its executive ranks than ever before. Though Amazon’s top tier stayed roughly 80% male between 2016 and 2017, the executive expansion corresponded with growth in the proportion of underrepresented racial and ethnic minorities — Black, Native American, Hispanic, Latino and multiracial employees — at Amazon’s highest levels from 1% to 6% in that period.

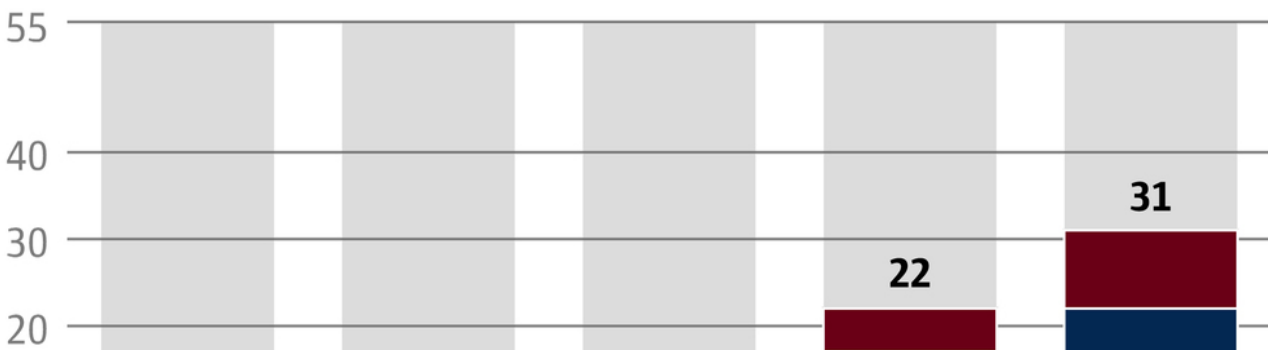
Amazon's executive diversity

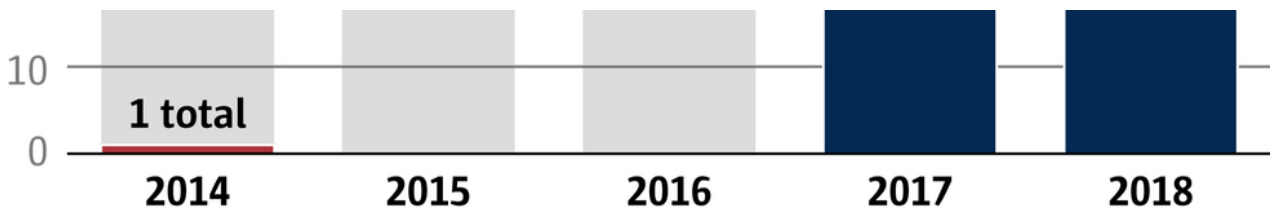
The expansion of Amazon's executive tier, generated in part by a new definition of "executive," made the company's highest ranks more diverse than ever before.

