

## *Inside Amazon's Worst Human Resources Problem*

A knot of problems with Amazon's system for handling paid and unpaid leaves has led to devastating consequences for workers.

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A year ago, Tara Jones, an Amazon warehouse worker in Oklahoma, cradled her newborn, glanced over her pay stub on her phone and noticed that she had been underpaid by a significant chunk: \$90 out of \$540.

The mistake kept repeating even after she reported the issue. Ms. Jones, who had taken accounting classes at community college, grew so exasperated that she wrote an email to Jeff Bezos, the company's founder.

"I'm behind on bills, all because the pay team messed up," she wrote weeks later. "I'm crying as I write this email."

Unbeknown to Ms. Jones, her message to Mr. Bezos set off an internal investigation, and a discovery: Ms. Jones was far from alone. For at least a year and a half — including during periods of record profit — Amazon had been shortchanging new parents, patients dealing with medical crises and other vulnerable workers on leave, according to a confidential report on the findings. Some of the pay calculations at her facility had been wrong since it opened its doors over a year before. As many as 179 of the company's other warehouses had potentially been affected, too.

Amazon only finished repaying workers months later, according to Kelly Nantel, a company spokeswoman.

That error is only one strand in a longstanding knot of problems with Amazon's system for handling paid and unpaid leaves, according to dozens of interviews and hundreds of pages of internal documents obtained by The New York Times. Together, the records and interviews reveal that the issues have been more widespread — affecting the company's blue-collar and white-collar workers — and more harmful than previously known, amounting to what several company insiders described as one of its gravest human resources problems.

Workers across the country facing medical problems and other life crises have been fired when the attendance software mistakenly marked them as no-shows, according to former and current human resources staff members, some of whom would speak only anonymously for fear of retribution. Doctors' notes vanished into black holes in Amazon's databases. Employees struggled to even reach their case managers, wading through automated phone trees that routed their calls to overwhelmed back-office staff in Costa Rica, India and Las Vegas. And the whole leave system was run on a patchwork of programs that often didn't speak to one another.

Some workers who were ready to return found that the system was too backed up to process them, resulting in weeks or months of lost income. Higher-paid corporate employees, who had to navigate the same systems, found that arranging a routine leave could turn into a morass.

In internal correspondence, company administrators warned of "inadequate service levels," "deficient processes" and systems that are "prone to delay and error."

The extent of the problem puts in stark relief how Amazon's workers routinely took a back seat to customers during the company's meteoric rise to retail dominance. Amazon built cutting-edge package processing facilities to cater to shoppers' appetite for fast delivery, far outpacing competitors. But the business did not devote enough resources and attention to how it served employees, according to many longtime workers.

"A lot of times, because we've optimized for the customer experience, we've been focused on that," Bethany Reyes, who was recently put in charge of fixing the leave system, said in an interview. She stressed that the company was working hard to rebalance those priorities.

The company's treatment of its huge work force — now more than 1.3 million people and expanding rapidly — faces mounting scrutiny. Labor activists and some lawmakers say that the company does not adequately protect the safety of warehouse employees, and that it unfairly punishes internal critics. This year, workers in Alabama, upset about the company's minute-by-minute monitoring of their productivity, organized a serious, though ultimately failed, unionization threat against the company.

In June, a Times investigation detailed how badly the leave process jammed during the pandemic, finding that it was one of many employment lapses during the company's greatest moment of financial success. Since then, Amazon has emphasized a pledge to become "Earth's best employer." Andy Jassy, who replaced Mr. Bezos as chief executive in July, recently singled out the leave system as a place where it can demonstrate its commitment to improve. The process "didn't work the way we wanted it to work," he said at an event this month.

In response to the more recent findings on the troubles in its leave program, Amazon elaborated on its efforts to fix the system's "pain points" and "pay issues," as Ms. Reyes put it in the interview. She called the erroneous terminations "the most dire issue that you could have." The company is hiring hundreds of employees, streamlining and connecting systems, clarifying its communications and training human resources staff members to be more empathetic.

But many issues persist, causing breakdowns that have proved devastating. This spring, a Tennessee warehouse worker abruptly stopped receiving disability payments, leaving his family struggling to pay for food, transportation or medical care.

