

August 21, 2015, 7:44 AM ET

# Amazon's Only Real Sin May Be Secrecy

By Thomas H. Davenport



Jakub Kaczmarczyk/European Pressphoto Agency

For those who have spent this week on the beach, the big story has been the [supposedly cut-throat workplace culture at Amazon.com Inc.](#), as described by Jodi Kantor and David Streitfeld in Sunday's New York Times. I've read the article and some of the commentary about it, including [a long response by Amazon employee Nick Ciubotariu](#) on LinkedIn Pulse. I have not read all of the 5,200 or so comments by Times readers (apparently a new record—I rarely get so many for my columns here).

For what it's worth, here's comment #5201: I think the article was a bit overdone and lacking in balance. The Times' public editor Margaret Sullivan [wrote Tuesday](#) that the story "was driven less by irrefutable proof than by generalization and anecdote." I am sure there are many accurate facts in the story, but as Ms. Sullivan pointed out, many companies in the tech industry have similar policies and cultures. And some anonymous employee sources seemed to be looking for a way to vent.

If many fast-moving tech companies today are managed the way Amazon is internally, perhaps the only real sin at the company is its secretiveness. That trait, I believe, has contributed to the explosion of opinion and emotion about the company now. Kantor and Streitfeld wrote:

---

*Tens of millions of Americans know Amazon as customers, but life inside its corporate offices is largely a mystery. Secrecy is required; even low-level employees sign a lengthy confidentiality agreement. The company authorized only a handful of senior managers to talk to reporters for this article, declining requests for interviews with Mr. Bezos and his top leaders.*

---

Even Mr. Ciubotariu, whose LinkedIn piece was almost entirely positive, suggested that he was violating company policy by publishing it.

The secrecy—a reticence to talk to outsiders of any stripe—rings correct in my experience. I have contacted Amazon many times in my research activities, and have been turned down for interviews every time but once (when the person I contacted was a former faculty colleague, now departed from the company). I speak at a lot of conferences on Big Data and analytics, but I rarely see anyone from Amazon speaking about those topics, even though they are a primary focus of the company. There is an Amazon Web Services event, but it's mostly about service offerings for customers.

Amazon did not respond to a request for comment.

I have come to the conclusion over many years of working with and studying companies that secrecy is almost always more damaging than helpful to the companies that practice it. From a PR sense, it invites criticism; from an innovation sense, it makes a company too self-contained. Particularly when the company is highly successful and threatening to the established order of business (certainly true of Amazon), secrecy makes people suspect all sorts of dastardly behaviors. It often leads to tell-all books about the company and its founders (The Everything Store is a good example of this phenomenon for Amazon; Walter Isaacson's Steve Jobs plays a similar role for Apple Inc. and its founder).

I have also had a fair amount of contact with another tech industry firm that is as dominant, aggressive, and ambitious—but not as secretive—as Amazon. In fact, the company is almost completely transparent in comparison. It's Google. As an example of its willingness

to put everything out there, my Babson colleague Bala Iyer and I wrote an article several years ago in Harvard Business Review called [“Reverse Engineering Google’s Innovation Machine”](#) about Google’s approach to innovation. Almost everything we wrote in the article was taken from Google itself—online articles, blog posts, employee blogs, and so forth. As a result of this transparency, I think most observers find the company a lot less threatening than they would otherwise.

There is also a bit of evidence that being less secretive can make a company more productive. Michael Koenig, now a professor at Long Island University, once did some research in pharmaceutical firms finding that the more papers a company’s scientists delivered at industry and scientific meetings, the higher that company’s production of new drug compounds. It makes sense—when people are out there spreading around their own ideas, they learn about others’ ideas as well.

I also think that it is unlikely that competitors can copy the kind of innovative culture found at a place like Amazon. Learning about a few approaches or techniques is not enough to replicate a capability or a culture. If Amazon were more open, I don’t think it would really help out its competitors.

The kerfuffle about the Times article would probably not have been nearly as great if information about Amazon—good and bad—had been streaming out for a while. But when we don’t hear much from within a company over long periods of time, we pay extraordinary attention when something does emerge. Maybe all this visibility will make Jeff Bezos and other Amazon executives realize that ultimately secrecy is both damaging and inconsistent with today’s transparent world.

*Thomas H. Davenport is a Distinguished Professor at Babson College, a Research Fellow at the Center for Digital Business, Director of Research at the International Institute for Analytics, and a Senior Advisor to Deloitte Analytics.*