AMAZON EXECUTIVES

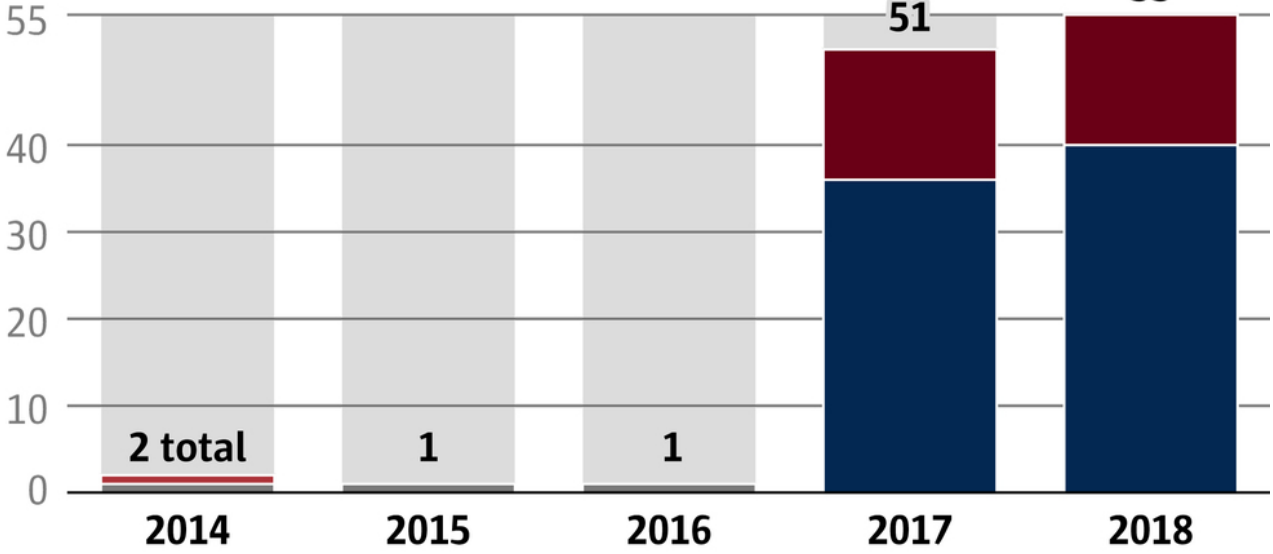


BLACK EXECUTIVES

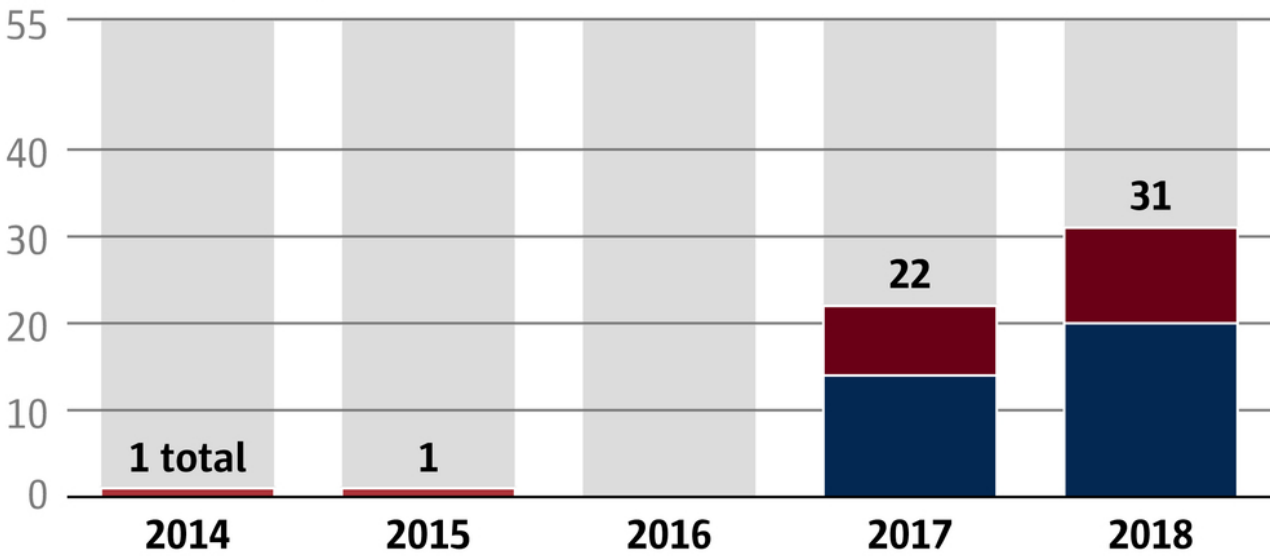




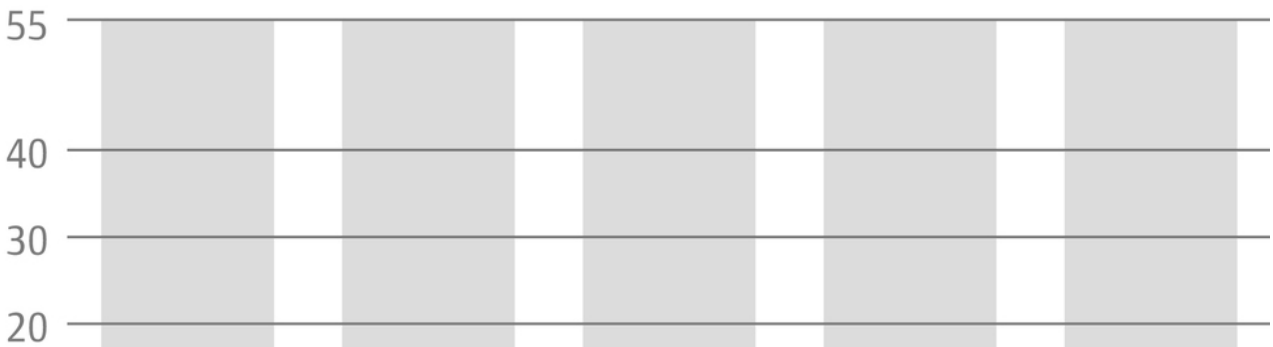
HISPANIC AND LATINO EXECUTIVES

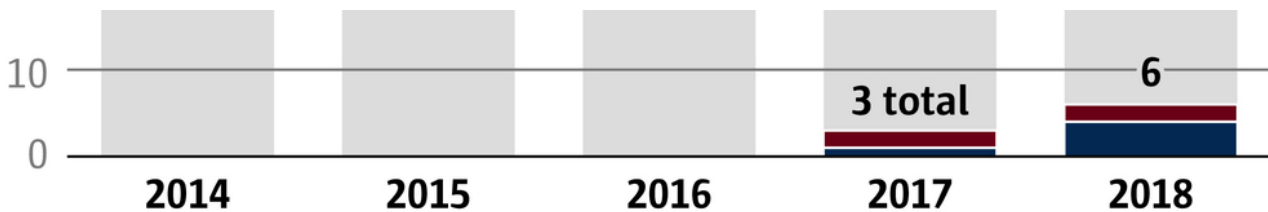


MULTIRACIAL EXECUTIVES



NATIVE AMERICAN EXECUTIVES





Source: Department of Labor

EMILY M. ENG / THE SEATTLE TIMES

Amazon's EEOC reporting for the years 2017 and 2018 have not before been published. Together, the five-year span of EEOC data describes transformations within Amazon's swelling employee base. Amazon's hourly warehouse workforce, for instance, shifted from being primarily white to employing mostly Black, Hispanic and Latino workers during that period.

Amazon has continued to change radically since 2018. Its U.S. employee head count has nearly tripled in the past three years, largely driven by growth in its warehouse workforce as the company staffed up to deliver one-day shipping, and then to meet a crush of online ordering during the pandemic.

Still, the 2018 report contains the most recent statistics available on Amazon employee head counts disaggregated by job type, race, ethnicity and gender. Similar data for 2019 and 2020 isn't due to the government until mid-July. Amazon, under pressure from New York City comptroller Scott Stringer, has pledged to publish that data when it submits it to the EEOC.

Diversity issues have dogged the company, and much of the tech industry, since at least 2014, when the Rev. Jesse Jackson began hounding Amazon and other tech giants to hire a more racially representative workforce. An influential 2015 New York Times investigation described what some employees said was a caustic workplace for minorities.

Amazon has said it is making strides to hire, promote and retain a more diverse workforce, a pledge focused particularly on Black and female employees working in midlevel and higher corporate roles.

Last year, after protests over the police killing of George Floyd shook the country — and prompted much of corporate America to endorse the Black Lives Matter movement — Amazon confirmed it planned to double the number of Black senior leaders at the company in 2020. Last month, Amazon said it had reached that goal, and committed to once again doubling its number of Black executives in 2021.