"Not a word that there had ever been a problem," said James Watts, 54, who worked at Amazon in Chattanooga for six years before repeated heart attacks and strokes forced him to go on disability leave. The sudden loss of his benefits caused a cascade of calamities: Because he was without pay for two weeks, his car was repossessed. To afford food and doctors' bills, Mr. Watts and his wife sold their wedding rings.

"We're losing everything," he said.



James and Mary Ann Watts sold their wedding rings to pay bills. Nicole Craine for The New York Times

The benefits restarted without explanation several months later, but the couple are still struggling to regain their footing. Ms. Nantel said that Amazon regretted Mr. Watts's situation, that the process was too confusing and that it was working to simplify the process of navigating leaves.

As the country's second largest private employer, Amazon offers a wide array of leaves — paid or unpaid, medical or personal, legally mandated or not. While Amazon used to outsource the management of its leave programs, it brought the effort in-house when providers couldn't keep up with its growth. It is now one of the largest leave administrators in the country.

Employees apply for leaves online, on an internal app, or wade through automated phone trees. The technology that Amazon uses to manage leaves is a patchwork of software from a variety of companies — including Salesforce, Oracle and Kronos — that do not connect seamlessly.

That complexity forces human resource employees to input many approved leaves, an effort that last fall alone required 67 full-time employees, an internal document shows. Ms. Reyes said a permanent bridge between the programs is scheduled to be completed in March, with incremental improvements in the meantime.

Current and former employees involved in administering leaves say that the company's answer has often been to push them so hard that some required leaves themselves. Last year, in an email sent out on a Friday about a Sunday deadline, a corporate manager of the leave system scolded his teams to do more.

"You all know what needs to be accomplished and by when," he wrote. "No exceptions!"

Ms. Reyes said that employee burnout was a huge concern of hers as she was taking on her new role and that she was trying to address it in several ways.

Amazon's own teams have not always been well-versed in the system, internal documents show. An external assessment last fall found that the back-office staff members who talk with employees "do not understand" the process for taking leaves and regularly gave incorrect information to workers. In one audited call, which dragged on for 29 minutes, the phone agent told a worker that he was too new to be eligible for short-term disability leave, when in fact workers are eligible from their first day.

Ms. Reyes said that with improved training, her teams could now resolve more than nine out of 10 issues on the first call.

In some cases, Amazon has been accused of violating the law. In 2017, Leslie Tullis, who managed a subscription product for children, faced a mounting domestic violence crisis and requested an unpaid leave that employers must offer under Washington State law to protect victims. Once approved, Ms. Tullis would be allowed to work intermittently; she could be absent from work as much as necessary, and with little notice; and she would be protected against retaliation.

Amazon granted the leave, but the company didn't seem to understand what it had said yes to. It had no policy that corresponded to the law of the company's home state, court documents show. Ms. Tullis said she spent as many as eight hours a week dealing with the company to manage her leave. At one point, she was moving regularly to keep her children safe. Despite the legal protections, her bosses would become visibly frustrated when she was behind on work, "like I was betraying them every day," she said.

In June 2019, after she took two days of leave to deal with the latest emergency in a continuing family crisis just before a performance plan was due, she was fired for missing the deadline by two days. The Washington State attorney general's office took up her case, calling Amazon's leave reporting system "a failure" and arguing that the company retaliated in violation of the state law.

Amazon is fighting the case. Ms. Nantel said the company gave Ms. Tullis flexibility and support, as well as the equivalent of about seven months of unpaid leave over two years. She said Ms. Tullis was fired not in retaliation but because her performance faltered while she was not on leave.

Just before she was dismissed, she emailed her manager, stunned that the deadline was not pushed back to accommodate the exact type of crisis the leave law was intended to protect. "Domestic violence is a series of emergencies," Ms. Tullis wrote in an email, "and the victims don't get to pick when it ends."

***A correction was made on Oct. 27, 2021: An earlier version of this article, using information provided by Amazon, misstated when the company finished identifying and repaying workers who had been shortchanged while on leave. The company finished this year, it is not still repaying them.***

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