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03/11/2022

Case Assignment 2

Zappos established a culture in the early stages of the company’s life. Zappos focused on the customer whether that was through its customer service or even something as simple as speeding up the delivery of a package. The company also went out and got experienced investors that helped push the company in the right direction. The investors eventually began to run the business and were really the ones to set the standard inside the company. Hsieh with him values and personality made the culture of the company a branch of himself. Nick and Hsieh wanted the company to be a representation of their customer service and them being able to wow their customers (IWD). This in turn made a large source of their cliental repeat customers.

Entrepreneurs can learn that it is important to start a culture with your business. It is also important to have employees that believe in your standards and uphold what you believe in. I think the buy out after the initial two weeks in a great idea because it is more beneficial to have someone who is all in toward your values rather than someone who is not. Zappos also is giving employees power by allowing them to have a voice in the company. The voice can range from social media pages to internal as everyone is seen as equal. However, I believe them getting rid of the hierarchy was a mistake. People need someone to look to for answers when the don’t have them. Employees need a leader to guide them in the right direction and deal with difficult situations.

Holacracy eliminates the hierarchy of a business and essentially makes everyone the same by eliminating job titles. This is the complete opposite of how most companies are run in the world today. When Hsieh implemented the new holacracy system he gave his employees an option to either commit to the change or leave which included a buyout offer (Groth). However, over the last few years Zappos is quietly moving away form this new system. They have even brought back managers at times as the new system began to struggle (Groth). Zappos is one of the first companies to pursue this sort of company structure and has been looked at by others as what to do and what not to do. Zappos switch has not been an immediate success but hasn’t been a complete failure. They have yet to fully abandon the idea and go back to the conventional way to run a business.

Employee satisfaction can translate into tangible effects that eventually lead to a company’s success which directly relates to how profitable it is (Marin). If I had to give it a ranking on a scale, I would rate employee satisfaction a seven out of ten on how important it is to a business’s success. The business will operate perfectly fine will someone who is slightly above average satisfied with their job. This is enough where they care about how they perform and also enough that they don’t hate their job and want to leave the company. Now satisfied employees probably directly correlates to their production, however just because someone is satisfied with their career doesn’t mean you are going to get the best out of them. Also, you have to always put the customer first. Customer’s satisfaction matters way more than the employees. Although, there is a lot of cross over between customer and employee satisfaction as if an employee hates their job they probably aren’t going to go out of their way for any customer. This has a negative effect on your cliental which is why you need to have a relatively high satisfaction rate out of your employees. This will lead to a high satisfaction rate in your customers and in turn making your company more profitable. I believe that’s why Zappos has been successful because they keep their employees satisfied which in turn relates to great customer service.

References

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