Nevertheless, scrutiny of Amazon's employment practices has intensified in recent months, with critics contending Amazon excludes women and underrepresented minorities from many leadership roles, while hiring a disproportionately Black and Latino workforce to undertake the company's most physically grueling, lowest-paid labor.

Six current and former Amazon employees lodged employment discrimination lawsuits against the company this spring, represented by a high-profile New York firm that filed sexual abuse claims on behalf of alleged victims of media mogul Harvey Weinstein. Amazon shareholders will vote next week on proposals asking the company to measure its impact on civil and human rights, equity and diversity issues, and to publish data on how quickly employees of different races, ethnicities and genders are promoted. Institutional shareholder-advisory firms have backed one of those resolutions, a marked change from their previous practice of recommending such measures be voted down.

Much of the information contained in Amazon's 2017 and 2018 EEOC reports supports previous critiques of the company's hiring, and is similar to findings from data Amazon released last month showing the relative proportion, but not the head count, of minority employees by job type for the years 2018-2020.

Growth in Amazon's corporate and tech workforce, which more than tripled between 2014 and 2018, was driven largely by new hires of Asian men, who in 2018 accounted for 31% of Amazon's corporate and tech workers. Meanwhile, managers, including warehouse managers, are as a group more likely to be white men than their corporate and warehouse subordinates.

Those issues are not uncommon among large tech firms. Amazon's decision to reclassify so many of its midlevel managers as executives, generating a ballooning executive head count between 2016 and 2017, though, struck five employment law practitioners interviewed by The Seattle Times as out of the ordinary.

Addressing low numbers of underrepresented minorities at a company's highest ranks is "without question a motivator" for companies to reclassify some managers as executives on their EEOC reports, said Max Muller, the president of a Kansas-based human resources advisory firm bearing his name. Muller has trained companies on employment regulation for more than 40 years.

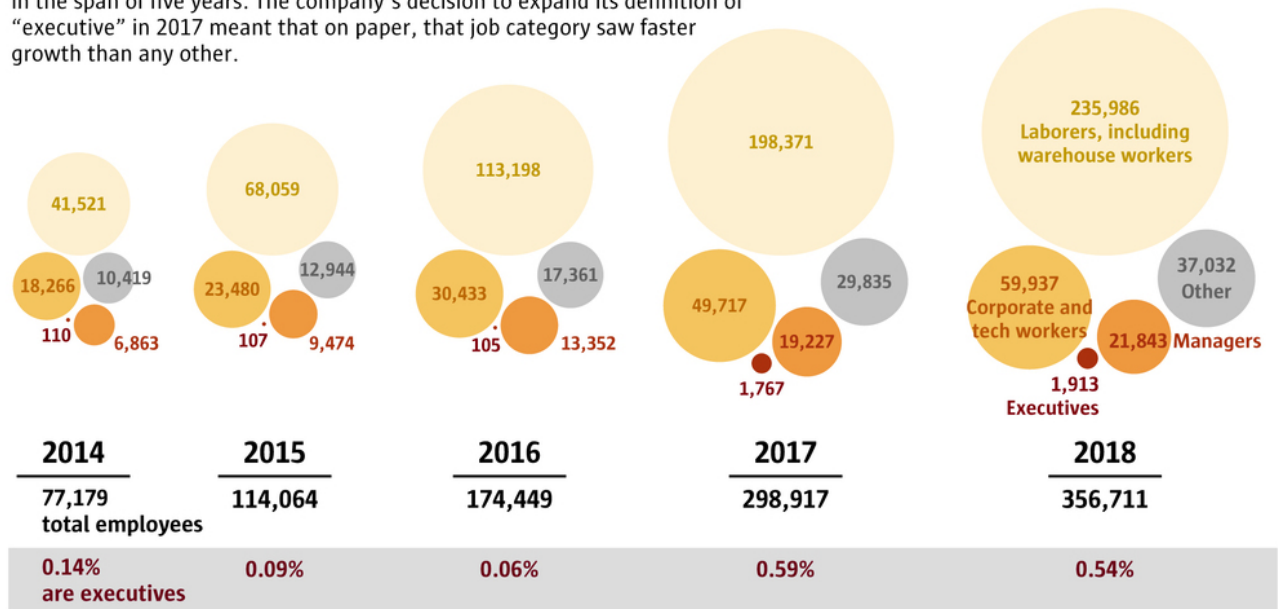
"If I look at a company's data set, and I see that everyone who's an executive is white and everyone who's a custodian is African American, a woman or has a Hispanic surname, on its face, it looks like discriminatory hiring patterns," Muller said.

