

# Zappos leadership and organizational behavior essay sample

[Business](#), [Organization](#)



## Overview of Organization

The Organization I will be researching is ZAPPOS. Zappos is an Internet based shoe company that has blossomed over the years since 1999. They have ventured on to more than just shoes, servicing the public with offering things like accessories, handbags, watches, clothing, and even home goods. If there was an award for the best company in the U. S., I believe ZAPPOS would receive this award. This company is not committed to gaining profit from its products, they would rather be known for their great service, and to “ just so happen to sell shoes”. They go above and beyond for their consumers and employees. Offering great benefits and even gifts to their customers. Zappos has developed their own company culture and core values and it has in return made them one of the most successful businesses of our day and age.

A man named Nick Swirnmurn went searching for a pair of brown air walks at the mall one day and was reluctant to find nothing. Out of frustration he called up one of his business partners with the idea of selling shoes online. Nick was interested in providing shoes for all walks of life in all styles, shapes, and sizes. He wanted to sell not just regular shoes, but also shoes that weren't easy to find. He knew that in the US shoe sales totaled a profit of \$40 billion dollars and 5 % of that came from shoes being sold in traditional catalogs. Nick pitched this business venture to Hseih and Lin. These two were over the company Venture Frogs and they decided to invest \$500, 000 in the idea after hearing its possible profits. In June of 1999 the new website appeared and it was called shoesite. com. In the year 2000, the new website brought in 1. 6 million dollars. His business partner Hseih being

happy with its success then became co-ceo of the company, which they then changed to the name ZAPPOS. The word zappos originated from the Spanish word for shoe zapotos.

Over the years ZAPPOS has grown abundantly, currently centralized in Henderson, Nevada. In 2009, after adding on clothing, home goods, and accessories, the company brought in a ravishing \$840 million in sales. Being in the center of our countries economic crisis was a concern for the business owners at this point. The year 2008 and 2009 was a time when companies were going bankrupt and doing tons of downsizings due to the recession. They decided to allow Amazon to buy their company for 1. 2 billion to stay afloat in these difficult times. ZAPPOS would still operate alone, but now under the Amazon Company. This also was a benefit to Nick, Hsieh and Lin because ZAPPOS would receive \$10 million in shares of Amazon. com and the employees of zappos would receive \$40 million in cash and restricted stocks. ZAPPOS values and rewards their employees tremendously.

#### Preliminary Research Statement

This company brings about the idea that customer service+ superb treatment of employees = a successful business. ZAPPOS developed several core values that they see as the reason for their success and they use as a key business strategy. They include 1. Deliver WOW Through Service

2. Embrace and Drive Change

3. Create Fun and A Little Weirdness

4. Be Adventurous, Creative, and Open-Minded

5. Pursue Growth and Learning
6. Build Open and Honest Relationships With Communication
7. Build a Positive Team and Family Spirit
8. Do More With Less
9. Be Passionate and Determined
10. Be Humble

These values exceed the top ten rules of a High Performance Organizations in chapter one of our textbook. My researchable question includes, Is ZAPPOS successful with their models of culture and values? How do they compare to theories in our textbook. Does a happy employee equal a successful business? While focusing on the organizations brand, does Zappo's leave out an employees individuality? I would also like to discuss how the company was recently sued earlier this year for a breach in customers information on the website and how this effects their good name.

#### Literature Review

Hsieh developed what is known as the ZAPPO culture as a plan of how to run his business and become one of the best known companies for their customer service. The Zappo culture is a written set of values that Hsieh views as the key to success. In the article " Don't curb your enthusiasm, your company culture needs it." Business Coach Karen Durkin describes her visit to the companies headquarters. She said that she was welcomed with a surprise celebration with balloons and confetti everywhere. It turns out they were praising a coworker for performance and throwing confetti down from the ceiling in celebration. Karen described the atmosphere as fun and

enthusiastic. She enjoyed the tour of the company's headquarters and she even received a 20 percent off coupon on her next purchase. She described everyone as very welcoming and the tour guide being very passionate about his job.

Her article goes on to talk about the culture of Zappo's is different than other companies because they strive to maintain this culture through time, money, and effort. She notices this over active and playful environment may not work for every business, but its something about a company that lives up to their standards and values. The best thing Karen says in this article is that " Behaviors of individuals within an organization set the norm and in many instances translate into standards for how people are expected to perform. If you as a leader do not set these expectations and reinforce and reward individuals who exemplify them, your company's culture will change or cease to thrive." Reading her article sums up how she felt after leaving Zappo's, and she sort of made an analyzes of the bigger picture. Yes, she witnessed how fun and enthusiastic employee's were, but realizing that their behavior and interactions between one another and customers is really a product of their cultural system put in place by owner Hsieh.

So in a nutshell, once a company's culture is set in place, the rest will follow. Another literary source I will be looking at is an interview with the company's owner Tony Hsieh and Josh Levine. The article is titled " Conversations on Culture." In the interview Hsieh says that a successful business doesn't have to follow his same company traits like encouraging overly fun activities, but he suggests that every successful business should have alignment. He

defines culture as making sure everyone understands their brand and exhibits it, including interactions between employees and customers. He says, “ Our approach has been to maximize the amount we invest in the customer experience and our company culture while still meeting our financial goals.” With that being said Hsieh merges customer experience with their branded culture to equal a profit.

An article by Jennifer Robison titled, “ Best places to work” talks about how ZAPPO’s human resource director Jaime Naughton feels about the perks given to all workers. She is the person who constantly comes up with ways to reward the employees there at the company. Jaime says, “ Behind the emphasis on workplace culture is an understanding that happy employees provide great service.” The article tells us that ZAPPO employees receive things like dry cleaning and car washing on company premises to free health care plans. These are every blue-collar workers dream. The best part about this article is that there is recognition that yes incentives do make employees happy and perform better, but it also takes in consideration that individuality is also promoted at ZAPPO’s. HR director Jaime says “ Keeping workers content isn’t just about benefits, though. It also means cultivating their creativity and celebrating their individuality.”

An interesting contradicting article about whether or not happy employees are good employees is one by Vineet Nayar, chief of HCL Technologies. It’s titled “ Should employees be happy.” He presents this idea that it’s better to have compassion with an employee and find something in common rather than shower them with gifts. I will go into more detail later on about this

article but I find it to be a very interesting contradiction to the ZAPPO's culture.