That can lead to a federal audit, and possibly an expensive settlement. Microsoft, for instance, paid \$3 million last year to settle Department of Labor (DOL) allegations that the Redmond tech giant's hiring practices resulted in "a statistically significant disparity" against minority applicants. In February, Google settled pay inequity allegations with the DOL for \$3.8 million. Amazon and the DOL declined to comment about whether the company has been audited.

Even in the absence of EEOC enforcement action, “title escalation is not uncommon,” said Ken Pinnock, human resources director at the University of Denver, which employs roughly 6,000 people. Companies may be prompted to reexamine how they classify employees as a result of internal complaints or media pressure, he said.

Amazon’s swift employee expansion

A hiring surge more than quadrupled Amazon’s U.S. employee headcount in the span of five years. The company’s decision to expand its definition of “executive” in 2017 meant that on paper, that job category saw faster growth than any other.



Note: “Other” includes employees like retail personnel, customer service representatives, skilled tradespeople, heavy-machinery operators, cooks and security guards.
 Source: Department of Labor

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In some ways, Amazon’s executive expansion is similar to the practices of its corporate peers.

Loosening the definition of executive brought Amazon more in line with industry averages for executive head count. Amazon’s executive ranks rose from 0.06% of total employees in 2016 to 0.5% of the company’s 356,711 total employees by 2018 — similar to the average proportion of executives among mid-sized and large retailers and logistics firms, according to Department of Labor data from 2017, the most recent year it’s available.

And in the tech sector, at least two other large employers’ executive growth rates similarly outpaced increases in the rate of total employee growth between 2016 and 2018, though Amazon’s 1,600% one-year increase stood out. The rate of executive growth at Google parent company Alphabet and Microsoft lapped employee growth rates between 2016 and 2018, amid an increase in executive diversity, those companies’ public EEOC reports show.

Microsoft declined to comment on the changes to its executive head count. Alphabet did not respond to questions.

The EEOC’s reporting guidelines suggest, but do not mandate, that large companies count employees as “executives” if they are within two reporting levels of the CEO and “plan, direct and formulate policies, set strategy and provide the overall direction of

enterprises/organizations.” Amazon appears to have followed that guidance strictly before 2017, counting as executives only the relatively small number of senior leaders within two reporting levels of Amazon founder and CEO Jeff Bezos.

Amazon’s size and wide-ranging business interests, though, mean that employees several reporting rungs below the CEO often shoulder major responsibility. Amazon’s exclusive S Team — a group of 26 senior employees in charge of business segments that Bezos sees as key to the company’s growth — for instance, includes members who are three tiers below Bezos: Christine Beauchamp, Amazon’s head of fashion; Rohit Prasad, a chief Alexa scientist; and Amit Agarwal, Amazon’s country chief for India. Amazon’s decision to expand the definition of executive allowed it to include those influential senior leaders, and others, in the executive job category.

Currently, 123 senior Amazon employees are within two reporting rungs of Bezos, according to images of Amazon’s organizational chart seen by The Seattle Times.

Seven of those top-ranking leaders are Black executives, including three who were hired in the past nine months: Aicha Evans, the CEO of self-driving vehicle company Zoox, which was acquired by Amazon last year; Ukonwa Ojo, the chief marketing officer for Prime Video; and Dexter Harris, a vice president for financial planning and analysis.